



Comprehensive Annual Financial Report

For the fiscal year ended Dec. 31, 2020

CITY OF NIXA
715 W. Mt. Vernon St.
Nixa, MO 65714

NIXA.COM



CITY OF NIXA, MISSOURI

COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

REPORT PREPARED AND SUBMITTED
BY THE FINANCE DEPARTMENT

Jimmy Liles, City Administrator
and
Jennifer Evans, Director of Finance

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CITY OF NIXA, MISSOURI
Comprehensive Annual Finance Report
For the Fiscal Year Ended December 31, 2020

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SECTION I - INTRODUCTORY SECTION



**City Hall
715 W. Mt. Vernon
P.O. Box 395
Nixa, Missouri 65714
Phone (417) 725-3785
Fax (417) 725-6394**

May 15, 2021

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Decker & Degood, Certified Public Accountants, have issued an unmodified opinion on the City of Nixa, Missouri's financial statements for the year ended December 31, 2020. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Our MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF NIXA, MISSOURI

Nixa, located in the southwestern part of Missouri, is six miles south of Springfield and 30 miles north of Branson on Highway 60, just four miles west of U.S. Highway 65. As one of the fastest growing cities in Missouri, Nixa increased 367% from a population of 4,076 in 1990 to a population of 19,022 in 2010. Current population of Nixa is estimated at 23,246.

The City of Nixa ranked #10 on the latest list of Missouri's safest cities compiled by The National Council for Home Safety and Security. This was the third consecutive year for Nixa to be rated in the top ten list. For the fourth consecutive year, the City of Nixa was awarded the Missouri Municipal League's Innovation Award in the Large City category. The 2020 award recognized the City's

#9pmRoutine social media campaign. The Nixa Police Department wanted to reduce theft of valuables from unlocked cars parked in driveways or unclosed garages. The Department began using Facebook to create awareness of the importance of removing valuables from cars every night, locking doors, closing garage doors, and leaving lights on outside of residences. It was called the **#9pmRoutine**. In 2019, the department posted 134 times about the **#9pmRoutine** using creativity, humor, and internet memes to help it stick in the memory of city residents. As a result of this project, the City saw a reduction in property crime year over year.

The City of Nixa provides a full range of services, including police protection, street maintenance, parks and recreational facilities, planning and zoning development, municipal court, and general administrative services. Nixa is also a full-utility-service City, providing all electrical distribution, delivery of water, sanitary sewer treatment and recycling services. The City's Electric Distribution Utility purchases electric capacity and energy from Evergy Kansas Central, Nextera Energy Marketing, Southwestern Power Administration, and Nixa Solar. Energy transmission is provided by Southwest Power Pool. The City began purchases of solar power in 2017 for approximately 9% of Nixa's total annual energy consumption. In 2017, Nixa Utilities was recognized by the Smart Electric Power Alliance as one of the top ten utilities around the nation that added the most solar watts per customer in 2017 and has been recognized every three years by the American Public Power Association as a Reliable Public Power Provider since 2014. Use of solar has reduced the City's carbon footprint by 10,542 metric tons per year. Coupled with federal hydropower purchases and wind power from Nextera Energy Marketing, Nixa's total renewable energy supply is approximately 54%. All of Nixa's water is pumped from the Ozark aquifer from nine strategically placed deep wells. In addition, Nixa's above ground storage has capacity for four days of normal use. Its state of the art, 4-million gallon/day sanitary sewer treatment facility accommodates all existing and near-term growth demands.

Contractually, the City accommodates curb-side trash and recycling pick-up for residents, as well as, having a public facility for all reusable product drop-offs.

PROFILE OF THE GOVERNMENT

Incorporated as a village in 1902, Nixa became a fourth-class city under Missouri law on June 7, 1946. In April 2010, Nixa citizens voted to become a Home Rule Charter city. The City Charter provides for a non-partisan municipal government consisting of a Mayor and six council members. The Mayor is elected at large by the voters of the city every three years. The City is divided into three districts with two council members elected from each district for a three-year term.

Appointment of City Administrator, City Clerk, City Attorney and Chief of Police are made by Mayor and Council. Terms for each of these positions are indefinite.

The City Administrator is the chief administrative officer of the City and is responsible to the Mayor and Council for the administration of all City affairs. The City Administrator is also responsible for the appointment of departmental directors and employees. In addition to the City Administrator, City Clerk, City Attorney and Chief of Police, the City employs five other directors – Director of

Planning and Zoning, Director of Public Works, Director of Finance, Director of Parks and Recreation, and Director of Human Resources. A total of 150 full-time positions were budgeted for 2020.

LOCAL ECONOMY

The City issued 222 residential building permits in 2020. This was the fourth consecutive year for the City to issue over 200 permits, with 247 in 2019, 250 in 2018 and 211 in 2017.

Although many retailers faced the uncertainties surrounding COVID-19, City sales and use taxes experienced increases over the previous year. Sales taxes saw an increase of 14.21% over 2019, and since the use tax was passed in 2018, the city continues to see growth in use tax revenue as reflected in an increase of 37.45%. These increases resulted in an additional \$670,747 in revenue in 2020.

ECONOMIC DEVELOPMENT

The City invests in and supports the Christian County Business Development Corporation (CCBDC). This organization operates as a regional economic development organization which exists to assist businesses in Nixa, and throughout Christian County, with their retention and expansion needs. The organization also helps start-up businesses and promotes the communities of Christian County to potential developers. The City also invests and supports the Nixa Chamber of Commerce. The Chamber of Commerce's mission is to focus on economic and business development. They do this through their core values: attract, connect, grow and engage. The City has an Assistant City Administrator who is also designated as a business concierge. This position is instrumental in assisting current and future businesses with a variety of needs.

MAJOR INITIATIVES

During Fiscal Year 2020, the City of Nixa completed the following major initiatives:

- Water Tower #8
- Acquisition of 55 additional acres of Park land through a donation
- New water line at South St.
- New Dog Park
- Improvements to Super 8 Lift Station

Other major items, budgeted in 2020, have been carried forward into the 2021 budget for completion:

- Relocation of overhead electric line along Hwy 14 East
- Upgrades to SCADA System
- Northeast Feeder Circuit 3
- Improvements to water lines along Main Street, South Street, and crossing Hwy 14
- Parallel sewer line from South Street to State Highway 14
- Roundabout at Tracker and Old Castle
- Sidewalks along Nicholas Road

- Stormwater Improvements at Cherry St.
- Police Firing Range

FINANCIAL INFORMATION

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance, but not absolute, that assets are effectively safeguarded, and transactions are performed in accordance with management's authorization and are properly recorded. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. Within this framework, we believe that the City's system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Internal Budgeting Controls

All funds are budgeted on an annual basis. Budgets provide a management control tool for financial planning and measurement of operational expenditure levels. Budgeting of the enterprise activity is necessary to ensure the level of user rates is sufficient to cover operational costs as well as meet bondholder requirements for debt coverage.

The City Charter specifies that the City Administrator shall submit to the Mayor and Council a budget for the ensuing fiscal year. A five-year capital program shall also be submitted prior to the final date for submission of the budget. The Council, by ordinance, adopts the budget on or before the last day of the month of the fiscal year currently ending. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated. During the fiscal year, supplemental appropriations and/or reduction of appropriations may be brought to the Council by the City Administrator for amendment of the adopted budget. In no event, shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves.

Relevant Financial Policies

Several tools and policies have been developed and implemented by the City to ensure protection of the City's assets and to provide internal controls. In 2020, the Finance Department's Standard Operating Procedures manual was updated; the previous version having been in effect since 2015. The City's comprehensive Purchasing Policy and Investment Policy was updated and approved by Council in 2019. A Debt Management Policy was also introduced by staff in 2019 and approved by Council. Other adopted financial policies include an Identity Theft Prevention Program, Merchant Card Policy, Grant Policy, Fixed Asset Policy and Utility Billing Collection Policy.

The City of Nixa continually monitors user rates for the enterprise funds. Rate studies are conducted on a regular basis to ensure that revenues meet the needs of operations, debt, and capital improvements. User rates implement incremental increases to adjust to rising costs.

Cash Management

The City's investment policy establishes guidelines and requirements for the investing of all City revenue funds. The City's policy strives to earn the highest rate of return on invested funds without sacrificing either safety or liquidity. All deposits are secured by the Federal Deposit Insurance Cooperation and pledged securities. The securities pledged satisfy the requirements established under current state and federal laws. Proposals for comprehensive day-to-day depository and banking services are requested every three to five years from area banking institutions. The City requested and received such proposals in 2017. Investment of funds in long-term vehicles (six months or greater) are placed by competitive bids.

Long-Term Financial Planning

The City of Nixa utilizes a five-year capital improvement program to identify and prioritize public projects. In accordance with our City Charter, the City Administrator is responsible for preparation of this program prior to the final date of submission of the annual budget. The capital program is adopted by resolution on or before the last day of the month of the current fiscal year.

To aid the various departments in the capital improvement program, initiatives are identified through the use of master plans. These plans, particularly electric, water and waste water, are reviewed every three (3) to five (5) years, depending on the City achieving projected estimates (e.g. growth rates, market trends, infrastructure integrity and revenue). City of Nixa's 2021 budget includes monies to provide an electric system study. A water rate study was conducted in 2017 with proposed rates adopted through 2022. A sewer system study was conducted in 2019; a rate structure for 2020 - 2026 identified in this study was adopted by Council. The City reviewed its power purchasing contracts and rates to assess the current needs for providing electric energy to the community. As a result of that review, better alternatives were found to meet power needs while saving money. A Street master plan was presented to Council in January 2016. A survey conducted during the Street master plan process continues to assist Council in the prioritization of transportation and connectivity issues. A Parks Master Plan was completed and adopted in 2020.

Debt Administration

The City of Nixa had an outstanding debt balance of \$3,985,300 on December 31, 2020 compared to a balance of \$5,312,500 as of December 31, 2019. Of this balance, \$165,300 is general obligation debt. In compliance with Missouri Statutes, the City's general obligation debt issuance is subject to legal limitation based on 20% of total assessed value of real and personal property.

The remainder of the debt balance is comprised of general leasehold agreements, \$1,550,000; enterprise revenue bonds, \$1,755,000; and enterprise lease obligations, \$515,000.

OTHER INFORMATION

Strategic Planning

In 2020, the City of Nixa developed and adopted a new 5-year strategic plan. In order to enable anyone in the community to participate in this process, the city launched ImagineNixa.com. This website explained the vision and values set by council and provided everyone an opportunity to help the City brainstorm ideas for how to best accomplish the vision. The website was open to public comment from February through June and then staff reviewed and considered every single idea submitted. The City then invited 15 Nixa residents who represented a diverse cross section of the community to participate in a strategic planning advisory committee. This committee was charged with processing the ideas that were received through Imagine Nixa and with drafting a strategic plan, taking into consideration both the public's input and the expertise of staff. The advisory committee submitted their recommendations to council, who adopted the document as the City of Nixa's Strategic Plan on Nov. 23, 2020. The City has already begun implementing many of the action plans identified in the plan, and communication back to the community has already begun as progress is made on the priorities outlined in the plan.

Independent Audit

As specified by the City's Charter, an independent audit of all City accounts is performed at least once a year in accordance with generally accepted accounting standards by a certified public accountant or firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the City government or any of its officers.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Nixa for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized report that satisfied both generally accepted accounting principles and applicable legal requirements.

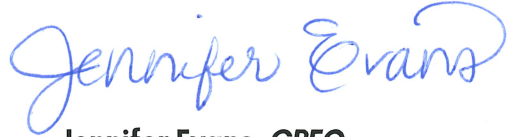
A Certificate of Achievement is valid for a period of one year only. However, we believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's

data for this report. In addition, we would like to thank our auditors, Decker and DeGood, PC, for their assistance in formulating this report.

Respectfully submitted,



Jimmy Liles
City Administrator



Jennifer Evans, CPFO
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Nixa
Missouri**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

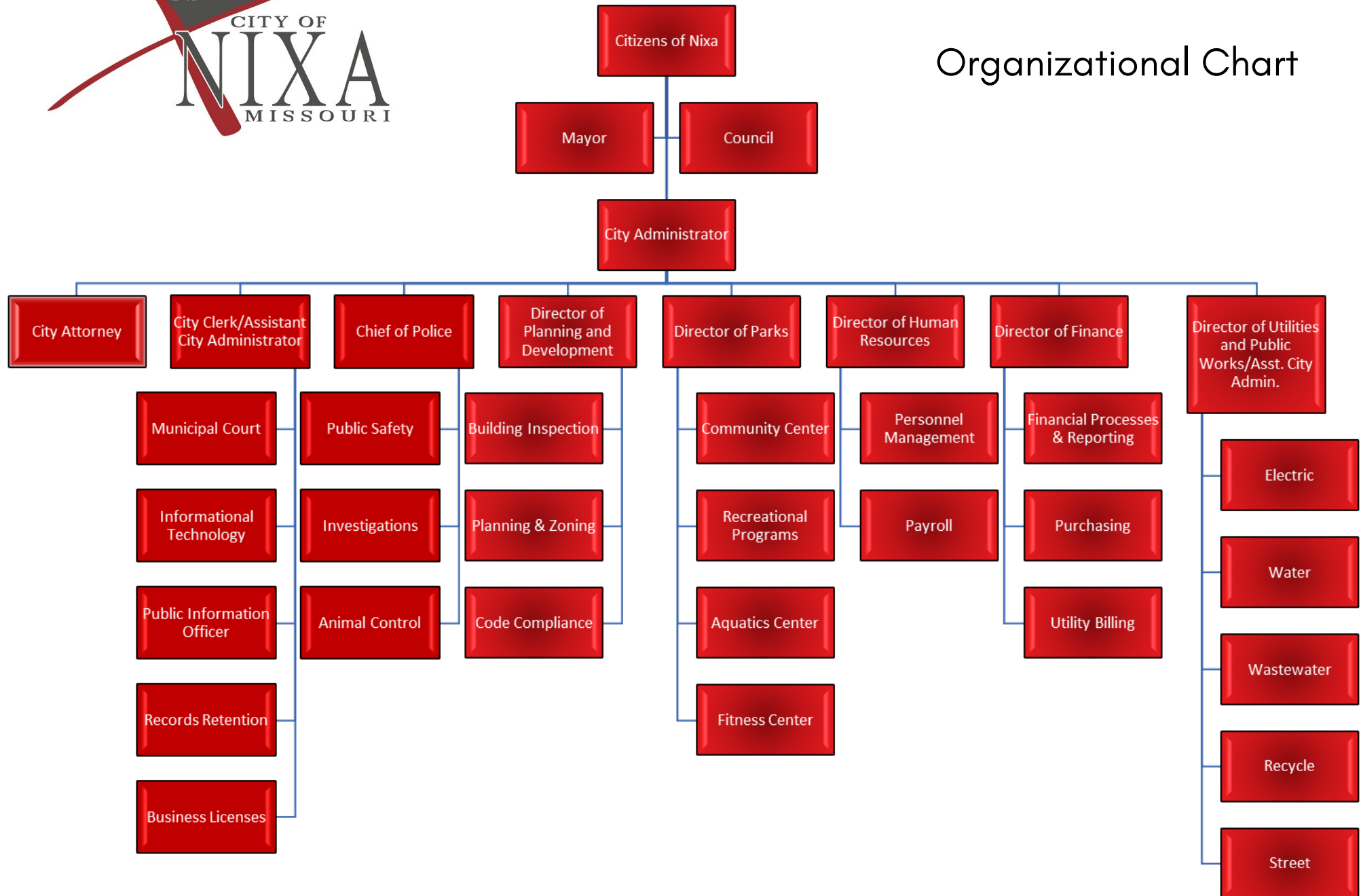
December 31, 2019

Christopher P. Morill

Executive Director/CEO



Organizational Chart





City of Nixa, Missouri

Principal Officials as of December 31, 2020

Mayor and Council

Brian Steele, Mayor

Jarad Giddens, District I

Scott Perryman, District I

Matthew Barker, District II

Aron Peterson, District II

Darlene Graham, District III

Justin Orf, District III

Appointed

City Administrator – Jimmy Liles

City Clerk/Assistant City Administrator – Cindy Robbins

Chief of Police – Joe Campbell

City Attorney – Nick Woodman

Leadership Team

Director of Utilities and Public Works/Assistant City Administrator – Doug Colvin

Director of Planning and Development – Garrett Tyson

Director of Parks and Recreation – Matt Crouse

Director of Human Resources – Amanda Hunsucker

Director of Finance – Jennifer Evans

SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Nixa, Missouri

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information and introductory and statistical sections, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2021, on our consideration of the City of Nixa, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 of Nixa, Missouri'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 Nixa, Missouri's, internal control over financial reporting and compliance.



Decker & DeGood
Springfield, Missouri
April 12, 2021

Management's Discussion and Analysis



City Hall
715 W. Mt. Vernon
P.O. Box 395
Nixa, Missouri 65714
Phone (417) 725-3785
Fax (417) 725-6394

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Nixa, Missouri we offer readers of the City of Nixa's financial statements this narrative overview and analysis of the financial activities of the City of Nixa for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Nixa exceeded its liabilities at the close of the most recent fiscal year by \$ 129,219,526 (net position). Of this amount, \$ 32,440,759 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2020, governmental activities and business-type activities had net positions of \$ 70,620,583 and \$ 58,598,943, respectively.
- At the end of the current fiscal year, the City of Nixa's governmental funds reported combined ending fund balances of \$ 13,553,263, an increase of \$ 1,205,421 in comparison with the prior year. Approximately 65.07% or \$ 8,721,363 is available for discretionary spending by the City of Nixa. The remaining fund balance is either restricted by outside parties or not in spendable form.
- The unassigned fund balance for the General Fund, \$ 6,398,183, is 67.90% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- The City of Nixa's long-term debt obligations decreased by \$ 1,327,200, or 24.98% as compared to fiscal year 2019.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

Unaudited

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

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds. The City of Nixa maintains three different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Nixa uses enterprises funds to account for its Waterworks, Wastewater, and Electric operations.

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

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-57 of this report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 63-67 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Nixa, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 129,219,526 at the close of the most recent fiscal year.

City of Nixa's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current Assets and other assets	\$ 14,559,462	\$ 13,099,131	\$ 26,849,772	\$ 27,066,454	\$ 41,409,234	\$ 40,165,585
Capital Assets	59,132,607	59,272,087	36,738,812	34,438,728	95,871,419	93,710,815
Total Assets	73,692,069	72,371,218	63,588,584	61,505,182	137,280,653	133,876,400
Deferred Outflows of Resources						
Deferred on refunding	-	-	36,039	44,965	36,039	44,965
Deferred pension related	1,670,648	834,846	646,796	388,750	2,317,444	1,223,596
Total Deferred Outflows	1,670,648	834,846	682,835	433,715	2,353,483	1,268,561
Current Liabilities	1,005,159	753,107	2,380,034	2,679,352	3,385,193	3,432,459
Long-term Debt	3,624,043	2,625,991	3,188,066	3,411,901	6,812,109	6,037,892
Total Liabilities	4,629,202	3,379,098	5,568,100	6,091,253	10,197,302	9,470,351
Deferred Inflows						
Deferred on refunding	-	-	71,573	85,887	71,573	85,887
Deferred pension related	112,932	483,279	32,803	174,970	145,735	658,249
Total Deferred Inflows	112,932	483,279	104,376	260,857	217,308	744,136
Net Position:						
Invested in						
capital assets-net	57,417,307	57,032,587	34,497,657	31,394,408	91,914,964	88,426,995
Restricted	4,799,424	4,025,746	64,379	69,602	4,863,803	4,095,348
Unrestricted	8,403,852	8,285,354	24,036,907	24,122,777	32,440,759	32,408,131
Total net position	\$ 70,620,583	\$ 69,343,687	\$ 58,598,943	\$ 55,586,787	\$ 129,219,526	\$ 124,930,474

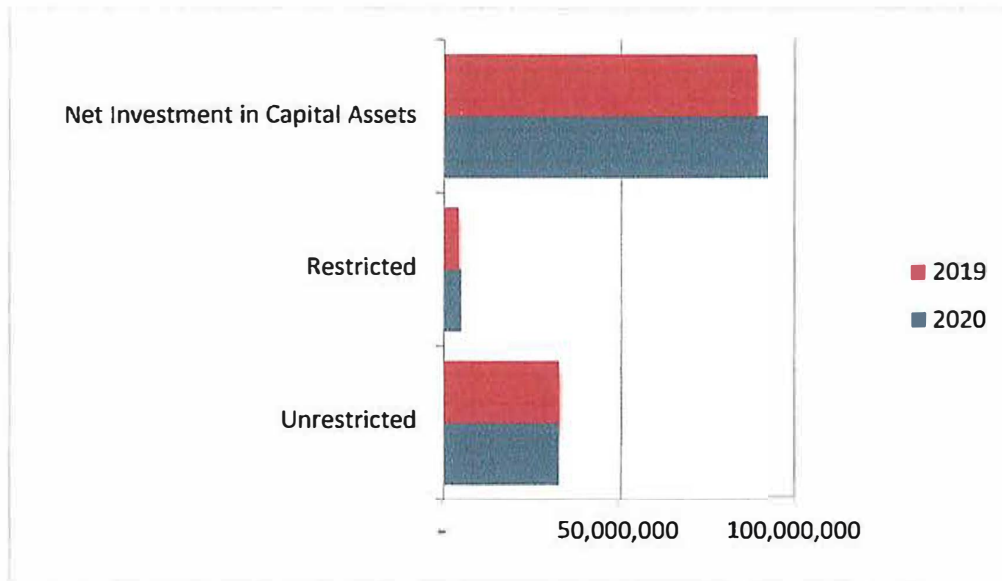
By far, the largest portion of the City of Nixa's net position (71.11%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Nixa uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Nixa's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Nixa's net position (3.76%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 32,440,759 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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

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City of Nixa, Net Position
December 31, 2020 and 2019



However, the City of Nixa's overall net position increased \$ 4,289,052 from the prior year fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities increased the City of Nixa's net position by \$ 1,276,896, thereby accounting for 1.84% of the total growth in the net position of the City of Nixa. Compared to last year's growth for Governmental activities, this was an increase of \$ 2,111,565.

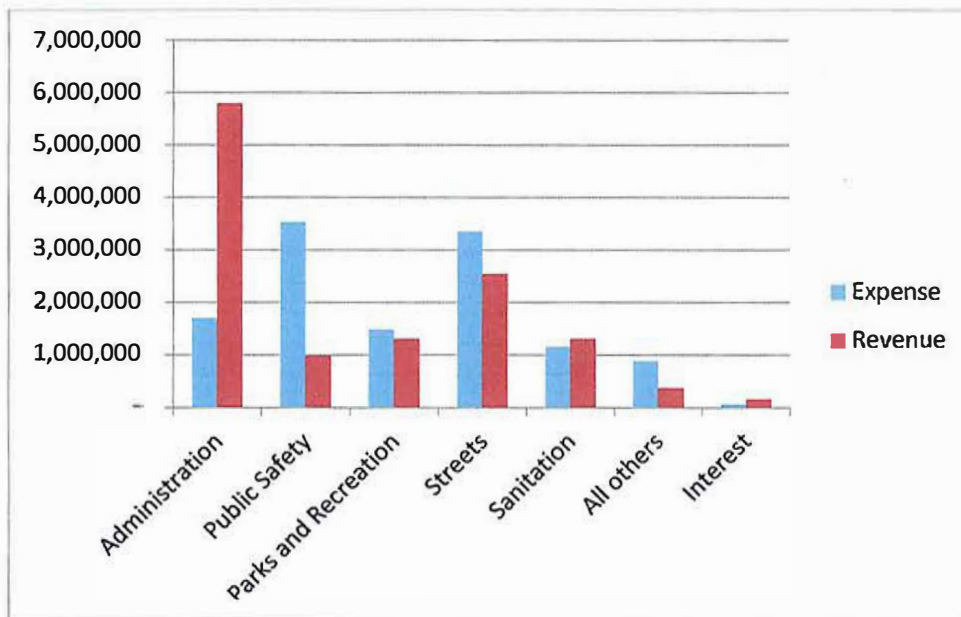
Unaudited

City of Nixa's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 2,544,487	\$ 2,791,791	\$ 25,552,002	\$ 23,872,130	\$ 28,096,489	\$ 26,663,921
Operating grants and contributions	901,264	8,417	-	-	901,264	8,417
Capital grants and contributions	1,332,983	176,391	220,659	239,924	1,553,642	416,315
General Revenues:						
Taxes	7,428,456	6,884,798	-	-	7,428,456	6,884,798
Investment earnings	158,306	210,845	284,812	389,791	443,118	600,636
Other	105,077	51,300	-	9,262	105,077	60,562
Total Revenues	<u>12,470,573</u>	<u>10,123,542</u>	<u>26,057,473</u>	<u>24,511,107</u>	<u>38,528,046</u>	<u>34,634,649</u>
Expenses:						
Administration	1,694,678	1,282,609	-	-	1,694,678	1,282,609
Public Safety	3,527,463	3,370,743	-	-	3,527,463	3,370,743
Building inspection	390,341	369,224	-	-	390,341	369,224
Storm water	29,346	32,033	-	-	29,346	32,033
Planning	468,016	212,351	-	-	468,016	212,351
Sanitation	1,154,097	1,082,839	-	-	1,154,097	1,082,839
Parks and recreation	1,485,209	1,445,898	-	-	1,485,209	1,445,898
Streets	3,346,620	4,052,087	-	-	3,346,620	4,052,087
Interest	60,278	71,662	-	-	60,278	71,662
Waterworks	-	-	2,017,659	1,834,052	2,017,659	1,834,052
Wastewater	-	-	2,821,471	2,610,360	2,821,471	2,610,360
Electric	-	-	17,268,566	17,210,310	17,268,566	17,210,310
Total Expenses	<u>12,156,048</u>	<u>11,919,446</u>	<u>22,107,696</u>	<u>21,654,722</u>	<u>34,263,744</u>	<u>33,574,168</u>
Other sources and (uses)						
Gain of sale of capital assets	-	-	24,750	-	24,750	-
Transfers	962,371	961,235	(962,371)	(961,235)	-	-
Change in Net Position	1,276,896	(834,669)	3,012,156	1,895,150	4,289,052	1,060,481
Net Position, beginning	69,343,687	70,178,356	55,586,787	53,691,637	124,930,474	123,869,993
Net Position, ending	<u>\$ 70,620,583</u>	<u>\$ 69,343,687</u>	<u>\$ 58,598,943</u>	<u>\$ 55,586,787</u>	<u>\$ 129,219,526</u>	<u>\$ 124,930,474</u>

Unaudited

Expenses and Program Revenues -Governmental Activities



Business-type activities. Business-type activities increased the City of Nixa's net position by \$ 3,012,156 thereby accounting for 2.41% of the total growth in the net position of the City of Nixa. This was an increase of \$ 1,117,006 over the prior year. Continued incremental rate increases in Waterworks and Wastewater Funds have offset rises in expense and provide additional funds for improvements totaling \$ 4,054,501.

Financial Analysis of the City of Nixa's Funds

As noted earlier, the City of Nixa uses fund accounting to demonstrate compliance with legal or finance-related requirements.

Governmental Funds

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

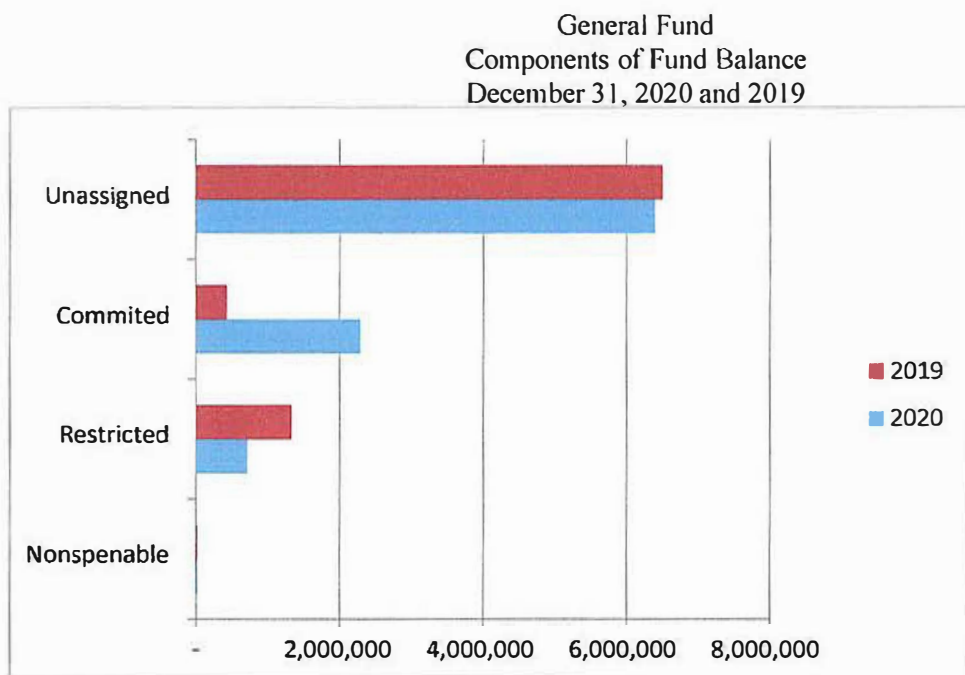
Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and inventory. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted for specific purposes such as streets and parks.

Unaudited

Committed fund balance includes amounts that have been set aside by the City of Nixa Council for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside by the City of Nixa Council for a specific purpose, but subsequent to the end of the fiscal year. Unassigned fund balance includes all remaining amounts.

As of the end of the current fiscal year, the City of Nixa's governmental funds reported a combined ending fund balance of \$ 13,553,263 with an increase of \$ 1,205,421 compared to the prior fiscal year. Of the total balance, \$ 2,323,180 is Committed, \$ 32,476 is Non-spendable, \$ 4,799,424 is restricted, and \$ 6,398,183 is unassigned.

The General Fund is the chief operating fund of the City of Nixa. At the end of the current fiscal year, the General Fund reported a fund balance of \$ 9,422,481 of which \$ 19,418 was nonspendable, \$ 717,252 restricted for police and parks, \$ 1,601,942 committed for park improvements, \$ 656,686 committed for Economic Development and \$ 6,398,183 was unassigned.

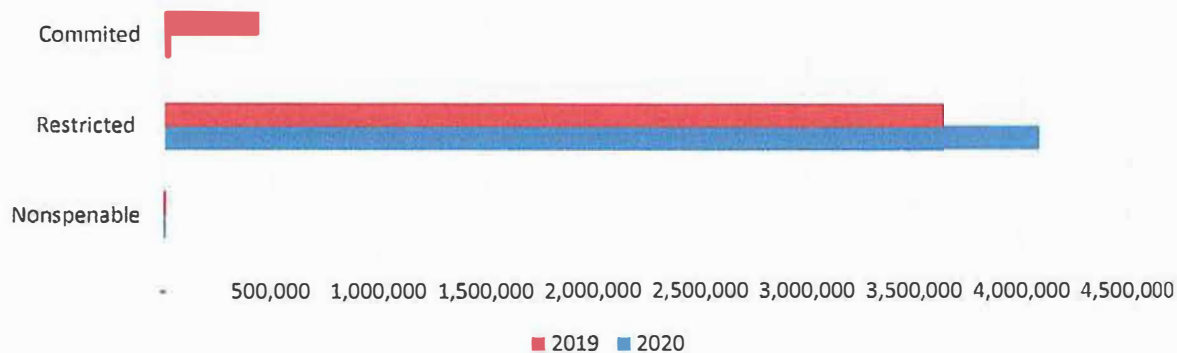


Fund balance of the General Fund increased \$ 1,146,041 which was up from the prior year of \$859,043. As compared to the prior year, the General Fund had an increase in sales tax of \$ 510,033 and grants of \$ 1,107,251, offset by increases in administration and police operating expenditures of \$ 317,742.

Fund balance of the Street Fund decreased (\$ 42,066) which was an increase over the prior year deficit of \$ 409,901 as a result of decrease in expenditures of \$ 222,969 combined with the increase in sales tax of \$ 160,714.

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Other Governmental Funds Components of Fund Balance December 31, 2020 and 2019



Proprietary Funds

The City of Nixa's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the City of Nixa's major proprietary funds totaled the following: (1) \$ 4,677,722 in the Waterworks Fund, (2) \$ 5,509,123 in the Wastewater Fund and (3) \$ 13,850,062 in the Electric Fund. The finances of these funds were discussed earlier as part of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

A few noteworthy revisions were made to the General Fund original expenditure budget. The original General Fund expenditure budget was forecasted at \$5,385,043 and the revised expenditure budget was increased by \$282,179 or 5.24% to \$5,667,222. Of this increase, \$200,000 was budgeted for a cost share of a capital project with a developer. The remaining adjustments to the expenditure budget were to account for unanticipated expenditures related to reimbursable grants. Actual expenditures for the General Fund came in 5.68% under the revised expenditure budget for a savings of \$322,008.

No revisions were made to the General Fund original revenue budget of \$ 9,264,281. Actual revenue for the General Fund was \$ 9,615,434, for an increase of 3.79% or \$ 351,153 compared to budgeted revenue.

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CAPITAL ASSET AND DEBT ADMINISTRATION
(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,882,802	\$ 2,031,802	\$ 854,960	\$ 854,960	\$ 3,737,762	\$ 2,886,762
Buildings	6,809,161	7,107,128	2,405,239	2,281,423	9,214,400	9,388,551
Improvements	5,581,275	5,458,339	30,430,519	28,575,091	36,011,794	34,033,430
Street	42,204,502	43,267,364	-	-	42,204,502	43,267,364
Equipment	746,660	772,322	653,623	623,013	1,400,283	1,395,335
Vehicles	606,356	540,627	1,206,292	992,316	1,812,648	1,532,943
Construction-In-Progress	301,852	94,508	1,188,179	1,111,925	1,490,031	1,206,433
	<u>\$ 59,132,608</u>	<u>\$ 59,272,090</u>	<u>\$ 36,738,812</u>	<u>\$ 34,438,728</u>	<u>\$ 95,871,420</u>	<u>\$ 93,710,818</u>

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

Debt

At year-end, the City of Nixa had \$ 3,985,300 in outstanding notes as compared to the prior year of \$ 5,312,500.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$ -	\$ -	\$ 1,755,000	\$ 2,443,000	\$ 1,755,000	\$ 2,443,000
G.O. Bonds	165,300	454,500	-	-	165,300	454,500
Lease Obligations	1,550,000	1,785,000	515,000	630,000	2,065,000	2,415,000
TOTALS	<u>\$ 1,715,300</u>	<u>\$ 2,239,500</u>	<u>\$ 2,270,000</u>	<u>\$ 3,073,000</u>	<u>\$ 3,985,300</u>	<u>\$ 5,312,500</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2021 budget for the City of Nixa indicates \$49,891,496 in expenditures, and \$41,065,168 in revenue. Expenditures are comprised of \$33,164,135 for operations, \$1,263,620 for debt retirement and \$15,463,741 for capital improvement projects. Revenue for 2021 will cover 100% of operational expenses and debt retirement. Current year revenue will provide for 43% of capital improvements; unassigned fund balance will cover remaining 57% or \$8,826,328.

General and transportation sales taxes for 2020 rose 14.21% over the previous year. With the passage of

Unaudited

the use tax in 2018, the City continues to see growth in use tax revenue reflected in an increase of 37.45% in 2020 over 2019. The budget for 2021 reflects an 8.65% increase in sales and use taxes.

For the fourth consecutive year, the City of Nixa has surpassed the 200 mark for residential permits. For 2018, 250 permits were issued, with 247 for 2019 and 222 for 2020. This compares to an average of 146 permits for the three years prior to 2018. As of December 31, 2020, the City had more than 1,000 lots that had been preliminarily approved and over 100 lots under construction.

Capital projects for 2021 are budgeted at \$15,463,741. Of this budget, \$1,850,517 has been appropriated for Improvements, \$485,000 for Buildings, \$716,752 for Vehicles, \$1,825,967 for Equipment, \$10,535,505 for Infrastructure and \$50,000 for Intangible Assets (a new Website and App). A few noteworthy Projects include replacement and conversion to AMI Meters in both the Electric and Water Departments; new equipment to process biosolids at the Wastewater Treatment Facility; Downtown design; a new shooting range for the Police Department; improvements to several streets including sidewalk and lighting additions as well as widening; development of new Park land and storm water improvements, just to name a few.

Three new positions have been budgeted for 2021. These include a Communications Specialist to assist the Director of Communications, and two additional Police Officers. These new positions will add \$109,276 in budgeted wages for 2021. In addition to these positions, a wage increase of \$1.00 per hour for all commissioned Police Officers is included in the 2021 budget – for a budget increase of \$174,750 for wages in the Police Department. City wide, wages have increased by \$288,221 or 3.7%

In 2020, the City underwent a significant Strategic Planning process that produced a 5-year plan. Due to the COVID-19 Pandemic, the finalization of the Strategic Plan was delayed; therefore, much of the initiatives intended for the 2021 Budget were not fully realized by the time the Budget was produced. However, many initiatives that were brought out in the Strategic Plan align with activities that were included in the 2021 Budget such as a new Website and App for citizens to have easier access to all City functions; AMI metering conversion to allow customers easier access to their electric and water usage data; and additional Communications staff to keep open lines of information flowing to citizens.

The City continues to monitor the impact of the COVID-19 pandemic on the revenue and expenditure budget. City staff is confident of its ability to address changes in revenue and expenditures, should such changes become volatile. Adequate contingency planning, as well as the City's fiscally conservative policies and practices have provided sufficient operating and surplus reserves to withstand any unanticipated issues that may arise due to continued uncertainties surrounding the pandemic.

CONTACTING THE CITY OF NIXA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Nixa's finances and to show the City of Nixa's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance's Office at 715 West Mt. Vernon, Nixa, Missouri



Jennifer Evans, CPFO
Director of Finance

Unaudited

Basic Financial Statements

CITY OF NIXA, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalent	\$ 12,889,786	\$ 23,222,106	\$ 36,111,892
Receivables:			
Utility accounts, net	124,210	2,344,334	2,468,544
Property taxes, net	805,145	-	805,145
Other taxes	707,845	-	707,845
Materials and supply inventory	-	1,205,657	1,205,657
Prepaid items	32,476	13,296	45,772
Cash and cash equivalents-restricted			
Debt service reserves	-	64,379	64,379
Capital assets:			
Land	2,882,802	854,960	3,737,762
Construction in progress	301,851	1,188,179	1,490,030
Other capital assets, net of accumulated depreciation	55,947,954	34,695,673	90,643,627
Total Assets	73,692,069	63,588,584	137,280,653
DEFERRED OUTFLOW OF RESOURCES			
Deferred loss on refunding	-	36,039	36,039
Deferred amounts related to pensions	1,670,648	646,796	2,317,444
Total Deferred Outflows of Resources	1,670,648	682,835	2,353,483
LIABILITIES			
Accounts payable	474,877	1,413,999	1,888,876
Accrued wages and benefits	60,733	22,192	82,925
Accrued sales tax		26,871	26,871
Accrued interest	20,752	1,638	22,390
Unearned revenues		-	-
Deposits payable	448,797	915,334	1,364,131
Long-term liabilities:			
Amounts due within one year:			
General obligation bonds	165,300	-	165,300
Revenue bonds	-	603,000	603,000
Lease obligations	240,000	110,000	350,000
Compensated absences	25,189	9,913	35,102
Amounts due in more than one year:			
Revenue bonds	-	1,152,000	1,152,000
Lease obligations	1,310,000	405,000	1,715,000
Compensated absences	277,080	109,034	386,114
Net pension liability	1,606,474	799,119	2,405,593
Total Liabilities	4,629,202	5,568,100	10,197,302
DEFERRED INFLOW OF RESOURCES			
Deferred gain on refunding, net		71,573	71,573
Deferred amounts related to pensions	112,932	32,803	145,735
Total Deferred Inflow of Resources	112,932	104,376	217,308
NET POSITION			
Net investment in capital assets	57,417,307	34,497,657	91,914,964
Restricted for:			
Street improvements	3,479,337	-	3,479,337
Storm water improvements	81,483	-	81,483
Police	65,101	-	65,101
Park	1,173,503	-	1,173,503
Debt service	-	64,379	64,379
Unrestricted	8,403,852	24,036,907	32,440,759
Total Net Position	\$ 70,620,583	\$ 58,598,943	\$ 129,219,526

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,694,678	\$ 52,411	\$ -	\$ 224,166	\$ (1,418,101)	\$ -	\$ (1,418,101)
Public safety:							
Police	3,527,463	78,101	883,085	29,358	(2,536,919)	-	(2,536,919)
Building inspections	390,341	-	388	-	(389,953)	-	(389,953)
Storm water	29,346	-	-	-	(29,346)	-	(29,346)
Planning	468,016	363,496	-	8,000	(96,520)	-	(96,520)
Sanitation	1,154,097	1,309,579	-	-	155,482	-	155,482
Park and recreation	1,485,209	740,900	17,791	945,830	219,312	-	219,312
Streets	3,346,620	-	-	125,629	(3,220,991)	-	(3,220,991)
Interest on long-term debt	60,278	-	-	-	(60,278)	-	(60,278)
Total governmental activities	12,156,048	2,544,487	901,264	1,332,983	(7,377,314)	-	(7,377,314)
Business-type activities:							
Waterworks	2,017,659	3,120,222	-	-	-	1,102,563	1,102,563
Wastewater	2,821,471	3,353,892	-	220,659	-	753,080	753,080
Electric	17,268,566	19,077,888	-	-	-	1,809,322	1,809,322
Total business-type activities	22,107,696	25,552,002	-	220,659	-	3,664,965	3,664,965
Total Government	\$ 34,263,744	\$ 28,096,489	\$ 901,264	\$ 1,553,642	(7,377,314)	3,664,965	(3,712,349)
General Revenues							
Taxes:							
Property taxes for general purposes					963,787	-	963,787
Franchise taxes					480,589	-	480,589
Sales and use taxes					5,237,643	-	5,237,643
Missouri motor fuel taxes					746,437	-	746,437
Investment earnings					158,306	284,812	443,118
Miscellaneous					105,077	-	105,077
Gain on sale of capital assets					-	24,750	24,750
Transfer-Fee in Lieu Of					962,371	(962,371)	-
Total general revenues, transfers, and special items					8,654,210	(652,809)	8,001,401
Change in net position					1,276,896	3,012,156	4,289,052
Net position beginning					69,343,687	55,586,787	124,930,474
Net position ending					\$ 70,620,583	\$ 58,598,943	\$ 129,219,526

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI

BALANCE SHEET- GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General Fund	Street Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalent	\$ 8,465,918	\$ 3,763,180	\$ 660,688	\$ 12,889,786
Accounts receivable-				
Property taxes, (net)	805,145	-	-	805,145
Refuse (net)	124,210	-	-	124,210
Sales, franchise, and motor fuel taxes	482,642	195,352	29,851	707,845
Prepaid items	19,418	7,094	5,964	32,476
Total Assets	\$ 9,897,333	\$ 3,965,626	\$ 696,503	\$ 14,559,462
LIABILITIES				
Accounts payable	\$ 348,855	\$ 92,338	\$ 33,684	\$ 474,877
Accrued wages and benefits	46,165	6,176	8,392	60,733
Unearned revenues	58,040	380,681	10,076	448,797
Total Liabilities	453,060	479,195	52,152	984,407
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	21,792	-	-	21,792
FUND BALANCES				
Fund Balances -				
Nonspendable	19,418	7,094	5,964	32,476
Restricted-				
Streets	-	3,479,337	-	3,479,337
Storm water	-	-	81,483	81,483
Police	65,101	-	-	65,101
Park	652,151	-	521,352	1,173,503
Committed-				
Economic development	685,686	-	-	685,686
Building inspection	-	-	35,552	35,552
Park	1,601,942	-	-	1,601,942
Unassigned	6,398,183	-	-	6,398,183
Total Fund Balances	9,422,481	3,486,431	644,351	13,553,263
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 9,897,333	\$ 3,965,626	\$ 696,503	\$ 14,559,462

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Fund Balances-Governmental Funds			\$ 13,553,263
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			
Non-depreciable assets	3,184,653		
Depreciable assets	<u>55,947,954</u>		
		59,132,607	
Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.			21,792
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:			
Deferred outflows - pension related	1,670,648		
Net pension liability	(1,606,474)		
Deferred inflows - pension related	<u>(112,932)</u>		
		(48,758)	
Interest on long-term debt is accrued as a liability in the government-wide statements but is not recognized in the government funds until due.			(20,752)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.			
Long-term liabilities at year-end consist of:			
G.O.Bonds and Capital Lease Obligations payable	(1,715,300)		
Compensated absences	<u>(302,269)</u>		
		(2,017,569)	
Net position of governmental activities			<u><u>\$ 70,620,583</u></u>

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Street Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 962,502	\$ -	\$ -	\$ 962,502
Franchise taxes	480,589	-	-	480,589
Sales and use taxes	3,692,961	1,544,682	-	5,237,643
Intergovernmental taxes:				
Missouri motor fuel taxes	-	746,437	-	746,437
Christian County sales tax	-	75,000	-	75,000
Licenses & permits	51,211	-	-	51,211
Charges for services:				
Sanitation	1,309,579	-	-	1,309,579
Park programs	-	-	732,028	732,028
Plan reviews and inspections	-	-	363,496	363,496
Fines & forfeitures	78,101	-	-	78,101
Investment earnings	109,401	40,535	8,370	158,306
Grants	1,107,251	50,629	18,179	1,176,059
Contributions	8,000	-	851,000	859,000
Rents	1,200	-	8,872	10,072
Impact fees	124,188	-	-	124,188
Miscellaneous	18,232	85,867	978	105,077
Total Revenues	<u>7,943,215</u>	<u>2,543,150</u>	<u>1,982,923</u>	<u>12,469,288</u>
EXPENDITURES				
Current:				
General government	1,362,737	-	-	1,362,737
Police	3,313,543	-	-	3,313,543
Building inspection	-	-	351,960	351,960
Streets	-	2,009,931	-	2,009,931
Planning/Economic development	455,433	-	-	455,433
Parks	-	-	1,230,624	1,230,624
Sanitation	1,154,097	-	-	1,154,097
Storm water	-	-	29,346	29,346
Capital outlay:				
General government	27,841	-	-	27,841
Police	16,273	-	-	16,273
Streets	-	575,285	-	575,285
Parks	-	-	1,020,056	1,020,056
Storm water	-	-	60,974	60,974
Building inspection	-	-	29,517	29,517
Debt service:				
Principal retirement	524,200	-	-	524,200
Interest and fiscal agent fees	64,421	-	-	64,421
Total Expenditures	<u>6,918,345</u>	<u>2,585,216</u>	<u>2,722,477</u>	<u>12,226,238</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	<u>1,024,670</u>	<u>(42,066)</u>	<u>(739,554)</u>	<u>243,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	841,000	841,000
Transfers to other funds	(841,000)	-	-	(841,000)
Transfer in-Fee in Lieu of Taxes	962,371	-	-	962,371
Total Other Financing Sources (Uses)	<u>121,371</u>	<u>-</u>	<u>841,000</u>	<u>962,371</u>
NET CHANGE IN FUND BALANCES	<u>1,146,041</u>	<u>(42,066)</u>	<u>101,446</u>	<u>1,205,421</u>
FUND BALANCES - BEGINNING	<u>8,276,440</u>	<u>3,528,497</u>	<u>542,905</u>	<u>12,347,842</u>
FUND BALANCES- ENDING	<u>\$ 9,422,481</u>	<u>\$ 3,486,431</u>	<u>\$ 644,351</u>	<u>\$ 13,553,263</u>

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
**RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Net change in fund balances - total governmental funds	\$	1,205,421
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	1,761,275	
Depreciation expense	<u>(1,900,470)</u>	
		(139,195)

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

Principal payments	524,200	
Change in accrued interest payable	<u>4,143</u>	
		528,343

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

5,751

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Compensated absences	67,595	-
Change in LAGERS net pension obligation	<u>(383,707)</u>	<u>(316,112)</u>

Change in net position of governmental activities	\$	<u><u>1,284,208</u></u>
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The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI

STATEMENT OF NET POSITION-

PROPRIETARY FUNDS

DECEMBER 31, 2020

	Business-type Activities			Total
	Waterworks Fund	Wastewater Fund	Electric Fund	Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalent	\$ 4,877,446	\$ 5,436,467	\$ 12,908,193	\$ 23,222,106
Utility accounts receivable, net	249,050	324,208	1,771,076	2,344,334
Material and supplies inventory	115,202	-	1,090,455	1,205,657
Prepaid items	3,559	3,916	5,821	13,296
Total Current Assets	5,245,257	5,764,591	15,775,545	26,785,393
Noncurrent assets:				
Restricted assets: Cash and cash equivalents				
Debt service reserve	-	64,379	-	64,379
Capital assets:				
Land	116,751	149,255	588,954	854,960
Construction in progress	149,449	157,833	880,897	1,188,179
Property, plant and equipment (Net of accumulated depreciation)	8,139,353	15,702,570	10,853,750	34,695,673
Total Noncurrent Assets	8,405,553	16,074,037	12,323,601	36,803,191
Total Assets	13,650,810	21,838,628	28,099,146	63,588,584
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on refunding, net	12,890	23,149	-	36,039
Deferred amounts related to pension	108,515	176,215	362,066	646,796
Total Deferred Outflows of Resources	121,405	199,364	362,066	682,835
LIABILITIES				
Current liabilities:				
Accounts payable	313,871	107,200	992,928	1,413,999
Accrued wages and benefits	3,516	5,740	12,936	22,192
Accrued sales tax	5,329	-	21,542	26,871
Accrued interest	563	1,075	-	1,638
Deposits payable	193,760	-	721,574	915,334
Debt due within one year:				
Compensated absences	1,620	2,220	6,073	9,913
Revenue bonds payable	130,000	473,000	-	603,000
Capital lease obligation	-	110,000	-	110,000
Total Current Liabilities	648,659	699,235	1,755,053	3,102,947
Noncurrent liabilities:				
Compensated absences	17,818	24,417	66,799	109,034
Revenue bonds payable	170,000	982,000	-	1,152,000
Capital lease obligation	-	405,000	-	405,000
Net pension liability	134,070	217,715	447,334	799,119
Total Noncurrent Liabilities	321,888	1,629,132	514,133	2,465,153
Total Liabilities	970,547	2,328,367	2,269,186	5,568,100
DEFERRED INFLOW OF RESOURCES				
Deferred gain on refunding, net	-	71,573	-	71,573
Deferred amounts related to pensions	5,503	8,937	18,363	32,803
Total Deferred Inflows of Resources	5,503	80,510	18,363	104,376
NET POSITION				
Net investment in capital assets	8,118,443	14,055,613	12,323,601	34,497,657
Restricted for revenue bond retirement	-	64,379	-	64,379
Unrestricted	4,677,722	5,509,123	13,850,062	24,036,907
Total Net Position	\$ 12,796,165	\$ 19,629,115	\$ 26,173,663	\$ 58,598,943

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities			Total
	Waterworks Fund	Wastewater Fund	Electric Fund	Enterprise Funds
OPERATING REVENUES:				
Charges for services	\$ 2,878,976	\$ 3,154,939	\$ 19,045,544	\$ 25,079,459
Recycling charges	-	161,653	-	161,653
Hookups, permits, and reconnect fees	48,282	5,541	32,344	86,167
Miscellaneous income	21,265	31,759	-	53,024
Tower lease	171,699	-	-	171,699
Total Operating Revenues	3,120,222	3,353,892	19,077,888	25,552,002
OPERATING EXPENSES:				
Administrative fee to General Fund	561,038	355,157	604,649	1,520,844
Chemicals	14,829	30,695	-	45,524
Computer supplies and expense	27,616	32,441	34,206	94,263
Contract labor	450	10,100	11,698	22,248
Depreciation	289,887	825,722	638,808	1,754,417
Dues and licenses	20,063	8,499	27,790	56,352
Economic development	107,298	68,590	67,578	243,466
Electricity purchased	-	-	13,066,640	13,066,640
Emergency management	-	-	4,388	4,388
Employee insurance	70,698	89,348	157,864	317,910
Employee retirement	65,600	99,037	219,047	383,684
Gasoline and diesel	9,259	18,324	14,975	42,558
Insurance	48,017	69,737	60,852	178,606
Merchant card fees	46,607	46,449	46,607	139,663
Miscellaneous	6,026	13,486	11,116	30,628
Office supplies and postage	29,904	26,328	26,480	82,712
Payroll taxes	21,875	32,939	82,061	136,875
Professional fees	34,828	8,535	107,596	150,959
Repairs & maintenance	168,764	389,265	320,712	878,741
Recycle expense	-	113,637	-	113,637
Safety program	1,721	2,157	11,984	15,862
Salaries	296,613	433,056	1,096,577	1,826,246
Supplies	156,538	43,249	391,188	590,975
Telephone	6,772	9,033	11,639	27,444
Tests and permits	6,564	11,060	900	18,524
Training	3,083	3,195	10,719	16,997
Tree trimming	-	-	207,494	207,494
Utilities	2,299	10,756	2,740	15,795
Uniforms	2,892	3,335	16,300	22,527
Vehicle expense	5,014	22,380	15,958	43,352
Total Operating Expenses	2,004,255	2,776,510	17,268,566	22,049,331
OPERATING INCOME	1,115,967	577,382	1,809,322	3,502,671
NON-OPERATING REVENUES (EXPENSES):				
Investment earnings	60,062	68,219	156,531	284,812
Gain on sale of capital assets	-	24,750	-	24,750
Interest expense and agent fees	(13,404)	(44,961)	-	(58,365)
Total Non-operating Revenues (Expenses)	46,658	48,008	156,531	251,197
INCOME BEFORE TRANSFERS AND IMPACT FEES	1,162,625	625,390	1,965,853	3,753,868
TRANSFERS, IMPACT FEES, AND GRANTS				
Transfer (out)-Fee in Lieu of Taxes to General Fund	(136,580)	-	(825,791)	(962,371)
Impact fees	-	220,659	-	220,659
CHANGE IN NET POSITION	1,026,045	846,049	1,140,062	3,012,156
TOTAL NET POSITION - BEGINNING	11,770,120	18,783,066	25,033,601	55,586,787
TOTAL NET POSITION - ENDING	\$ 12,796,165	\$ 19,629,115	\$ 26,173,663	\$ 58,598,943

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities			Total
	Waterworks Fund	Wastewater Fund	Electric Fund	Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,942,479	\$ 3,371,969	\$ 19,113,419	\$ 25,427,867
Payments to suppliers	(1,371,398)	(1,258,276)	(15,430,858)	(18,060,532)
Payments to employees	(438,259)	(622,596)	(1,480,971)	(2,541,826)
Tower lease	171,699	-	-	171,699
Net Cash Provided by Operating Activities	1,304,521	1,491,097	2,201,590	4,997,208
CASH FLOWS FROM NONCAPITAL ACTIVITIES:				
Transfer (out)-Fee in Lieu of Taxes	(136,580)	-	(825,791)	(962,371)
Net Cash Provided by (Used for) Noncapital Act:	(136,580)	-	(825,791)	(962,371)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Impact fees	-	220,659	-	220,659
Proceeds from sale of capital assets	-	24,750	-	24,750
Payments for capital acquisitions	(1,676,203)	(1,188,738)	(1,189,560)	(4,054,501)
Principal Repayments	(225,000)	(578,000)	-	(803,000)
Interest paid	(9,108)	(54,645)	-	(63,753)
Net Cash (Used for) Capital and Related Financing Activities	(1,910,311)	(1,575,974)	(1,189,560)	(4,675,845)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	60,062	68,219	156,531	284,812
Net Cash Provided by Investing Activities	60,062	68,219	156,531	284,812
NET CASH INCREASE (DECREASE) FOR THE YEAR	(682,308)	(16,658)	342,770	(356,196)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,559,754	5,517,504	12,565,423	23,642,681
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,877,446	\$ 5,500,846	\$ 12,908,193	\$ 23,286,485
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION				
Cash and cash equivalents	\$ 4,877,446	\$ 5,436,467	\$ 12,908,193	\$ 23,222,106
Restricted assets-Cash and cash equivalents	-	64,379	-	64,379
Debt service reserves	-	-	-	-
Total Cash and Cash Equivalents	\$ 4,877,446	\$ 5,500,846	\$ 12,908,193	\$ 23,286,485
Reconciliation of operating income to net cash provided by operating activities:				
Operating Income	\$ 1,115,967	\$ 577,382	\$ 1,809,322	\$ 3,502,671
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	289,887	825,722	638,808	1,754,417
(Increase) Decrease in accounts receivable	(7,796)	18,077	9,861	20,142
(Increase) Decrease in inventories	(4,181)	-	(157,278)	(161,459)
(Increase) Decrease in prepaid items	(162)	585	1,380	1,803
Increase (Decrease) in accounts payable	(107,098)	37,751	(200,751)	(270,098)
Increase (Decrease) in accrued wages	(9,570)	(15,914)	(30,579)	(56,063)
Increase (Decrease) in sales tax	892	-	2,947	3,839
Increase (Decrease) in accrued interest	(375)	(204)	-	(579)
Increase (Decrease) in pensions related amounts	30,783	50,027	102,877	183,687
Increase (Decrease) in customer deposits	860	-	22,723	23,583
Increase (Decrease) in compensated absences	(4,686)	(2,329)	2,280	(4,735)
Net Cash Provided by Operating Activities	\$ 1,304,521	\$ 1,491,097	\$ 2,201,590	\$ 4,997,208

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Nixa, Missouri (the “City”) was formally established as the Village of Nixa in 1902 and currently covers 8.97 square miles in Christian County, Missouri. The City now operates under the Home Rule Charter form of government. The City Administrator is the chief administrative officer of the City who is responsible for the day-to-day operations of the City. The City provides services to approximately 21,980 residents in many areas, including law enforcement, engineering, streets, electric, waterworks, wastewater, parks and recreation and general administrative services.

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

THE REPORTING ENTITY

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit’s Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Types: Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City’s expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The following are the City’s major governmental funds:

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

Street Fund – This fund is used exclusively for the revenues of and expenses from the operations, maintenance and improvements of City streets. This fund includes the Missouri Motor Fuel taxes, ½ cent sales tax and Christian County sales tax for streets.

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

Waterworks Fund – Accounts for the provision of waterworks services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Wastewater Fund – Accounts for the provision of wastewater services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Electrical Fund— Accounts for the provision of electric services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Additionally, the City reports the following non-major governmental funds:

Park Fund – This fund is used exclusively for the revenues of and expenses from the operations of the swimming pool and all park activities.

Building Inspection Fund – This fund is used to account for permits and building inspections and related expenses.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Storm Water Fund – This fund is used to account for permits and storm retention related expenses.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation, the principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

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

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

Statement of Cash Flows

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

Investments

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

Interfund activity

Transactions among the City funds that would be treated as revenues and expenditures or expense if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund activity-continued

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

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

The City has the following types of interfund activity:

Cost Reimbursements-amounts provided for by the General Fund and reimbursed by the Street Fund and Proprietary Funds.

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

Accounts Receivable and Allowances

All receivables were stated at gross because the amounts were collected within the following 30 days except for property taxes, refuse, electric, waterworks and wastewater utilities receivable which are net of allowances of \$ 16,432 property taxes, \$ 24,206 refuse, \$ 356,810 electric, \$ 65,569 waterworks and \$ 127,209 for wastewater. Utility receivables also includes an estimate for services rendered but not yet billed as of the close of the fiscal year.

Inventories

Inventories for the Waterworks and Electric Funds consist of consumable supplies used for emergency repairs and replacements and are stated at cost, using the first-in/first-out (FIFO) method.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted assets

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

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

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Buildings	7-40 years
Site improvements	7-55 years
Streets	20-40 years
Furniture and equipment	7-20 years
Vehicles	5-10 years

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources/Loss on Refunded Debt

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has two items that meet the definition of deferred outflows of resources. One is the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the amount related to pension outflows as per GASB 68.

Deferred Inflows of Resources/Unavailable Revenue/Gain on Refunded Debt

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In the Governmental Funds the item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

At this time, the City has two items that meet the definition of deferred inflows of resources. It is the deferred gain on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pension inflows as per GASB 68.

Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the City must rebate to the United State Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of December 31, 2020, the City had no outstanding arbitrage rebate liability.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation, sick leave, and other compensated absences

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

Pensions

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

Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances-Governmental Funds

As of December 31, 2020, fund balances of the governmental funds are classified as follows:

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds-continued

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

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

Assigned-This classification includes amounts that are intended by the City to be used for a specific purpose but are neither restricted nor committed. Assignments may be made only by the government body or official.

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

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

The fund balance of the City's General, Street, and Park Funds have been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. Currently the General Fund has set aside \$ 2,700,000 and the Street Fund \$ 445,000. The Park has set aside \$ 512,433 for future repairs to park pool, community center, and replacement of fitness equipment.

Net Position

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position-continued

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

Restrictions of Net Position

The City records restrictions to indicate that a portion of the net position is legally segregated for a specific future use. The following details the description and amount of all restrictions used by the City as of December 31, 2020:

Proprietary Fund Types-Business Type Activities

	Bond Reserve
Wastewater Fund	<u>\$ 64,379</u>

Use of Estimates

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

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for 2020 was \$ 281,743,720 with the levy set at \$.3246 for General Fund purposes only.

Revenue Recognition - Sales Tax authorizations

Sales tax authorizations consist of a one-cent general sales recorded in the General Fund \$ 3,089,843) a use tax of (\$ 603,118), one-half cent transportation sales tax to be used for street purposes in the Street Fund (\$ 1,544,682) and also in the Street Fund a Christian County sales tax for streets (\$ 75,000).

Fee in Lieu of Taxes

The Waterworks and Electric Funds make an annual payment in lieu of taxes to the General Fund, which is based on a percentage of sales of utilities. That payment is reflected as a transfer on the statement of revenues, expenses and changes in net position.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest Earned on SRF Bond Reserves

On the debt issues funded under the State Revolving Funds the City earns interest on reserve accounts established by the Federal Government and State of Missouri which is applied to reduce the required interest payments for the City. The 2001C at year end had \$ 1,561,000 set aside in reserves.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of expenditures over appropriations

For the year ended December 31, 2020, expenditures did not exceed appropriations in any fund.

Bond Reserve Compliance

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

Debt restrictions

General obligation debt

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of authorized general obligation debt of a City to 20 percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes. Authorization for debt issuance requires four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections, vote of the qualified electors thereof. The computed legal debt margin of the City on December 31, 2020, was:

Constitutional Debt Limit	\$ 56,348,744
Outstanding G.O. Bonds	<u>(165,300)</u>
Legal debt margin	<u><u>\$ 56,183,444</u></u>

Other long-term debt

Article VI, Section 26 (a), Constitution of Missouri, limits the outstanding indebtedness of a City without popular vote to an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years. For the year ended December 31, 2020, the City was in compliance with this requirement.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

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

As of December 31, 2020, all of the City's checking accounts, money markets, and short-term certificates of deposits were entirely secured or collateralized with securities held by the City or by its agent in the City's name. For the year ended the City did not have any accounts that would qualify as investments.

Investment Policies

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

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

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

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE C – RESTRICTED ASSETS

For December 31, 2020, restricted cash accounts were as follows:

	Actual Cash	Required Per Bond Agreements
ENTERPRISE FUND		
Wastewater		
Debt Reserves	\$ 64,379	\$ 64,379

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,031,802	\$ 851,000	\$ -	\$ 2,882,802
Construction in progress	94,507	224,544	17,200	301,851
Total capital assets not being depreciated	2,126,309	1,075,544	17,200	3,184,653
Capital assets, being depreciated:				
Buildings	11,710,316	-	-	11,710,316
Improvements	6,447,672	328,732	-	6,776,404
Streets	64,612,785	-	-	64,612,785
Equipment	2,638,234	125,569	34,130	2,729,673
Vehicles	1,787,914	248,630	64,525	1,972,019
Total capital assets being depreciated	87,196,921	702,931	98,655	87,801,197
Less: Accumulated depreciation for:				
Buildings	4,603,189	297,966	-	4,901,155
Improvements	989,334	205,795	-	1,195,129
Streets	21,345,421	1,062,862	-	22,408,283
Equipment	1,865,913	150,947	33,847	1,983,013
Vehicles	1,247,288	182,900	64,525	1,365,663
Total accumulated depreciation	30,051,145	1,900,470	98,372	31,853,243
Total capital assets being depreciated, net	57,145,776	(1,197,539)	283	55,947,954
Governmental activities capital assets, net	\$ 59,272,085	\$ (121,995)	\$ 17,483	\$ 59,132,607

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

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

Governmental activities:

General government	\$ 180,764
Police	154,945
Building inspections	18,799
Streets	1,320,151
Parks	225,811
	<u>\$ 1,900,470</u>

Business Type Activities:

	WATERWORKS FUND			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 116,751	\$ -	\$ -	\$ 116,751
Construction in progress	793,359	1,654,744	2,298,654	149,449
Total capital assets not being depreciated	<u>\$ 910,110</u>	<u>\$ 1,654,744</u>	<u>\$ 2,298,654</u>	<u>\$ 266,200</u>
Capital assets being depreciated:				
Buildings	\$ 468,034	\$ -	\$ -	\$ 468,034
Plant	9,474,344	2,298,654	-	11,772,998
Equipment	206,971	21,459	7,391	221,039
Vehicles	369,811	-	2,245	367,566
Total capital assets being depreciated	<u>10,519,160</u>	<u>2,320,113</u>	<u>9,636</u>	<u>12,829,637</u>
Less-Accumulated depreciation for:				
Buildings	163,186	12,440	-	175,626
Plant	3,884,366	224,203	-	4,108,569
Equipment	126,687	14,372	7,391	133,668
Vehicles	235,794	38,872	2,245	272,421
Total accumulated depreciation	<u>4,410,033</u>	<u>289,887</u>	<u>9,636</u>	<u>4,690,284</u>
Total capital assets being depreciated, net	<u>\$ 6,109,127</u>			<u>\$ 8,139,353</u>
Business-type activities capital assets, net	<u>\$ 7,019,237</u>			<u>\$ 8,405,553</u>

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities :

	WASTEWATER FUND			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 149,255	\$ -	\$ -	\$ 149,255
Construction in progress	111,800	46,033	-	157,833
Total capital assets not being depreciated	<u>\$ 261,055</u>	<u>\$ 46,033</u>	<u>\$ -</u>	<u>\$ 307,088</u>
Capital assets being depreciated:				
Buildings	\$ 1,513,188	\$ 211,000	\$ -	\$ 1,724,188
Plant	22,755,771	790,957	-	23,546,728
Equipment	690,530	91,723	47,288	734,965
Vehicles	984,021	49,025	-	1,033,046
Total capital assets being depreciated	<u>25,943,510</u>	<u>1,142,705</u>	<u>47,288</u>	<u>27,038,927</u>
Less- Accumulated depreciation for:				
Buildings	563,733	41,525	-	605,258
Plant	9,076,716	586,505	-	9,663,221
Equipment	272,665	69,077	47,288	294,454
Vehicles	644,809	128,615	-	773,424
Total accumulated depreciation	<u>10,557,923</u>	<u>825,722</u>	<u>47,288</u>	<u>11,336,357</u>
Total capital assets being depreciated, net	<u>\$ 15,385,587</u>			<u>\$ 15,702,570</u>
Business-type activities capital assets, net	<u>\$ 15,646,642</u>			<u>\$ 16,009,658</u>

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:

	ELECTRIC FUND			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 588,954	\$ -	\$ -	\$ 588,954
Construction in progress	206,765	674,132	-	880,897
Total capital assets not being depreciated	<u>\$ 795,719</u>	<u>\$ 674,132</u>	<u>\$ -</u>	<u>\$ 1,469,851</u>
Capital assets being depreciated:				
Buildings	\$ 1,286,299	\$ -	\$ -	\$ 1,286,299
Plant	16,761,782	40,163	-	16,801,945
Equipment	523,437	19,616	14,385	528,668
Vehicles	1,268,730	455,650	-	1,724,380
Total capital assets being depreciated	<u>19,840,248</u>	<u>515,429</u>	<u>14,385</u>	<u>20,341,292</u>
Less- Accumulated depreciation for:				
Buildings	293,444	33,219	-	326,663
Plant	7,255,928	463,638	-	7,719,566
Equipment	424,864	18,739	14,385	429,218
Vehicles	888,883	123,212	-	1,012,095
	<u>8,863,119</u>	<u>638,808</u>	<u>14,385</u>	<u>9,487,542</u>
Total capital assets being depreciated, net	<u>\$ 10,977,129</u>			<u>\$ 10,853,750</u>
Business-type activities capital assets, net	<u>\$ 11,772,848</u>			<u>\$ 12,323,601</u>

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities:

	TOTAL BUSINESS-TYPE ACTIVITIES			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 854,960	\$ -	\$ -	\$ 854,960
Construction in progress	1,111,924	2,374,909	2,298,654	1,188,179
Total capital assets not being depreciated	<u>\$ 1,966,884</u>	<u>\$ 2,374,909</u>	<u>\$ 2,298,654</u>	<u>\$ 2,043,139</u>
Capital assets being depreciated:				
Buildings	\$ 3,267,520	\$ 211,000	\$ -	\$ 3,478,520
Plant	48,991,897	3,129,774	-	52,121,671
Equipment	1,420,940	132,798	69,064	1,484,674
Vehicles	2,622,563	504,675	2,245	3,124,993
Total capital assets being depreciated	<u>56,302,920</u>	<u>3,978,247</u>	<u>71,309</u>	<u>60,209,858</u>
Less- Accumulated depreciation for:				
Buildings	986,097	87,184	-	1,073,281
Plant	20,416,806	1,274,346	-	21,691,152
Equipment	797,927	102,188	69,064	831,051
Vehicles	1,630,247	290,699	2,245	1,918,701
	<u>23,831,077</u>	<u>1,754,417</u>	<u>71,309</u>	<u>25,514,185</u>
Total capital assets being depreciated, net	<u>\$ 32,471,843</u>			<u>\$ 34,695,673</u>
Business-type activities capital assets, net	<u>\$ 34,438,727</u>			<u>\$ 36,738,812</u>

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE E – LONG-TERM DEBT

Business-type activities

The following is a summary of debt transactions of the City for the year ended December 31, 2020 as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Revenue Bonds	\$ 2,443,000	\$ -	\$ 688,000	\$ 1,755,000	\$ 603,000
Lease Obligations	630,000	-	115,000	515,000	110,000
Compensated absences	123,682	72,508	77,243	118,947	9,913
Business-type activity long-term liabilities	<u>\$ 3,196,682</u>	<u>\$ 72,508</u>	<u>\$ 880,243</u>	<u>\$ 2,388,947</u>	<u>\$ 722,913</u>

As reported on the financial statement:

Amount due within one year:

Revenue bonds and capital lease obligations	\$ 713,000
Compensated absences	9,913
Total within one year	<u>722,913</u>

Amount due in more than one year:

Revenue bonds	1,152,000
Capital Lease Obligations	405,000
Compensated absences	109,034
Total in more than one year	<u>1,666,034</u>
Total long-term liabilities	<u>\$ 2,388,947</u>

The bond ordinances require that the City establish rates and charges for its electric, waterworks and wastewater services, such that the revenues derived from the electric, waterworks and wastewater system are sufficient to provide for the payment of principal and interest on the revenue bonds and for the operation and maintenance of the electric, waterworks and wastewater system.

For the proprietary funds, the liability for compensated absences is generally liquidated by the fund that generated the liability.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE E – LONG-TERM DEBT (Continued)

The Proprietary Funds long-term debt as of December 31, 2020 follows:

Waterworks Fund

\$ 1,780,000, 2013 Series, Combined Waterworks and Sewerage System Revenue Refunding Revenue Bonds due in annual installments at 2.00%-2.250% interest, matures June 1, 2023	\$ 300,000
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Total Waterworks Fund	300,000
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Wastewater Fund

\$ 500,000, 2002 Series, Combined Waterworks and Sewerage System Revenue Bonds (SRF-Direct Loan Program) due in annual installments at 1.60% interest, matures July 1, 2023.	85,000
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\$ 7,500,000, 2001 Series, Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) due in monthly installments at 3.00%-5.375% interest, matures July 1, 2023.	1,370,000
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Total Wastewater Fund	1,455,000
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Total Business-type debt revenue bonds	\$ 1,755,000
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Year Ending December 31,	Principal	Interest	Total
2021	\$ 603,000	\$ 75,148	\$ 678,148
2022	614,000	49,525	663,525
2023	538,000	24,398	562,398
	\$ 1,755,000	\$ 149,071	\$ 1,904,071

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE E – LONG-TERM DEBT (Continued)

The annual requirements to amortize bonded debt as of December 31, 2020 follow:

Governmental activities

The following is a summary of debt transactions of the City for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
General Obligation Bonds	\$ 454,500	\$ -	\$ 289,200	\$ 165,300	\$ 165,300
Capital Lease Obligation	1,785,000	-	235,000	1,550,000	240,000
Compensated absences	369,864	302,270	369,865	302,269	25,189
Government activity long-term liabilities	<u>\$ 2,609,364</u>	<u>\$ 302,270</u>	<u>\$ 894,065</u>	<u>\$ 2,017,569</u>	<u>\$ 430,489</u>

As reported on the financial statement:

Amount due within one year:

General obligation bonds and capital lease	\$ 405,300
Compensated absences	25,189
Total due within one year	<u>430,489</u>

Amount due in more than one year:

General Obligation bonds	-
Capital Lease Obligations	1,310,000
Compensated absences	277,080
Total due in more than one year	<u>1,587,080</u>
Total long-term liabilities	<u>\$ 2,017,569</u>

For governmental activities, liability for compensated absences is generally liquidated by the General Fund, Street Fund, and Park Fund.

The Governmental long-term debt as of December 31, 2020 follows:

\$1,722,700, 2013 Series, General Obligation Refunding Bonds due in annual installments of principal ranging \$ 165,300 to \$ 289,200 and interest paid semi-annual at 2.50% maturing March 1, 2021.	<u>\$ 165,300</u>
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CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE E – LONG-TERM DEBT (Continued)

The annual requirement to amortize bonded debt as of December 31, 2020 follows:

Year Ending December 31,	Principal	Interest	Totals
2021	<u>\$ 165,300</u>	<u>\$ 2,066</u>	<u>\$ 167,366</u>

NOTE F – CAPITALIZED LEASE OBLIGATION

Governmental Activities

On April 28, 2015, the City entered into a refunding leasehold revenue bonds for the purpose of refunding the 2006 refunding issue. The original debt had been for expansion of City Hall and had been capitalized at cost in the Governmental Activities for the original amount of \$ 4,205,000 with accumulated depreciation to date of \$ 630,750. Issue matures August 1, 2026.

\$ 1,550,000

Although the agreement provides for cancellation clauses each year, generally accepted accounting standards addresses the legal restriction imposed, and for financial statement presentation, requires the lease to be accounted for as a capital lease.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE F – CAPITALIZED LEASE OBLIGATION (Continued)

On December 31, 2020 future minimum lease payments by year and the present value of future minimum capital lease payments were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>City Hall</u>
2021	\$ 286,500
2022	284,300
2023	286,950
2024	284,300
2025-2026	<u>574,750</u>
Total minimum lease payment	1,716,800
Less: amount representing interest	<u>(166,800)</u>
Present value of future minimum lease payment	<u><u>\$ 1,550,000</u></u>

Business-type Activities

Wastewater Fund

On March 1, 2013, the City entered into a cancelable lease for the refunding 2006 lease for extension of the wastewater system. Although the agreement provides for cancellation clauses each year, generally accepted accounting standards addresses the legal restriction imposed, and for financial statement presentation, requires the lease to be accounted for as a capital lease. Matures June 1, 2025.

\$ 515,000

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE F – CAPITALIZED LEASE OBLIGATION (Continued)

On December 31, 2020 future minimum lease payments by year and the present value of future minimum capital lease payments were as follows:

Year Ending December 31,	Total
2021	\$ 121,731
2022	124,125
2023	121,250
2024	123,162
2025	55,756
	<hr/>
Total minimum lease payment	546,024
Less: amount representing interest	(31,024)
Present value of future minimum lease payment	<u><u>\$ 515,000</u></u>

NOTE G – OBLIGATION TO PURCHASE ELECTRIC POWER

The City has four electric purchase contracts for its electric energy and transmission.

Under contract DE-PM75-88SW00172, dated June 6, 1988, and subsequently amended, the City purchases 5,300 kilowatts (kw) of hydro-power from Southwest Power Administration (SWPA). The City currently pays \$4.50 per kw for this electric power.

In addition to the above agreement, the City entered into a power purchase agreement with Nixa Solar, LLC and began receiving solar energy in November 2019. Total annual power from this contract is anticipated to be approximately 15,000,000 kilowatt hours of energy through 2043.

The City's long standing electric capacity, energy and service sales agreement with Springfield City Utilities (CU) was terminated in June of 2020. The City began purchasing capacity only from City Utilities of Springfield with energy coming from Evergy Kansas Central under a new 10-year purchase agreement. This agreement covers all energy needs required above that which SWPA and Nixa Solar provides. The City's 2020 peak electric demand was 50.1 Megawatts of electricity. Beginning December 1st, 2020, the CU capacity agreement ended and was replaced with capacity agreements with Evergy Kansas Central for 30 MW of power from Dogwood Energy and 15 MW from GRDA. At the same time, a 10MW capacity agreement for wind power was activated with Nextera Energy to increase our percentage of renewable power.

Transmission for energy continues to be provided by Southwest Power Pool (SPP) under a network service contract. Services by SPP began June 2019.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE H – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

On December 31, 2020, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years the City had no losses that exceeded commercial insurance coverage.

NOTE I – DEFINED BENEFIT PENSION PLAN

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

Plan description

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

	<u>2020 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 years
Member Contributions:	4.00%

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

Employees covered by benefit terms

On June 30, 2020, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	62
Active employees	<u>131</u>
Total	<u><u>251</u></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 contribute 4% of their gross pay to the pension plan. Employer's contribution rates are 11.2 % General and 9.20% Police of annual covered payroll.

Net Pension Liability

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

The total pension liability in the February 28, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions were based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.00%	4.16%
Fixed Income	28.00%	0.89%
Real Assets	33.00%	2.09%

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I –DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2019	\$ 20,048,234	\$ 19,816,388	\$ 231,846
Changes for the year:			
Service Cost	686,873	-	686,873
Interest	1,455,058	-	1,455,058
Difference between expected and actual experience	829,475	-	829,475
Changes in assumptions	-	-	-
Contribution - employer	-	535,549	(535,549)
Contribution - employee	-	335,843	(335,843)
Net investment income	-	254,126	(254,126)
Benefit payments, including refunds	(643,044)	(643,044)	-
Administrative expense	-	44,358	(44,358)
Other changes	-	(372,217)	372,217
Net changes	2,328,362	154,615	2,173,747
Balances at 6/30/2020	\$ 22,376,596	\$ 19,971,003	\$ 2,405,593

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 6,258,873	\$ 2,405,593	\$ (710,302)

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

For the year ended December 31, 2020 the employer recognized pension expense of \$ 1,304,379. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in actual and expected experience	\$ 1,195,927	\$ (145,735)
Changes in assumptions	170,244	-
Net differences between projected and actual earnings on plan investments	558,751	-
Pension contributions subsequent to measurement date	392,522	-
Total	<u>\$ 2,317,444</u>	<u>\$ (145,735)</u>

*The amount of \$ 392,522 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2021.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

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

Year ended:		
2021	\$	247,020
2022		378,021
2023		498,111
2024		459,887
2025		154,289
Thereafter		41,859
Total	\$	<u>1,779,187</u>

Payable to the Pension Plan

On December 31, 2020, the City of Nixa reported a payable of \$ 120,457.76 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

NOTE J – GRANTS

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

NOTE K – CONTINGENCIES

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

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE L – FUND BALANCE

The governing council has adopted a financial policy to maintain a minimum level of unrestricted fund balance in all funds. The target level is set as a percentage of operating expense/expenditures as follows:

	Percentage	Dollar Amount
General Fund	30%	\$ 2,700,000
Street Fund	25%	445,000
Electric Fund	20%	3,750,000
Waterworks Fund	25%	440,000
Wastewater Fund	25%	500,000

NOTE M – INTERFUND TRANSFERS

Interfund transfers as follows were used for operations as set forth in the approved budget:

Operation transfers:	To	From
General Fund	\$ -	\$ 841,000
Building Inspection Fund	25,000	
Strom Water Fund	60,000	
Park Fund	756,000	-
	<u>\$ 841,000</u>	<u>\$ 841,000</u>

NOTE N – FEE IN LIEU OF TAXES

The Waterworks and Electric Fund pays 5% of sales to the General as follows:

Fee in Lieu of	To	From
General Fund	\$ 962,371	\$ -
Electric Fund	-	825,791
Water Fund	-	136,580
	<u>\$ 962,371</u>	<u>\$ 962,371</u>

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE O – INTERFUND ADMINISTRATION FEE

During the year, the following funds paid to the General Fund for administrative costs incurred by the General Fund relating to the operation of the following funds. The fee is shown in the General Fund as interfund reimbursements and as administrative fees in current expenses:

Administrative Fee	To	From
General Fund	\$ 1,756,044	\$ -
Street Fund	-	235,200
Electric Fund	-	604,649
Waterworks Fund	-	561,038
Wastewater Fund	-	355,157
	<u>\$ 1,756,044</u>	<u>\$ 1,756,044</u>

NOTE P – PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements and proprietary funds financial statements. As of December 31, 2020, the amount of defeased debt outstanding amounted to \$ 3,475,000

NOTE Q – TOWER LEASES

The City leases space on the City's water towers to various wireless providers for the placement of antennae. A total of \$ 171,699 was received during the year ended December 31, 2020 and is reported in the Waterworks Fund. For the next five years, scheduled payments to receive are:

2021	\$ 153,285
2022	159,416
2023	165,793
2024	172,425
2025	179,322

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE R- CONSTRUCTION IN PROGRESS

Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of December 31, 2020 is as follows:

<u>Project</u>	<u>Cost of Project</u>	<u>Construction in Progress</u>	<u>Remaining Cost to Complete</u>
Waterworks Fund			
Main Street Water Line	\$ 610,130	\$ 29,130	\$ 581,000
HWY 14 water line crossing	833,318	120,318	713,000
	<u>1,443,448</u>	<u>149,448</u>	<u>1,294,000</u>
Wastewater Fund			
Super 8 lift station	116,504	71,255	45,249
South Street capacity upgrade	601,578	86,578	515,000
	<u>718,082</u>	<u>157,833</u>	<u>560,249</u>
Electric Fund			
Hwy 14 East Relocate	1,225,345	439,345	786,000
SCADA Upgrade	141,521	30,106	111,415
Northeast Feeder Circuit 3	447,972	158,972	289,000
NE Substation Transfer Bus	302,778	82,778	220,000
Wasson Commercial Development	284,197	169,697	114,500
	<u>2,401,813</u>	<u>880,898</u>	<u>1,520,915</u>
 Total Proprietary Fund	 \$ 4,563,343	 \$ 1,188,179	 \$ 3,375,164

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE S – CONSTRUCTION IN PROGRESS (Continued)

<u>Project</u>	<u>Cost of Project</u>	<u>Construction in Progress</u>	<u>Remaining Cost to Complete</u>
Governmental Activities			
ADMINISTRATION			
Downtown Parking Lots/Design	\$ 160,947	\$ 14,947	\$ 146,000
POLICE			
Shooting Range	166,273	16,273	150,000
STREET			
Tracker/Old Castle Roundabout	252,902	27,902	225,000
Nicholas Rd. Sidewalk	434,140	34,140	400,000
Old Wilderness Sidewalk	193,330	28,695	164,635
PARK			
Dog Park	170,274	118,920	51,354
STORMWATER			
Cherry St. Project	800,000	60,974	739,026
Total Governmental Activities	<u>\$ 2,177,866</u>	<u>\$ 301,851</u>	<u>\$ 1,876,015</u>

NOTE T – FUTURE ACCOUNTING PRONOUNCEMENTS

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

The City adopted the following statements during the year ended December 31, 2020:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending December 31, 2020. This Statement is to provide financial statement users with information about assets retirement obligations (AROs) that were not addressed in GASB standards establishing uniform accounting and financial reporting requirement for these obligations.

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, issued June 2018, will be effective for the City for reporting periods beginning after December 15, 2020. The primary objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE T- FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning after December 15, 2021. Earlier application is encouraged. The primary objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the City beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for except for paragraphs 11b,13, and 14 June 15, 2020, paragraphs Paragraph 11b effective for periods after December 31, 2021 and paragraphs 13 and 14 effective after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020 will be effective for years beginning after June 15, 2022, earlier application is encouraged. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private partnership arrangements (PPPs) and (APAs). Earlier application is encouraged.

GASB Statement No. 95. *Postponement of the Effective Dates of Certain Authoritative Guidance issued May 2020. The following provisions have been delayed 83, 84, 88, 89, 90, 92, 93, and 87. Pronouncements 83, 89, 92 and 93 have been adopted this year and had no changes to report. Pronouncements 84, 88, 90 were adopted in the current year with no changes to report.*

GASB Statement No. 96. *Subscription-Based Information Technology Arrangements*, issued May 2020, earlier application is encouraged. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and end users (governments).

The City did not have any changes to report for the year ending December 31, 2020 upon adopting GASB 83, 89, 91, 92, 93, 94, 95, and 96.

The Statements which might impact the City are as follows:

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning after June 15, 2021. This Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE T- FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Section 457 Deferred Compensation Plans-and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, issued June 2020. Effective date is June 15, 2021 with earlier application permitted.

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

Required Supplementary Information

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Property taxes	\$ 916,250	\$ 916,250	\$ 962,502	\$ 46,252
Franchise taxes	528,000	528,000	480,589	(47,411)
Sales taxes	3,230,000	3,230,000	3,692,961	462,961
Licenses & permits	40,000	40,000	51,211	11,211
Charges for services-				
Sanitation	1,268,500	1,268,500	1,309,579	41,079
Fines & forfeitures	175,000	175,000	78,101	(96,899)
Investment earnings	145,000	145,000	109,401	(35,599)
Grants	22,000	22,000	1,107,251	1,085,251
Contributions	8,000	8,000	8,000	-
Rents	1,212	1,212	1,200	(12)
Impact fees	142,000	142,000	124,188	(17,812)
Miscellaneous	14,105	14,105	18,232	4,127
Total Revenues	<u>6,490,067</u>	<u>6,490,067</u>	<u>7,943,215</u>	<u>1,453,148</u>
EXPENDITURES				
Current:				
General government	1,421,076	1,441,073	1,362,737	78,336
Police	3,515,425	3,515,474	3,313,543	201,931
Planning/Economic development	299,675	499,675	455,433	44,242
Sanitation	1,146,000	1,146,000	1,154,097	(8,097)
Capital outlay	423,250	423,250	44,114	379,136
Debt service:				
Principal	524,200	524,200	524,200	-
Interest and fees	64,798	64,798	64,421	377
Total Expenditures	<u>7,394,424</u>	<u>7,614,470</u>	<u>6,918,545</u>	<u>695,925</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURE	<u>(904,357)</u>	<u>(1,124,403)</u>	<u>1,024,670</u>	<u>2,149,073</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) other funds	(745,000)	(841,000)	(841,000)	-
Transfer in-Fee in Lieu of Taxes	<u>1,050,000</u>	<u>1,050,000</u>	<u>962,371</u>	<u>(87,629)</u>
Total Other Financing Sources (Uses)	<u>305,000</u>	<u>209,000</u>	<u>121,371</u>	<u>(87,629)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (599,357)</u>	<u>\$ (915,403)</u>	<u>1,146,041</u>	<u>\$ 2,061,444</u>
FUND BALANCES - BEGINNING			<u>8,276,440</u>	
FUND BALANCES - ENDING			<u>\$ 9,422,481</u>	

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	Street Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Sales tax	\$ 1,390,000	\$ 1,390,000	\$ 1,544,682	\$ 154,682
Missouri motor fuel taxes	771,000	771,000	746,437	(24,563)
Christian County Sales Tax	100,000	100,000	75,000	(25,000)
Investment earnings	55,000	55,000	40,535	(14,465)
Grants	370,565	370,565	50,629	(319,936)
Miscellaneous	7,500	7,500	85,867	78,367
Total Revenues	<u>2,694,065</u>	<u>2,694,065</u>	<u>2,543,150</u>	<u>(150,915)</u>
Current:				
Administration street department	1,926,425	2,001,813	2,009,931	(8,118)
Capital outlay	1,309,177	1,420,794	575,285	845,509
Total Expenditures	<u>3,235,602</u>	<u>3,422,607</u>	<u>2,585,216</u>	<u>837,391</u>
NET CHANGE IN FUND BALANCE	<u>\$ (541,537)</u>	<u>\$ (728,542)</u>	<u>(42,066)</u>	<u>\$ 686,476</u>
FUND BALANCES - BEGINNING			<u>3,528,497</u>	
FUND BALANCES - ENDING			<u>\$ 3,486,431</u>	

CITY OF NIXA, MISSOURI
Notes to Budgetary Comparison Information
December 31, 2020

Budgetary Process

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

1. Prior to December 31, the City Council appropriates, by ordinance, the annual operating budget for the fiscal year beginning the following January 1 for the General and Special Revenue Funds. The budget is prepared on the same basis of accounting as the financial statements (Modified Accrual Basis). The City Council also adopts, as a management control device only, a budget for the Enterprise Funds.
2. The level of budgetary control lies at the fund level for all of the governmental funds. The City Administrator is authorized to transfer part, or all, of any unexpected budget balance among any departments within these funds. The City Administrator is not authorized to approve expenditures in excess of the adopted budget.
3. The City Council may, by ordinance, make supplemental appropriations for revenues in excess of original budget estimates or reduce appropriations should revenues be insufficient to meet the amount appropriated. State statutes prohibit deficit budgeting by requiring that estimated expenditures for the period do not exceed estimated revenues for the period plus unencumbered budget basis fund balances at the beginning of the period.

For the year ended December 31, 2020, expenditures did not exceed appropriations in any of the funds.

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

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service costs	\$ 686,873	\$ 618,568	\$ 572,290	\$ 556,665	\$ 543,631	\$ 533,393
Interest on Total Pension Liability	1,455,058	1,319,372	1,213,931	1,136,637	1,034,402	962,777
Difference between expected and actual experience	829,475	517,384	231,596	(105,615)	(251,934)	-
Changes in Assumptions	-	-	-	-	611,179	(12,003)
Benefit payments, including refunds	(643,044)	(592,523)	(580,077)	(480,177)	(585,065)	(420,337)
Net change in total pension liability	2,328,362	1,862,801	1,437,740	1,107,510	1,352,213	1,063,830
Total Pension Liability-beginning	20,048,234	18,185,433	16,747,693	15,640,183	14,287,970	13,224,140
Total Pension Liability-ending	<u>\$ 22,376,596</u>	<u>\$ 20,048,234</u>	<u>\$ 18,185,433</u>	<u>\$ 16,747,693</u>	<u>\$ 15,640,183</u>	<u>\$ 14,287,970</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 535,549	\$ 601,013	\$ 530,611	\$ 480,580	\$ 460,415	\$ 473,749
Contributions - employee	335,843	233,011	208,495	195,959	218,647	185,775
Net investment income	254,126	1,201,358	2,000,382	1,720,421	9,174	293,114
Benefits payments, including refunds	(643,044)	(592,523)	(580,077)	(480,177)	(585,065)	(420,337)
Pension Plan Administrative Expense	44,358	(25,005)	(16,906)	(15,763)	(15,147)	(15,939)
Other (Net Transfer)	(372,217)	144,502	(136,435)	(100,668)	(104,583)	216,338
Net change in plan fiduciary net position	154,615	1,562,356	2,006,070	1,800,352	(16,559)	732,700
Plan Fiduciary Net Position-beginning	19,816,388	18,254,032	16,247,962	14,447,610	14,464,169	13,731,469
Plan Fiduciary Net Position-ending	<u>\$ 19,971,003</u>	<u>\$ 19,816,388</u>	<u>\$ 18,254,032</u>	<u>\$ 16,247,962</u>	<u>\$ 14,447,610</u>	<u>\$ 14,464,169</u>
Net Pension Liability/(Asset)	<u>\$ 2,405,593</u>	<u>\$ 231,846</u>	<u>\$ (68,599)</u>	<u>\$ 499,731</u>	<u>\$ 1,192,573</u>	<u>\$ (176,199)</u>
Plan fiduciary net position as a percentage of the total pension liability	89.25%	98.84%	100.38%	97.02%	92.37%	101.23%
Covered payroll	\$ 6,466,678	\$ 5,569,749	\$ 5,063,047	\$ 4,665,209	\$ 4,676,232	\$ 4,639,087
Net Pension liability as a percentage of covered payroll	37.20%	4.16%	-1.35%	10.71%	25.50%	-3.80%

Notes to schedule:

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

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

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution in Relation</u>	<u>Contribution Deficiency</u>	<u>Covered Payroll</u>	<u>Contribution as Percentage</u>
2011	\$ 457,719	\$ 452,559	\$ 5,160	\$ 4,348,720	10.41%
2012	487,311	475,647	11,664	4,334,335	10.97%
2013	486,012	486,012	-	4,528,904	10.73%
2014	469,748	469,747	1	4,551,541	10.32%
2015	469,685	469,685	-	4,656,347	10.09%
2016	451,306	451,307	(1)	4,821,345	9.36%
2017	517,418	517,418	-	5,055,416	10.23%
2018	558,418	558,419	(1)	5,502,654	10.15%
2019	642,482	642,482	-	6,143,583	10.46%
2020	738,803	738,803	-	6,896,714	10.71%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 29, 2020

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 10 to 15 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

Other information: None

Other Supplementary Information

(Unaudited)

CITY OF NIXA, MISSOURI
COMBINING BALANCE SHEET-
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Building Inspection Fund	Storm Water Fund	Park Fund	Total
ASSETS				
Cash and cash equivalents	\$ 39,524	\$ 98,540	\$ 522,624	\$ 660,688
Accounts receivable-other	-	-	29,851	29,851
Prepaid items	1,334	-	4,630	5,964
TOTAL ASSETS	<u>\$ 40,858</u>	<u>\$ 98,540</u>	<u>\$ 557,105</u>	<u>\$ 696,503</u>
LIABILITIES				
Accounts payable	\$ 1,351	\$ 17,057	\$ 15,276	\$ 33,684
Accrued wages and benefits	2,451	-	5,941	8,392
Unearned revenues	170	-	9,906	10,076
Total Liabilities	<u>3,972</u>	<u>17,057</u>	<u>31,123</u>	<u>52,152</u>
FUND BALANCES				
Nonspendable	1,334	-	4,630	5,964
Restricted-				
Parks	-	-	521,352	521,352
Storm Water	-	81,483	-	81,483
Building Inspection	35,552	-	-	35,552
Total Fund Balances	<u>36,886</u>	<u>81,483</u>	<u>525,982</u>	<u>644,351</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,858</u>	<u>\$ 98,540</u>	<u>\$ 557,105</u>	<u>\$ 696,503</u>

CITY OF NIXA, MISSOURI
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Building Inspection Fund	Storm Water Fund	Park Fund	Total
REVENUES;				
Charges for services:				
Park programs	\$ -	\$ -	\$ 732,028	\$ 732,028
Plan reviews and inspections	349,737	13,759	-	363,496
Investment earnings	649	1,232	6,489	8,370
Contributions	-	-	851,000	851,000
Grants	388	-	17,791	18,179
Rents	-	-	8,872	8,872
Miscellaneous	978	-	-	978
Total Revenues	<u>351,752</u>	<u>14,991</u>	<u>1,616,180</u>	<u>1,982,923</u>
EXPENDITURES:				
Current: Administration	351,960	29,346	1,230,624	1,611,930
Capital outlay	29,517	60,974	1,020,056	1,110,547
Total Expenditures	<u>381,477</u>	<u>90,320</u>	<u>2,250,680</u>	<u>2,722,477</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	(29,725)	(75,329)	(634,500)	(739,554)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>25,000</u>	<u>60,000</u>	<u>756,000</u>	<u>841,000</u>
NET CHANGE IN FUND BALANCES	(4,725)	(15,329)	121,500	101,446
FUND BALANCES - BEGINNING	<u>41,611</u>	<u>96,812</u>	<u>404,482</u>	<u>542,905</u>
FUND BALANCES - ENDING	<u>\$ 36,886</u>	<u>\$ 81,483</u>	<u>\$ 525,982</u>	<u>\$ 644,351</u>

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	Building Inspection Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services-				
Plan reviews and inspections	\$ 384,250	\$ 384,250	\$ 349,737	\$ (34,513)
Investment earnings	750	750	649	(101)
Grants	-	-	388	388
Miscellaneous	3,000	3,000	978	(2,022)
Total Revenues	<u>388,000</u>	<u>388,000</u>	<u>351,752</u>	<u>(36,248)</u>
EXPENDITURES				
Current:				
Administration	397,425	397,574	351,960	45,614
Capital outlay	31,750	31,750	29,517	2,233
Total Expenditures	<u>429,175</u>	<u>429,324</u>	<u>381,477</u>	<u>47,847</u>
(DEFICIT) OF REVENUE OVER EXPENDITURES	(41,175)	(41,324)	(29,725)	11,599
OTHER FINANCING SOURCES				
Transfer from other funds	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,175)</u>	<u>\$ (16,324)</u>	(4,725)	<u>\$ 11,599</u>
FUND BALANCES - BEGINNING			<u>41,611</u>	
FUND BALANCES - ENDING			<u>\$ 36,886</u>	

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Storm Water Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services-				
Plan reviews and inspections	\$ 10,000	\$ 10,000	\$ 13,759	\$ 3,759
Investment earnings	1,600	1,600	1,232	(368)
Total Revenues	<u>11,600</u>	<u>11,600</u>	<u>14,991</u>	<u>3,391</u>
EXPENDITURES				
Current:				
Administration	49,350	49,350	29,346	20,004
Capital outlay	<u>70,000</u>	<u>70,000</u>	<u>60,974</u>	<u>9,026</u>
Total Expenditures	<u>119,350</u>	<u>119,350</u>	<u>90,320</u>	<u>29,030</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURE	(107,750)	(107,750)	(75,329)	32,421
OTHER FINANCING SOURCES				
Transfers from other funds	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (47,750)</u>	<u>\$ (47,750)</u>	<u>(15,329)</u>	<u>\$ 32,421</u>
FUND BALANCES - BEGINNING			<u>96,812</u>	
FUND BALANCES - ENDING			<u>\$ 81,483</u>	

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	Park Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services-				
Park programs	\$ 1,088,625	\$ 1,088,625	\$ 732,028	\$ (356,597)
Investment earnings	8,500	8,500	6,489	(2,011)
Contributions	-	-	851,000	851,000
Grants	-	-	17,791	17,791
Rent	25,000	25,000	8,872	(16,128)
Total Revenues	<u>1,122,125</u>	<u>1,122,125</u>	<u>1,616,180</u>	<u>494,055</u>
EXPENDITURES				
Current:				
Administration	1,488,545	1,489,334	1,230,624	258,710
Capital outlay	272,000	272,000	1,020,056	(748,056)
Total Expenditures	<u>1,760,545</u>	<u>1,761,334</u>	<u>2,250,680</u>	<u>(489,346)</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURE	(638,420)	(639,209)	(634,500)	4,709
OTHER FINANCING SOURCES				
Transfers from other funds	660,000	756,000	756,000	-
NET CHANGE IN FUND BALANCE	<u>\$ 21,580</u>	<u>\$ 116,791</u>	<u>121,500</u>	<u>\$ 4,709</u>
FUND BALANCES - BEGINNING			<u>404,482</u>	
FUND BALANCES - ENDING			<u>\$ 525,982</u>	

SECTION III – STATISTICAL SECTION

(Unaudited)

Contents

Financial Trends

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

Pages 69-74

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant revenue sources.

Pages 75-81

Debt Capacity

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

Pages 82-86

Demographic and Economic Information

This information will help the reader understand the environment within which the government's financial activities take place

Pages 87-89

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Pages 90-92

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 57,417,307	\$ 57,032,587	\$ 57,812,956	\$ 58,201,075	\$ 58,122,232	\$ 57,018,946	\$ 56,636,607	\$ 57,446,516	\$ 57,812,524	\$ 57,787,203
Restricted	4,799,424	-	-	-	-	-	318,688	256,377	318,669	318,669
Unrestricted	8,403,852	12,311,100	12,365,400	11,586,278	10,553,571	10,556,098	9,788,360	8,271,496	8,307,446	8,294,005
Total governmental activities net position	\$ 70,620,583	\$ 69,343,687	\$ 70,178,356	\$ 69,787,353	\$ 68,675,803	\$ 67,575,044	\$ 66,743,655	\$ 65,974,389	\$ 66,438,639	\$ 66,399,877
Business-type activities										
Net investment in capital assets	\$ 34,497,657	\$ 31,394,408	\$ 30,429,640	\$ 31,541,977	\$ 29,512,063	\$ 27,783,362	\$ 25,143,764	\$ 24,600,879	\$ 21,303,832	\$ 20,800,653
Restricted	64,379	69,602	73,133	566,070	560,871	595,622	712,504	606,694	1,077,565	865,807
Unrestricted	24,036,907	24,122,777	23,188,864	13,191,753	13,232,908	13,094,184	14,778,180	13,490,849	13,916,316	13,733,104
Total business-type activities net position	\$ 58,598,943	\$ 55,586,787	\$ 53,691,637	\$ 45,299,800	\$ 43,305,842	\$ 41,473,168	\$ 40,634,448	\$ 38,698,422	\$ 36,297,713	\$ 35,399,564
Primary government										
Net investment in capital assets	\$ 91,914,964	\$ 88,426,995	\$ 88,242,596	\$ 89,743,052	\$ 87,634,295	\$ 84,802,308	\$ 81,780,371	\$ 82,047,395	\$ 79,116,356	\$ 78,587,856
Restricted	4,863,803	69,602	73,133	566,070	560,871	595,622	1,031,192	863,071	1,396,234	1,184,476
Unrestricted	32,440,759	36,433,877	35,554,264	24,778,031	23,786,479	23,650,282	24,566,540	21,762,345	22,223,762	22,027,109
Total primary government net position	\$ 129,219,526	\$ 124,930,474	\$ 123,869,993	\$ 115,087,153	\$ 111,981,645	\$ 109,048,212	\$ 107,378,103	\$ 104,672,811	\$ 102,736,352	\$ 101,799,441

CITY OF NIXA, MISSOURI
Changes in Net Position
Last Ten Tiscal Years
Page 1 of 2

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Government Activities										
General government	\$ 1,694,678	\$ 1,282,609	\$ 1,218,761	\$ 1,132,388	\$ 1,217,058	\$ 1,242,757	\$ 2,346,453	\$ 2,322,352	\$ 2,151,679	\$ 2,160,212
Public Safety	3,527,463	3,370,743	3,112,497	2,767,226	2,548,304	2,328,959	2,243,976	2,287,874	2,134,982	2,074,845
Building Inspection	390,341	369,224	280,711	234,574	239,664	336,370	211,108	234,737	215,168	201,065
Storm water	29,346	32,033	35,483	22,687	15,802	14,500	18,406	24,987	23,884	25,503
Planning	468,016	212,351	242,790	221,118	181,696	163,516	157,803	164,477	190,856	181,544
Sanitation	1,154,097	1,082,839	1,016,192	963,335	922,967	882,781	864,359	843,906	810,214	777,301
Parks and recreation	1,485,209	1,445,898	1,315,217	1,321,776	1,254,196	1,065,360	1,169,721	1,156,083	1,012,241	1,045,266
Streets	3,346,620	4,052,087	2,724,345	2,724,343	2,581,499	2,610,494	2,429,810	2,400,347	2,275,191	2,352,741
Interest	60,278	71,662	92,780	95,575	113,639	99,070	179,794	226,046	254,022	298,460
Total Government Activities	12,156,048	11,919,446	10,038,776	9,483,022	9,074,825	8,743,807	9,621,430	9,660,809	9,068,237	9,116,937
Business-type Activities										
Electric	17,268,566	17,210,310	17,423,304	16,408,381	15,720,083	15,606,434	14,367,080	13,534,520	13,791,857	12,718,091
Water	2,017,659	2,610,360	1,750,023	1,648,912	1,541,890	1,531,941	1,067,869	1,060,147	1,132,236	1,091,164
Wastewater	2,821,471	1,834,052	2,317,476	2,613,626	2,537,230	2,569,640	2,156,156	2,005,172	2,233,202	2,054,577
Total Business-type Activities	22,107,696	21,654,722	21,490,803	20,670,919	19,799,203	19,708,015	17,591,105	16,599,839	17,157,295	15,863,832
Program Revenues										
Government Activities										
Charges for services	2,544,487	2,791,791	2,696,924	2,527,046	2,358,285	2,140,072	2,127,634	1,833,837	1,664,948	1,651,906
Operating grants and contributions	901,264	26,279	14,436	47,976	132,417	45,125	26,045	136,127	34,670	32,501
Capital grants and contributions	1,332,983	176,391	168,049	936,941	665,849	409,722	91,648	129,647	565,534	27,721
Total Government Activities	4,778,734	2,994,461	2,879,409	3,511,963	3,156,551	2,594,919	2,245,327	2,099,611	2,265,152	1,712,128
Business-type Activities										
Charges for services										
Electric	19,077,888	17,910,578	18,599,532	17,411,291	16,770,047	15,972,035	15,741,500	15,554,823	15,519,118	15,344,506
Water	3,120,222	2,731,086	2,697,837	2,492,959	2,227,937	2,162,153	2,126,982	1,708,429	1,828,508	1,788,103
Wastewater	3,353,892	3,230,466	3,249,783	3,202,250	3,022,139	2,955,321	2,967,479	2,791,848	2,584,051	2,577,199
Operating grants and contributions	-	-	-	-	78,985	-	-	-	-	-
Capital grants and contributions	220,659	239,924	255,161	201,837	120,539	225,630	116,796	128,882	65,046	49,552
Total Business-type Activities	25,772,661	24,112,054	24,802,313	23,308,337	22,219,647	21,315,139	20,952,757	20,183,982	19,996,723	19,759,360

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expense)/Revenue										
Government Activities	\$ (7,377,314)	\$ (8,924,985)	\$ (7,159,367)	\$ (5,971,059)	\$ (5,918,274)	\$ (6,148,888)	\$ (7,376,103)	\$ (7,561,198)	\$ (6,803,085)	\$ (7,404,809)
Business-type Activities	3,664,965	2,457,332	3,311,510	2,637,418	2,420,444	1,607,124	3,361,652	3,584,143	2,839,428	3,895,528
Total Net Expense	(3,712,349)	(6,467,653)	(3,847,857)	(3,333,641)	(3,497,830)	(4,541,764)	(4,014,451)	(3,977,055)	(3,963,657)	(3,509,281)
General Revenues And Other Changes In Net Position										
Government Activities										
Taxes	7,428,456	6,884,798	6,275,418	5,925,311	5,879,135	5,828,767	5,656,827	5,194,475	5,062,724	5,632,922
Investment earnings	158,306	210,845	212,140	159,738	74,706	69,230	62,564	73,986	84,420	102,643
Miscellaneous	105,077	33,438	56,731	75,796	62,733	134,560	23,939	6,695	21,891	140,825
Transfers In/(out)	962,371	961,235	972,723	921,764	1,002,459	947,720	1,884,419	1,821,792	1,779,733	1,140,015
Total Government Activities	8,654,210	8,090,316	7,517,012	7,082,609	7,019,033	6,980,277	7,627,749	7,096,948	6,948,768	7,016,405
Business-type Activities										
Taxes	-	-	-	-	-	-	-	-	-	(752,806)
Investment earnings	284,812	389,791	305,427	194,687	95,405	103,935	266,561	138,358	331,236	345,993
Gain on sale of capital assets	24,750	9,262	4,779,723	-	-	-	-	-	-	-
Miscellaneous	-	-	-	83,617	319,284	75,381	-	500,000	-	45,200
Transfers In/(out)	(962,371)	(961,235)	(972,723)	(921,764)	(1,002,459)	(947,720)	(1,884,419)	(1,821,792)	(1,779,733)	(1,140,015)
Total Business-type Activities	(652,809)	(562,182)	4,112,427	(643,460)	(587,770)	(768,404)	(1,617,858)	(1,183,434)	(1,448,497)	(1,501,628)
Total Primary Government	8,001,401	7,528,134	11,629,439	6,439,149	6,431,263	6,211,873	6,009,891	5,913,514	5,500,271	5,514,777
Changes in Net Position										
Government Activities	1,276,896	(834,669)	357,645	1,111,550	1,100,759	831,389	251,646	(464,250)	145,683	(388,404)
Business-type Activities	3,012,156	1,895,150	7,423,937	1,993,958	1,832,674	838,720	1,743,794	2,400,709	1,390,931	2,393,900
Total Change in Net Position	\$ 4,289,052	\$ 1,060,481	\$ 7,781,582	\$ 3,105,508	\$ 2,933,433	\$ 1,670,109	\$ 1,995,440	\$ 1,936,459	\$ 1,536,614	\$ 2,005,496

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 19,418	\$ 19,711	\$ 32,167	\$ 29,544	\$ 13,424	\$ 14,169	\$ 10,973	\$ 10,355	\$ 1,365	\$ 8,212
Restricted	717,252	-	-	-	-	-	318,669	318,669	318,669	318,685
Committed	2,287,628	1,758,645	1,307,865	1,074,889	715,929	-	-	111,818	710,150	1,960,309
Unassigned	6,398,183	6,498,084	6,649,410	6,484,103	6,101,397	5,626,047	5,108,565	4,427,057	4,387,394	2,629,864
Total General Fund	\$ 9,422,481	\$ 8,276,440	\$ 7,989,442	\$ 7,588,536	\$ 6,830,750	\$ 5,640,216	\$ 5,438,207	\$ 4,867,899	\$ 5,417,578	\$ 4,917,070
Street Fund										
Nonspendable	\$ 7,094	\$ 7,886	\$ 7,414	\$ 6,618	\$ 6,355	\$ 6,925	\$ 5,960	\$ 5,170	\$ 3,708	\$ 4,603
Restricted	3,479,337	3,520,611	3,973,050	3,434,399	2,961,312	3,965,329	3,940,682	3,041,123	-	2,487,675
Committed	-	-	-	-	-	-	-	437,003	330,065	1,048,490
Unassigned	-	-	-	-	-	-	-	-	2,590,965	-
Total Street Fund	\$ 3,486,431	\$ 3,528,497	\$ 3,980,464	\$ 3,441,017	\$ 2,967,667	\$ 3,972,254	\$ 3,946,642	\$ 3,483,296	\$ 2,924,738	\$ 3,540,768
All Other Governmental Funds										
Nonspendable	\$ 5,964	\$ 5,960	\$ 4,640	\$ 7,394	\$ 3,708	\$ 4,151	\$ 4,771	\$ 4,653	\$ 8,461	\$ 4,253
Restricted	602,835	96,812	92,237	93,391	336,372	368,732	387,376	-	-	-
Committed	35,552	440,133	405,543	368,215	-	-	-	344,562	393,861	389,911
Unassigned	-	-	-	-	-	-	-	-	(14,478)	(2,685)
Total All Other Governmental Funds	\$ 644,351	\$ 542,905	\$ 502,420	\$ 469,000	\$ 340,080	\$ 372,883	\$ 392,147	\$ 349,215	\$ 387,844	\$ 391,479
Total Governmental Fund Balances	\$ 13,553,263	\$ 12,347,842	\$ 12,472,326	\$ 11,498,553	\$ 10,138,497	\$ 9,985,353	\$ 9,776,996	\$ 8,700,410	\$ 8,730,160	\$ 8,849,317

CITY OF NIXA, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
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	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	\$ 6,680,734	\$ 5,989,084	\$ 5,453,084	\$ 5,077,670	\$ 5,099,976	\$ 4,975,982	\$ 4,810,904	\$ 4,491,949	\$ 4,376,161	\$ 4,389,833
Intergovernmental taxes	821,437	889,892	840,909	856,985	859,888	869,108	871,995	690,083	683,480	478,177
Licenses and permits	51,211	72,067	31,935	36,283	209,666	159,025	138,296	144,535	94,907	85,641
Charges for services	2,405,103	2,538,108	2,473,148	2,308,504	1,945,066	1,778,750	1,681,012	1,431,333	1,365,614	1,375,722
Fines and forfeitures	78,101	153,217	161,975	182,259	177,571	182,474	286,009	257,969	182,256	187,446
Investment earnings	158,306	210,845	212,140	159,738	74,706	69,230	62,564	73,986	84,420	102,643
Grants and contributions	2,035,059	38,328	29,196	78,693	618,249	390,807	46,867	40,373	561,173	32,501
Rents	10,072	28,399	29,866	19,628	25,982	19,823	22,317	15,088	22,171	-
Impact fees	124,188	164,342	153,289	196,364	75,017	64,040	70,826	81,071	39,031	27,721
Miscellaneous	105,077	33,438	56,731	75,796	66,503	134,560	22,847	6,698	21,891	24,435
Interfund reimbursements	-	-	-	-	-	-	1,309,878	1,239,132	1,158,903	1,203,107
Total Revenues	\$ 12,469,288	\$ 10,117,720	\$ 9,442,273	\$ 8,991,920	\$ 9,152,624	\$ 8,643,799	\$ 9,323,515	\$ 8,472,217	\$ 8,590,007	\$ 7,907,226
EXPENDITURES										
Current:										
General government	\$ 1,362,737	\$ 1,145,287	\$ 1,028,176	\$ 847,903	\$ 917,894	\$ 920,402	\$ 2,158,129	\$ 2,129,815	\$ 1,965,334	\$ 1,983,368
Police/Public Safety	3,313,543	3,213,251	2,841,589	2,619,736	2,421,788	2,250,998	2,121,032	2,186,938	2,042,311	1,989,518
Building inspection	351,960	357,816	272,441	220,446	225,504	208,771	203,936	231,697	216,429	195,892
Streets	2,009,931	2,757,923	1,437,246	1,439,612	1,340,766	1,407,478	1,230,304	1,186,874	1,094,029	1,158,864
Planning/Economic Development	455,433	216,719	242,790	215,286	172,600	163,516	157,803	164,173	190,153	179,565
Parks	1,230,624	1,239,139	1,101,543	1,091,462	1,037,978	1,028,313	986,767	991,749	867,474	876,779
Sanitation	1,154,097	1,082,839	1,016,192	963,335	922,967	882,781	864,359	843,906	810,214	777,301
Storm water	29,346	32,033	35,483	22,687	15,802	14,500	18,406	24,987	22,563	24,163
Administrative fees	-	-	-	-	-	-	174,364	158,633	139,694	151,967
Capital outlay	1,729,946	573,285	821,093	633,654	2,912,388	1,286,581	315,638	1,278,652	1,263,859	345,139
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal retirement	524,200	509,200	588,324	567,537	595,922	620,172	580,253	518,641	365,000	1,130,000
Interest and fiscal agent fees	64,421	75,947	89,704	97,509	112,081	128,841	185,935	243,691	254,314	305,699
Total Expenditures	\$ 12,226,238	\$ 11,203,439	\$ 9,474,581	\$ 8,719,167	\$ 10,675,690	\$ 8,912,353	\$ 8,996,926	\$ 9,959,756	\$ 9,231,374	\$ 9,118,255

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Excess (Deficiency) Of Revenues Over Expenditures	243,050	(1,085,719)	(32,308)	272,753	(1,523,066)	(268,554)	326,589	(1,487,539)	(641,367)	(1,211,029)
OTHER FINANCING SOURCES (USES)										
Transfer from other funds	841,000	443,000	319,000	193,000	276,000	456,000	487,500	671,000	1,024,000	2,709,312
Transfer to other funds	(841,000)	(443,000)	(319,000)	(193,000)	(276,000)	(456,000)	(487,500)	(671,000)	(1,024,000)	(2,620,437)
Capital contribution	-	-	-	-	-	-	-	48,576	-	-
Bonds/refunding bonds issued	-	-	-	-	-	(318,687)	-	17,700	-	-
Debt issuance cost	-	-	-	-	-	-	-	(17,700)	-	-
Debt proceeds	-	-	-	-	258,751	-	-	468,098	-	-
Sale of capital assets	-	-	-	-	415,000	-	-	-	-	-
Restitution	-	-	-	-	-	-	1,092	80,666	-	116,390
Extraordinary loss	-	-	-	-	-	-	-	-	-	-
Fee in Lieu of Taxes	962,371	961,235	972,723	921,764	1,002,459	947,720	748,905	741,293	760,524	752,806
Total Other Financing Sources (Uses)	962,371	961,235	972,723	921,764	1,676,210	629,033	749,997	1,338,633	760,524	958,071
Net Change in Fund Balances	1,205,421	(124,484)	940,415	1,194,517	153,144	360,479	1,076,586	(148,906)	119,157	(252,958)
Debt service as a percentage of noncapital expenditures	5.61%	5.50%	7.84%	8.23%	9.12%	9.82%	8.83%	8.78%	7.77%	16.36%

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

Fiscal Year	Property Taxes	Sales Tax - City & County	City Use Tax	Franchise Tax - Cable & Gas	Missouri Motor Fuel Tax	Other Taxes	Total Revenues
2020	\$ 962,502	\$ 4,709,046	\$ 603,597	\$ 480,589	\$ 746,437	\$ 27	\$ 7,502,198
2019	894,793	4,265,490	414,994	527,395	776,305	1,784	6,880,761
2018	881,566	4,037,259	109,462	499,796	765,909	1,471	6,295,463
2017	829,169	3,893,990	-	442,262	769,235	724	5,935,380
2016	768,433	3,966,201	-	468,972	754,888	1,371	5,959,866
2015	766,135	3,816,625	-	517,433	744,108	789	5,845,090
2014	740,922	3,684,084	-	536,765	720,523	605	5,682,899
2013	726,937	3,268,889	-	495,580	690,083	543	5,182,032
2012	693,432	3,244,586	-	437,567	683,480	576	5,059,641
2011	688,165	3,233,016	-	468,181	475,080	3,568	4,868,010

Note:

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City of Nixa (Real Only)	0.3246	0.3246	0.3286	0.3286	0.3316	0.3316	0.3316	0.3316	0.3316	0.3284
Nixa Schools	4.7000	4.7000	4.2896	4.2876	4.2875	4.2961	4.3000	4.3100	4.3100	4.3100
Nixa Fire District	0.7291	0.7291	0.7338	0.7338	0.7339	0.7339	0.6549	0.6549	0.6549	0.6483
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
County of Christian	0.0664	0.0540	0.0620	0.0557	0.0715	0.0715	0.0000	0.0000	0.0000	0.0000
Library	0.2009	0.2009	0.2150	0.2009	0.0887	0.0887	0.0887	0.0887	0.0887	0.0882
Junior College	0.1996	0.1990	0.2023	0.1498	0.1500	0.1494	0.1494	0.1479	0.1408	0.1405
Ambulance	0.1311	0.1311	0.1324	0.1324	0.1324	0.1324	0.1324	0.1324	0.1324	0.1305
Senate Bill 40 Board	0.0790	0.0790	0.0799	0.0799	0.0799	0.0799	0.0799	0.0799	0.0799	0.0794
Health	0.0439	0.0439	0.0444	0.0444	0.0444	0.0444	0.0444	0.0444	0.0444	0.0441
Senior Citizens	0.0495	0.0495	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Total District Overlapping	6.5541	6.5411	6.1680	6.0931	5.9999	6.0079	5.8613	5.8698	5.8627	5.8494

Source: Christian County Clerk

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

Fiscal Year Ended December 31	Residential	Agricultural	Commercial	Local Railroad and Utilities	Commercial / State RRU	Total Taxable Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Total Direct Levy
2020	\$ 228,070,460	\$ 57,640	\$ 53,618,620	\$ 3,250	\$ 2,515,251	\$ 284,265,221	\$ 1,376,279,679	20.7%	0.3246
2019	213,272,790	50,900	52,969,210	16,410	2,523,396	268,832,706	1,296,378,210	20.7%	0.3246
2018	199,283,200	71,550	51,686,110	8,870	203,667	251,253,397	1,211,638,469	20.7%	0.3286
2017	187,722,190	70,700	50,838,510	3,200	208,307	238,842,907	1,148,131,996	20.8%	0.3286
2016	179,636,100	86,210	47,240,550	5,680	235,654	227,204,194	1,094,552,462	20.8%	0.3316
2015	174,294,980	57,440	45,527,240	22,040	214,885	220,116,585	1,060,833,682	20.7%	0.3316
2014	167,525,240	63,390	44,587,280	1,660	209,659	212,387,229	1,022,235,661	20.8%	0.3316
2013	164,145,850	52,570	45,008,020	980	226,603	209,434,023	1,005,724,869	20.8%	0.3316
2012	160,956,020	53,890	39,745,510	3,170	268,189	201,026,779	972,638,746	20.7%	0.3316
2011	158,925,290	55,990	39,410,760	1,847	320,179	198,714,066	961,080,434	20.7%	0.3284

Source: Christian County Clerk

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

CITY OF NIXA, MISSOURI
Principal Property Taxpayers
Current Year and 2011

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Missouri Gas Energy	\$ 3,471,780	1	1.22%	\$ 968,350	4	0.49%
Wal-Mart	2,497,150	2	0.88%	1,952,540	2	0.98%
Nixa Senior Community LLC	1,640,590	3	0.58%			
Associated Nixa LLC	1,420,960	4	0.50%	824,260	5	0.42%
Peoples Bank of Ozarks	1,179,900	5	0.42%	1,362,340	3	0.69%
Carnahan Investments Enterprise Inc.	1,156,580	6	0.41%	701,920	7	0.35%
St. John's Health Systems	1,114,080	7	0.39%	2,233,470	1	1.13%
Southernwood Condominium LLC	933,300	8	0.33%			
Fountain Plaza Group	901,600	9	0.32%			
Warren Davis Properties XXXIII LLC	876,000	10	0.31%	665,790	9	0.34%
Crimson Plaza				771,010	6	0.39%
Carnahan LLC						
Magers Properties Nixa LLC				678,690	8	0.34%
Diversified Plastics Corp				638,530	10	0.32%
Total	\$ 15,191,940		5.34%	\$ 10,796,900		5.44%

Source: Christian County Assessor

Total Assessed Valuation for 2020	284,265,221
Total Assessed Valuation for 2011	198,392,040

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 12/31/20	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 914,540	\$ 886,333	96.9%	\$ -	886,333	96.9%
2019	864,414	835,774	96.7%	21,962	857,736	99.2%
2018	824,920	801,823	97.2%	19,781	821,604	99.6%
2017	784,133	757,395	96.6%	26,725	784,120	100.0%
2016	752,265	708,599	94.2%	43,989	752,588	100.0%
2015	729,121	702,289	96.3%	26,800	729,089	100.0%
2014	703,576	673,640	95.7%	29,962	703,602	100.0%
2013	693,817	661,528	95.3%	32,289	693,817	100.0%
2012	665,705	633,110	95.1%	32,219	665,329	99.9%
2011	651,573	603,732	92.7%	44,128	647,860	99.4%

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

Source: Christian County Collector's Office

CITY OF NIXA, MISSOURI
Direct City Sales and Use Tax Revenue by Type
Last Ten Fiscal Years

Fiscal Year	Direct Sales and Use Tax	1% General Sales	0.50% Transportation Sales	1.50% General Use	Total
2020	1.50%	\$ 3,089,364	\$ 1,544,682	\$ 603,597	\$ 5,237,643
2019	1.50%	2,767,935	1,383,968	414,994	4,566,897
2018	1.50%	2,641,506	1,320,753	109,462	4,071,721
2017	1.50%	2,537,493	1,268,746	-	3,806,240
2016	1.50%	2,574,134	1,287,067	-	3,861,201
2015	1.50%	2,461,554	1,230,071	-	3,691,625
2014	1.50%	2,355,075	1,177,537	-	3,532,612
2013	1.50%	2,096,903	1,048,451	-	3,145,354
2012	1.50%	2,063,954	1,031,977	-	3,095,931
2011	1.50%	2,047,548	1,023,773	-	3,071,321

Source: Missouri Department of Revenue

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

Fiscal Year	City Direct Rate	Christian County 911	Christian County Rate	State Rate	Total Rate
2020	1.500%	0.250%	1.500%	4.225%	7.475%
2019	1.500%	0.250%	1.500%	4.225%	7.475%
2018	1.500%	0.250%	1.500%	4.225%	7.475%
2017	1.500%	0.250%	1.500%	4.225%	7.475%
2016	1.500%	0.250%	1.500%	4.225%	7.475%
2015	1.500%	0.250%	1.500%	4.225%	7.475%
2014	1.500%	0.250%	1.500%	4.225%	7.475%
2013	1.500%	0.250%	1.500%	4.225%	7.475%
2012	1.500%	0.250%	1.500%	4.225%	7.475%
2011	1.500%	0.250%	1.500%	4.225%	7.475%

Note: McCroskey Street Community Improvement District of Nixa subject to 1% sales tax rate effective 2012.

Source: Missouri Department of Revenue

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

Fiscal Year	Capital Lease Obligation	General Obligation Bonds	Lease Obligations	Certificates of Participation	Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
	Governmental			Business-Type				
2020	\$ 1,550,000	\$ 165,300	\$ -	\$ 515,000	\$ 1,755,000	\$ 3,985,300	0.64%	171
2019	1,785,000	454,500	-	630,000	2,443,000	5,312,500	1.01%	235
2018	2,015,000	733,700	-	740,000	3,115,000	6,603,700	1.29%	300
2017	2,329,124	1,007,900	-	845,000	7,652,000	11,834,024	2.39%	556
2016	2,627,761	1,276,800	-	950,000	8,888,000	13,742,561	2.85%	664
2015	2,701,632	1,540,100	-	1,055,000	10,149,000	15,445,732	3.27%	762
2014	3,214,404	1,797,500	-	1,155,000	11,663,000	17,829,904	3.81%	849
2013	3,534,457	2,057,700	-	1,250,000	13,137,000	19,979,157	4.35%	971
2012	3,360,000	2,265,000	-	1,350,000	14,753,000	21,728,000	4.98%	1,077
2011	3,510,000	2,480,000	-	1,420,000	15,880,000	23,290,000	5.63%	1,177
2010	4,200,000	2,920,000	803,427	1,475,000	17,598,000	26,996,427	6.40%	1,419

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

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

Fiscal Year	General Obligation Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Net Bonded Debt per Capita
2020	\$ 165,300	-	\$ 165,300	0.01%	7
2019	454,500	-	454,500	0.04%	20
2018	733,700	-	733,700	0.06%	33
2017	1,007,900	-	1,007,900	0.09%	47
2016	1,276,800	-	1,276,800	0.12%	62
2015	1,540,100	-	1,540,100	0.15%	76
2014	1,797,500	318,688	1,478,812	0.14%	70
2013	2,057,700	319,182	1,738,518	0.17%	84
2012	2,265,000	318,685	1,946,315	0.20%	96
2011	2,480,000	326,419	2,153,581	0.22%	109

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

(1) See Assessed and Estimated Value of Taxable Properties Table

CITY OF NIXA, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Nixa School District	\$ 69,522,081	66.72%	\$ 46,385,925
Nixa Fire District	1,415,000	62.23%	880,507
City of Nixa direct debt	<u>1,715,300</u>	100%	<u>1,715,300</u>
Subtotal, overlapping debt	70,937,081		47,266,432
Subtotal, direct debt	1,715,300		1,715,300
Total direct and overlapping debt	<u><u>\$ 72,652,381</u></u>		<u><u>\$ 48,981,732</u></u>

Source: Nixa School District, Nixa Fire Department and Christian County Clerk

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

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

CITY OF NIXA, MISSOURI
Legal Debt Margin Information
December 31, 2020

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	<u>\$ 284,265,221</u>
Debt limit (20% of assessed value)	<u>\$ 56,853,044</u>
City Debt applicable to debt Limit:	
General obligation bonds	165,300
Total net debt applicable to limit	<u>\$ 165,300</u>
Legal debt margin	<u>\$ 56,687,744</u>

	Last Ten Fiscal Years									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed valuation, January 1	<u>\$ 284,265,221</u>	<u>\$ 268,832,706</u>	<u>\$ 251,253,397</u>	<u>\$ 238,842,907</u>	<u>\$ 227,204,194</u>	<u>\$ 220,116,585</u>	<u>\$ 212,387,229</u>	<u>\$ 209,434,023</u>	<u>\$ 201,026,779</u>	<u>\$ 198,714,066</u>
Debt limit	56,853,044	53,766,541	50,250,679	47,768,581	45,440,839	44,023,317	42,477,446	41,886,805	40,205,356	39,742,813
Total net debt applicable to limit	<u>165,300</u>	<u>454,500</u>	<u>733,700</u>	<u>1,007,900</u>	<u>1,276,800</u>	<u>1,540,100</u>	<u>1,478,812</u>	<u>1,738,518</u>	<u>1,946,315</u>	<u>2,153,581</u>
Legal debt margin	<u>\$ 56,687,744</u>	<u>\$ 53,312,041</u>	<u>\$ 49,516,979</u>	<u>\$ 46,760,681</u>	<u>\$ 44,164,039</u>	<u>\$ 42,483,217</u>	<u>\$ 40,998,634</u>	<u>\$ 40,148,287</u>	<u>\$ 38,259,041</u>	<u>\$ 37,589,232</u>
Total net debt applicable to the limit as a percentage	0.29%	0.85%	1.48%	2.16%	2.89%	3.63%	3.61%	4.33%	5.09%	5.73%

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

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

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

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

Electric system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2020	\$ 19,077,888	\$ 17,268,566	\$ 1,809,322	\$ -	\$ -	-	
2019	17,910,578	17,210,310	700,268	-	-	-	
(5) 2018	18,599,532	17,265,997	1,333,535	3,880,000	275,336	4,155,336	0.32
2017	17,411,291	16,259,966	1,151,325	600,000	116,025	716,025	1.61
2016	16,928,777	15,551,024	1,377,753	635,000	136,670	771,670	1.79
2015	15,999,418	15,422,038	577,380	775,000	146,267	921,267	0.63
2014	15,741,500	14,580,383	1,161,117	755,000	177,502	932,502	1.25
2013	15,548,362	13,704,399	1,843,963	735,000	267,822	1,002,822	1.84
2012	15,519,118	13,942,090	1,577,028	485,000	200,413	685,413	2.30
(4) 2011	15,331,504	12,741,177	2,590,327	655,000	360,160	1,015,160	2.55

Water system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2020	\$ 3,120,222	\$ 2,004,255	\$ 1,115,967	\$ 225,000	\$ 9,108	\$ 234,108	4.77
2019	2,731,086	1,811,875	919,211	220,000	22,177	242,177	3.80
2018	2,539,093	1,727,376	811,717	215,000	18,351	233,351	3.48
2017	2,340,321	1,622,815	717,506	205,000	21,798	226,798	3.16
2016	2,266,282	1,511,164	755,118	205,000	26,429	231,429	3.26
2015	2,047,718	1,497,457	550,261	205,000	30,158	235,158	2.34
2014	1,991,287	1,402,963	588,324	205,000	20,304	225,304	2.61
(4) 2013	1,577,953	1,387,750	190,203	175,000	25,356	200,356	0.95
2012	1,703,049	1,377,547	325,502	150,000	88,464	238,464	1.36
2011	1,667,471	1,343,020	324,451	145,000	93,641	238,641	1.36

Wastewater system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2020	\$ 3,353,892	\$ 2,776,510	\$ 577,382	\$ 578,000	\$ 54,645	\$ 632,645	0.91
2019	3,230,466	2,556,418	674,048	562,000	58,239	620,239	1.09
2018	3,249,783	2,245,733	1,004,050	547,000	81,427	628,427	1.60
2017	3,202,250	2,534,516	667,734	536,000	88,797	624,797	1.07
2016	3,062,204	2,438,863	623,341	526,000	108,082	634,082	0.98
2015	2,976,631	2,453,613	523,018	634,000	82,254	716,254	0.73
2014	2,967,479	2,209,688	757,791	609,000	125,340	734,340	1.03
(4) 2013	2,791,848	2,144,691	647,157	651,000	200,732	851,732	0.76
2012	2,584,051	2,174,971	409,080	562,000	202,047	764,047	0.54
2011	2,577,199	1,947,877	629,322	605,284	211,067	816,351	0.77

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

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

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

(4) The City refunded outstanding bond issues; debt service amounts in the table do not reflect the defeasance of this debt.

(5) Outstanding 2011 electric revenue bonds redeemed with proceeds from sale of transmission line.

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

Fiscal Year	Population (1)	Median Age (1)	Per Capita Income (1)	Median Household Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2020	23,246	35.6	26,825	58,402	6,500	4.9%
2019	22,647	34.9	23,313	50,480	6,485	2.8%
2018	21,980	34.9	23,313	50,480	6,424	2.5%
2017	21,275	34.9	23,313	50,480	6,122	2.7%
2016	20,684	34.2	23,313	50,480	6,180	3.3%
2015	20,264	34.2	23,313	50,480	6,057	3.4%
2014	20,056	34.2	23,313	50,480	5,926	4.0%
2013	19,713	34.2	23,313	50,480	5,916	4.8%
2012	19,354	34.2	22,524	51,040	5,804	5.3%
2011	19,152	34.2	21,589	51,040	5,641	6.2%

Sources:

- (1) U.S. Census Bureau (actual and estimated)
- (2) Nixa Public School District
- (3) U.S. Department of Labor

CITY OF NIXA, MISSOURI
Principal Employers
Current Year and 2011

2020				2011			
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
Nixa School District	777	1	13.74%	629	1	11.90%	
Diversified	182	2	3.22%	125	4	2.37%	
City of Nixa	150	3	2.65%	124	5	2.35%	
Wal-Mart	100	4	1.77%	372	2	7.04%	
Nixa Hardware	82	5	1.45%				
Price Cutter	71	6	1.26%	96	6	1.82%	
Ample Industries	70	7	1.24%				
Christian Health & Rehabilitation	68	8	1.20%				
Springfield Aluminum	59	9	1.04%				
Mercy (St. John's)	40	10	0.71%	89	7	1.68%	
Christian County Health Care				82	8	1.55%	
People's Bank				76	9	1.44%	
Doctor's Hospital				65	10	1.23%	
Nauvalis Healthcare Solutions				200	3	3.78%	
Total	<u>1,599</u>		<u>28.28%</u>	<u>1,858</u>		<u>27.15%</u>	

Source: City Clerk's Office and Planning Department

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

		New Construction (2)						Building Demolitions
		Residential		Commercial		Alterations and Additions		
		Estimated Cost		Estimated Cost		Estimated Cost		
Fiscal Year	Total Estimated Actual Value (1)	Number of Permits	of Construction	Number of Permits	of Construction	Number of Permits	of Construction	Number of Permits
2020	\$ 1,376,279,679	222	49,107,913	14	16,881,000	16	10,445,000	6
2019	1,296,378,210	247	50,832,184	10	16,035,000	13	2,185,000	5
2018	1,211,638,469	250	60,126,558	18	7,185,201	22	1,000,000	4
2017	1,148,131,996	211	45,563,615	6	465,000	45	25,000	2
2016	1,094,552,462	127	25,509,400	8	47,148,000	71	1,220,000	4
2015	1,060,833,682	105	17,935,210	5	4,892,000	68	157,500	5
2014	1,022,235,661	127	22,014,389	17	12,113,000	78	24,300	4
2013	1,005,724,869	133	20,256,716	5	4,024,600	73	1,189,500	1
2012	972,638,746	75	11,250,000	3	2,485,000	49	103,000	6
2011	961,080,434	48	7,200,000	2	900,000	58	50,060	4
2010	962,072,226	90	12,445,081	4	1,000,000	58	1,203,450	2

(1) Source: Christian County Assessor

(2) Source: City of Nixa Building Inspection Department

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

Function/Programs	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Administrative Services	6	5	5	5	5	5	5	5	5	5
Municipal Court	2	2	2	2	2	2	2	2	2	2
Human Resources	2	2	2	2	2	2	2	2	2	2
Planning & Development	4	4	4	3	3	3	3	3	3	3
Building Inspections	4	4	4	4	3	3	3	3	3	3
Finance	6	6	6	6	6	6	7	7	6	6
Information Technology	1	1	1	1	0	0	0	1	0	1
Municipal property maintenance	2	2	2	2	2	2	2	1	1	1
Police										
Officers	40	36	34	34	29	27	27	27	27	25
Civilians*	6	6	6	6	6	6	5	5	5	5
Parks and recreation	10	10	10	9	9	9	8	8	10	10
Utility Billing	10	10	11	11	11	11	11	11	11	11
Public Works										
Administration	6	5	4	4	4	3	3	3	3	3
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Street Maintenance	13	13	13	13	13	13	13	13	13	13
Electric	18	18	14	14	14	14	14	14	14	14
Water	6	6.5	6.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Wastewater	9.8	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Recycling	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Total	150	144	138	135	128	125	124	124	124	123

* The City discontinued dispatch services with the formation of County 911.

Source: City of Nixa Human Resource Department

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

Function/Programs	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Business licenses issued	726	677	659	685	685	644	594	574	619	798
New Residential building permits issued	204	247	250	211	127	105	127	133	75	48
New Commercial building permits issued	14	10	18	6	8	5	17	6	3	2
Building inspections completed	4,989	5,450	5,563	4,056	2,704	2,589	3,114	2,346	1,922	1,862
Rental inspections completed	942	1,016	1,064	1,116	1,250	1,301	1,368	1,378	1,413	1,259
Police-Patrol										
Calls for Services	38,904	38,258	28,862	25,686	24,390	18,899	19,764	18,425	17,476	17,627
Arrests	363	568	887	941	682	772	865	897	659	735
Tickets issued	1,628	2,569	2,519	2,862	2,963	2,263	2,703	2,705	2,433	3,106
Accidents	319	312	364	343	328	362	349	374	367	337
Public Works										
Streets resurfaced (miles)	8.4	4.6	2.5	3.8	3.2	3.4	4.6	5.9	4.1	5.8
Number of water towers	7	7	7	7	7	7	7	7	7	7
Number of wells	9	9	9	9	9	9	9	8	8	8
Number of water meters	9,214	8,892	8,654	8,378	8,161	8,083	7,945	7,827	7,675	7,638
Average daily well production (MGD)	2.7	2.4	2.4	2.4	2.3	2.8	2.2	2.0	2.3	2.2
Number of electric meter accounts	10,704	10,367	10,120	9,795	9,530	9,487	9,351	9,199	9,014	8,986
Number of electric sold (MWh)	150,996	152,947	158,710	152,303	152,104	147,191	146,361	143,898	145,432	146,099
WWTP average daily flow (MGD)	1.7	1.5	1.4	1.4	1.3	1.6	1.2	1.3	1.1	1.2
Recreation										
Number of recreational programs	49	47	45	45	42	42	48	44	37	36
Number of special events offered	11	8	8	8	8	10	16	12	10	10
Number of Fitness Center memberships**	2,290	2,340	2,193	1,954	1,775	1,351	1,089	475	-	-

Source: City department records.

** Fitness Center opened in 2013

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Area (square miles)	8.57	8.57	8.97	8.97	8.82	8.53	8.53	8.53	8.53	8.53
Number of general governmental buildings	2	2	2	2	2	2	2	2	2	2
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of street lights	2,220	2,168	2,077	2,049	1,980	1,950	1,892	1,887	1,882	1,868
Miles of water mains*	142.0	140.4	138.3	137.0	134.0	130.1	130.026	129.0	-	-
Miles of sanitary sewers	125.5	123.9	121.8	120.6	117.0	115.5	115.5	109.0	109.0	109.0
Miles of sanitary force mains	13.38	13.38	13.38	13.30	12.79	12.79	12.79	14.00	14.00	14.00
Wastewater treatment capacity (MGD)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Number of Electric Substations	4	4	4	4	4	4	4	4	4	4
Miles of electric line	210.0	196.0	203.0	200.1	195.0	195.0	188.0	187.3	187.3	186.0
Electric Poles**	2,950	3,196	3,143	3,133	4,310	4,293	2,986	2,981	2,974	2,974
Recreation										
Number of parks	3	3	3	3	3	4	4	4	4	3
Park acreage	177	122	122	122	63	101	101	101	101	63
Number of recreational facilities	1	1	1	1	1	1	1	1	1	1
Number of baseball/softball fields	3	3	3	3	3	3	3	3	3	3
Number of soccer fields	3	3	3	3	3	3	3	3	3	3

*Records for water mains not available for 2010 – 2012

**Records updated in 2015 to include poles with street lights

Source: City departmental records.

SECTION IV - SINGLE AUDIT

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

Honorable Mayor and Members of City Council
City of Nixa, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Nixa, Missouri, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Nixa, Missouri's basic financial statements, and have issued our report thereon dated April 12, 2021

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Nixa, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Nixa, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Nixa, Missouri'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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Nixa, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Decker & DeGood
Springfield, Missouri
April 12, 2021

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

Honorable Mayor and Members of City Council
City of Nixa, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Nixa, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Nixa, Missouri's major federal programs for the year ended December 31, 2020. City of Nixa, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Nixa, 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, 2020

Report on Internal Control Over Compliance

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

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

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

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



Decker & DeGood
Springfield, Missouri
April 12, 2021

CITY OF NIXA, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Disbursements Expenditures</u>
<u>Department of the Treasury</u>			
State of Missouri Treasury/Christian County Cares Act Grant	21.019	3406/CCA	\$ 1,098,054
Total United States Department of Treasury			1,098,054
<u>Department of Transportation</u>			
Missouri Department of Transportation			
Pedestrian & Bicycle Funding Grant	20.205	STBG-9901	15,264
DWI Enforcement and Checkpoints	20.607	20-154-AL-074	2,329
Hazardous Moving Violation	20.600	20-PT-02-062	3,819
Total Department of Transportation			21,412
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership	16.607	N/A	6,414
City of Springfield, Missouri			
National Crime Statistics Exchange	16.734	2017-MUCX-K035	51,170
Total U.S. Department of Justice			57,584
Total Expenditures of Federal Awards			\$ 1,177,050

See accompanying note to schedule of expenditures of federal awards.

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of the City of Nixa, Missouri, under programs of the federal government for the year ended December 31, 2020. 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 Nixa, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Nixa, Missouri.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on accounting principles generally accepted in the United States of America (accrual basis). Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

CITY OF NIXA, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- | | | | | |
|---|-------------------|-----|--------------|---------------|
| • Material weakness(es) identified? | <u> </u> | yes | <u> ✓ </u> | no |
| • Significant deficiency(ies) identified? | <u> </u> | yes | <u> ✓ </u> | none reported |
| • Noncompliance material to financial statements noted? | <u> </u> | yes | <u> ✓ </u> | no |

Federal Awards

Internal control over major programs:

- | | | | | |
|---|-------------------|-----|--------------|---------------|
| • Material weakness(es) identified? | <u> </u> | yes | <u> ✓ </u> | no |
| • Significant deficiency(ies) identified? | <u> </u> | yes | <u> ✓ </u> | none reported |

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes ✓ no

The programs tested as major programs were:

CFDA Number: 21.019 Cares Act

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes ✓ no

B. FINANCIAL STATEMENTS FINDINGS-

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS-

None

CITY OF NIXA, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Number</u>	<u>Finding</u>	<u>Costs</u>
N/A	The City of Nixa, Missouri had no federal grants in the prior year that had any findings to correct or report.	



715 West Mount Vernon, Nixa, Missouri 65714

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