

CITY OF MOBERLY
ANNUAL FINANCIAL REPORT
JUNE 30, 2025

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Moberly

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of each major fund and the aggregate remaining fund information of the City of Moberly (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of each major fund and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position – modified cash basis thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

William F. Keppel, UC

Columbia, Missouri
December 29, 2025

BASIC FINANCIAL STATEMENTS

**CITY OF MOBERLY
BALANCE SHEET
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
June 30, 2025**

	Major Funds								Total
	General Fund	Parks and Recreation Fund	ARPA Grant Fund	Transportation Trust Fund	Downtown NID Fund	Capital Improvement Trust Fund	2021 EDA Grant Projects Fund	Non-Major Funds	
ASSETS									
Cash and cash equivalents	\$ 3,879,668	\$ 1,268,682	\$ 3,144,765	\$ 1,926,821	\$ 1,493,985	\$ 2,623,730	\$ -	\$ 1,869,565	\$ 16,207,216
Due from other funds	2,325,258	-	-	-	-	-	-	-	2,325,258
Prepaid expenses	519,630	75,304	-	-	-	-	-	40,150	635,084
Other assets	-	-	-	-	-	-	-	320	320
Total assets	\$ 6,724,556	\$ 1,343,986	\$ 3,144,765	\$ 1,926,821	\$ 1,493,985	\$ 2,623,730	\$ -	\$ 1,910,035	\$ 19,167,878
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$ -	\$ 8,746	\$ -	\$ -	\$ -	\$ -	\$ 1,724,958	\$ 410,363	\$ 2,144,067
Other payables	40,612	14,352	-	-	-	-	-	-	54,964
Total liabilities	40,612	23,098	-	-	-	-	1,724,958	410,363	2,199,031
Fund balances:									
Nonspendable	519,630	75,304	-	-	-	-	-	635,141	1,230,075
Restricted for:									
Parks and recreation	-	1,245,584	-	-	-	-	-	-	1,245,584
Transportation	-	-	-	1,926,821	-	-	-	-	1,926,821
Tourism	-	-	-	-	-	-	-	234,679	234,679
Capital outlay	-	-	-	-	-	2,623,730	-	-	2,623,730
Grant activity	-	-	3,144,765	-	-	-	-	301,186	3,445,951
Public safety	-	-	-	-	-	-	-	47,981	47,981
Special taxing district activity	-	-	-	-	1,493,985	-	-	690,728	2,184,713
Assigned for:									
Capital outlay	165,092	-	-	-	-	-	-	-	165,092
Debt service	967,484	-	-	-	-	-	-	-	967,484
Economic development	18,259	-	-	-	-	-	-	-	18,259
Transportation	257,356	-	-	-	-	-	-	-	257,356
Unassigned	4,756,123	-	-	-	-	-	(1,724,958)	(410,043)	2,621,122
Total fund balances	6,683,944	1,320,888	3,144,765	1,926,821	1,493,985	2,623,730	(1,724,958)	1,499,672	16,968,847
Total liabilities and fund balances	\$ 6,724,556	\$ 1,343,986	\$ 3,144,765	\$ 1,926,821	\$ 1,493,985	\$ 2,623,730	\$ -	\$ 1,910,035	\$ 19,167,878

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	Major Funds								Total
	General Fund	Parks and Recreation Fund	ARPA Grant Fund	Transportation Trust Fund	Downtown NID Fund	Capital Improvement Trust Fund	2021 EDA Grant Projects Fund	Non-Major Funds	
REVENUES									
Taxes:									
Sales and use	\$ 4,328,788	\$ 1,564,881	\$ -	\$ 1,564,208	\$ -	\$ 1,563,423	\$ -	\$ 144,764	\$ 9,166,064
Franchise	2,144,163	-	-	-	-	-	-	-	2,144,163
Property	1,395,349	646,217	-	-	-	-	-	236,298	2,277,864
Motor vehicle and license	776,622	-	-	-	-	-	-	-	776,622
Other	209,611	268,400	-	-	-	-	-	109,248	587,259
Licenses, permits and fees	444,329	-	-	-	-	-	-	-	444,329
Charges for goods and services	952,241	444,992	-	-	-	-	-	629,633	2,026,866
Grants and contributions	52,643	371,096	1,467,756	655,014	-	-	2,306,387	213,289	5,066,185
Interest	147,166	19,928	90,195	74,622	3,372	64,878	-	54,481	454,642
Miscellaneous	204,573	494,928	-	35,929	-	-	-	36,804	772,234
Total revenues	10,655,485	3,810,442	1,557,951	2,329,773	3,372	1,628,301	2,306,387	1,424,517	23,716,228
EXPENDITURES									
General government	2,382,622	73,736	899,374	-	-	113,331	2,208,405	858,223	6,535,691
Public safety	5,166,236	-	-	-	-	-	-	550,454	5,716,690
Economic and community development	534,935	-	-	-	-	-	-	-	534,935
Transportation	1,480,694	-	-	2,460,120	-	-	-	-	3,940,814
Parks and recreation	-	2,322,861	-	-	-	-	-	-	2,322,861
Capital outlay	599,026	725,188	-	903,980	-	17,475	-	155,666	2,401,335
Debt service:									
Principal	122,130	115,282	-	-	86,326	-	-	-	323,738
Interest and fees	9,392	852	-	-	42,589	-	-	-	52,833
Total expenditures	10,295,035	3,237,919	899,374	3,364,100	128,915	130,806	2,208,405	1,564,343	21,828,897
Excess (deficiency) of revenues over (under) expenditures	360,450	572,523	658,577	(1,034,327)	(125,543)	1,497,495	97,982	(139,826)	1,887,331
OTHER FINANCING SOURCES (USES)									
Settlement proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	16,250	-	-	141,806	-	285,000	250,000	693,056
Transfers (out)	(250,000)	-	-	-	(285,000)	(661,553)	-	(37,056)	(1,233,609)
Total other financing sources (uses)	(250,000)	16,250	-	-	(143,194)	(661,553)	285,000	212,944	(540,553)
Net change in fund balances	110,450	588,773	658,577	(1,034,327)	(268,737)	835,942	382,982	73,118	1,346,778
Fund balances - beginning, as previously presented	6,573,494	732,115	2,486,188	2,961,148	1,762,722	1,752,641	(2,107,940)	1,426,554	15,586,922
Restatement - correction of error	-	-	-	-	-	35,147	-	-	35,147
Fund balances - beginning, as adjusted	6,573,494	732,115	2,486,188	2,961,148	1,762,722	1,787,788	(2,107,940)	1,426,554	15,622,069
Fund balances - ending	\$ 6,683,944	\$ 1,320,888	\$ 3,144,765	\$ 1,926,821	\$ 1,493,985	\$ 2,623,730	\$ (1,724,958)	\$ 1,499,672	\$ 16,968,847

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
June 30, 2025

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,638,631	\$ 928,578	\$ 2,567,209	\$ 342,697
Prepaid expenses	143,083	-	143,083	-
Total current assets	1,781,714	928,578	2,710,292	342,697
Non-current assets:				
Restricted cash and cash equivalents	2,629,131	-	2,629,131	-
Restricted investments	843,419	-	843,419	-
Total non-current assets	3,472,550	-	3,472,550	-
Total assets	5,254,264	928,578	6,182,842	342,697
LIABILITIES				
Current liabilities:				
Due to other funds	180,953	238	181,191	-
Other payables	233,931	20,781	254,712	-
Total liabilities	414,884	21,019	435,903	-
NET POSITION				
Restricted for debt service	3,472,550	-	3,472,550	-
Unrestricted	1,366,830	907,559	2,274,389	342,697
Total net position	\$ 4,839,380	\$ 907,559	\$ 5,746,939	\$ 342,697

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
Year Ended June 30, 2025

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
REVENUES				
Charges for services	\$ 6,662,044	\$ 1,214,412	\$ 7,876,456	\$ 2,110,786
Total operating revenues	<u>6,662,044</u>	<u>1,214,412</u>	<u>7,876,456</u>	<u>2,110,786</u>
OPERATING EXPENSES				
Personnel services	2,105,193	-	2,105,193	-
Contractual services	736,404	1,183,615	1,920,019	2,106,648
Repairs and maintenance	1,171,412	-	1,171,412	-
Materials and supplies	969,913	383	970,296	-
Capital outlay	1,397,932	-	1,397,932	-
Miscellaneous	196,769	42,546	239,315	-
Debt service:				
Principal	1,224,387	-	1,224,387	-
Interest and fees	192,418	-	192,418	-
Total operating expenses	<u>7,994,428</u>	<u>1,226,544</u>	<u>9,220,972</u>	<u>2,106,648</u>
Operating income (loss)	<u>(1,332,384)</u>	<u>(12,132)</u>	<u>(1,344,516)</u>	<u>4,138</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest	172,029	27,993	200,022	10,929
Miscellaneous	223,362	-	223,362	-
Transfers in	8,894,470	-	8,894,470	-
Transfers (out)	(8,353,917)	-	(8,353,917)	-
Total non-operating revenues	<u>935,944</u>	<u>27,993</u>	<u>963,937</u>	<u>10,929</u>
Change in net position	(396,440)	15,861	(380,579)	15,067
Net position - beginning, as previously stated	5,270,967	891,698	6,162,665	327,630
Restatement - correction of error	(35,147)	-	(35,147)	-
Net position - beginning, as restated	<u>5,235,820</u>	<u>891,698</u>	<u>6,127,518</u>	<u>327,630</u>
Net position - ending	<u>\$ 4,839,380</u>	<u>\$ 907,559</u>	<u>\$ 5,746,939</u>	<u>\$ 342,697</u>

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS
June 30, 2025

	Custodial Fund
	Veterans' Flag Project Fund
ASSETS	
Cash and cash equivalents	\$ 43,781
Total assets	43,781
NET POSITION	
Amount held for others	43,781
Total net position	\$ 43,781

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS
Year Ended June 30, 2025

	Custodial Fund
	Veterans' Flag Project Fund
ADDITIONS	
Interest	\$ 1,325
Miscellaneous	1,999
Total additions	3,324
DISBURSEMENTS	
Distributions to others	1,978
Total disbursements	1,978
Change in net position	1,346
NET POSITION, JULY 1	42,435
NET POSITION, JUNE 30	\$ 43,781

See accompanying notes to the basic financial statements.

CITY OF MOBERLY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* as modified for the basis of accounting used by the government.

A. Reporting Entity

The City of Moberly (the City) is an incorporated city located in Randolph County, Missouri. The City operates under a Mayor-Council form of government. The City provides services to its approximately fourteen thousand residents in many areas including: emergency management, law enforcement, parks and recreation, water and sewer utilities, and various social services. These services do not include education, which is provided by separate governmental entities.

The basic financial statements include all the funds relevant to the operations of the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City that have been determined not to be component units as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and 34*.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America (GAAP), the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements, noting none.

B. Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared using the modified cash basis of accounting. Revenues are recorded when received rather than when susceptible to accrual, and expenditures/expenses are recorded when paid rather than when the liability is incurred. This is a comprehensive basis of accounting other than GAAP. The modification to the cash basis of accounting results from recording prepaid expenses and other payables as result of certain cash transactions.

Typically, government financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the City’s financial statements have been prepared using the modified cash basis of accounting, as described above, the fund financial statement information is presented in the same manner as government-wide financial statements would be, only with more detail. Therefore, the City’s basic financial statements include: 1) fund financial statements and 2) notes to the financial statements.

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund or designated by management for expenditures for specified purposes.

Parks and Recreation Fund – This special revenue fund was established to account for property taxes, sales taxes, and other financial resources restricted for parks and recreation purposes.

ARPA Grant Fund – This special revenue fund was established to account for American Rescue Plan Act (ARPA) grant revenue restricted for grant activity.

Transportation Trust Fund – This special revenue fund was established to account for sales taxes and other financial resources restricted for transportation purposes.

Downtown NID Fund – This special revenue fund was established to account for financial resources restricted for the downtown neighborhood improvement district.

Capital Improvement Trust Fund – This special revenue fund was established to account for financial resources restricted for capital outlay.

2021 EDA Grant Projects Fund – This special revenue fund was established to account for financial resources restricted for grant activity.

The City reports the following major proprietary funds:

Enterprise funds:

Combined Waterworks and Sewerage System (CWWSS) Fund – This enterprise fund accounts for the provision of water and sewer utility services to the residents of the City.

Solid Waste Fund – This enterprise fund accounts for the provision of solid waste utility services to the residents of the City.

Internal service fund:

Health Trust Fund – This internal service fund accounts for the financing of the City's employee health plan.

In addition, the City reports the following fiduciary fund:

Veteran's Flag Project Fund – This custodial fund accounts for funds collected by the City to purchase flags to be displayed in Oakland Cemetery (the Cemetery) at various times throughout the year. The funds collected by the City are subsequently remitted to the Cemetery.

C. Cash and Cash Equivalents

Cash and cash equivalents may include cash on hand, demand deposits, and certificates of deposits.

D. Investments

Investments may include any investment allowed by state statute as defined in Note 3. Investments are reported at cost.

E. Capital Assets

As a result of using the modified cash basis of accounting, capital assets are recorded as expenditures/expenses at the time the payment is made. As such, no balances for capital assets or accumulated depreciation are reported in the financial statements.

F. Long-term Debt

As a result of using the modified cash basis of accounting, long-term debt is not recorded in the financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures/expenses. The City's long-term debt consists primarily of bonds and leases payable.

G. Equity

In the governmental fund financial statements, equity is displayed in five components as follows:

Nonspendable – This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed – This consists of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (the City Council) by the end of the fiscal year. The City Council can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund.

The City did not have any committed fund balances as of June 30, 2025.

In the proprietary fund financial statements, equity is displayed in two components as follows:

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

Unrestricted – This consists of net position that does not meet the definition of “restricted.”

H. Compensated Absences

Vacation and sick leave are considered expenditures/expenses in the year paid. Unused vacation days are payable upon termination.

I. Post-Employment Benefits

For personnel hired prior to July 1, 2017, the City provides health insurance to employees who retire after thirty years of service with the City. The coverage is provided until the employee qualifies for Medicare. As of June 30, 2025, there were ten employees that qualified for benefits and the City contributed approximately \$800 per employee to the Health Trust Fund on a monthly basis. Contributions totaled \$96,000 during the year ended June 30, 2025.

J. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

K. Subsequent Events

Events that occurred subsequent to June 30, 2025, have been evaluated through December 29, 2025, which is the date the financial statements were available to be issued.

2. LEGAL COMPLIANCE – BUDGET

The City’s policy is to prepare the operating budgets in accordance with the modified cash basis of accounting. The City prepared budgets for all fund types for the year ended June 30, 2025.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to July 1, the City Manager and Finance Department submit to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- 2) The proposed budget is available for public inspection.
- 3) Prior to June 30, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager and Finance Department are authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total revenues or total expenditures/expenses of any fund must be approved by the City Council.
- 5) All appropriations lapse at year end.

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. The budget was amended during the year.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

Missouri State Statutes authorize the City to deposit funds in any investments allowed by the State Treasurer. These include obligations of the U.S. Treasury, federal agencies and instrumentalities, certificates of deposits, and repurchase agreements.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. The City's deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. The City's deposits are categorized to give an indication of the level of custodial risk assumed by the City.

Deposits, categorized by level of custodial risk, were as follows as of June 30, 2025:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 250,000	\$ -	\$ 250,000
Collateralized with securities pledged by the financial institution in the government's name	20,225,105	-	20,225,105
	<u>\$ 20,475,105</u>	<u>\$ -</u>	<u>\$ 20,475,105</u>
Carrying value	<u>\$ 21,785,135</u>	<u>\$ 4,899</u>	<u>\$ 21,790,034</u>

A reconciliation of cash and cash equivalents as shown in the financial statements is as follows:

	Balance Sheet Governmental Funds	Statement of Financial Position Proprietary Funds	Statement of Fiduciary Net Position	Total
Cash and cash equivalents	\$ 16,207,216	\$ 2,909,906	\$ 43,781	\$ 19,160,903
Restricted cash and cash equivalents	-	2,629,131	-	2,629,131
	<u>\$ 16,207,216</u>	<u>\$ 5,539,037</u>	<u>\$ 43,781</u>	<u>\$ 21,790,034</u>

Investments

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, collateralized certificates of deposits, and the State Treasurer's investment pool. The City's investments consist of certificates of deposits and money market mutual funds, which are reported in the financial statements at cost.

As of June 30, 2025, the City had the following investment balances:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Restricted:					
Money market mutual funds	\$ -	\$ -	\$ 843,419	\$ 843,419	\$ 843,419
Total investments	\$ -	\$ -	\$ 843,419	\$ 843,419	\$ 843,419

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. As the City uses the modified cash basis of accounting, the City does not have any interest rate risk in investments.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor’s and Moody’s. Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, collateralized certificates of deposits, and the State Treasurer’s investment pool. The City has no investment policy that would further limit its investment choice.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Custodial credit risk – For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The City does not have any custodial risk in investments.

4. RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2025, cash and cash equivalents and investments were restricted for various uses as follows:

	Cash and Cash	
	Equivalents	Investments
CWWSS Fund:		
Restricted for debt service	\$ 2,629,131	\$ 843,419

5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables as of June 30, 2025, resulting from interfund activity were as follows:

	Interfund Receivable	Interfund Payable
Governmental funds:		
General Fund	\$ 2,325,258	\$ -
Parks and Recreation Fund	-	8,746
2021 EDA Grant Projects	-	1,724,958
Non-Major Funds	-	410,363
Proprietary funds:		
CWWSS Fund	-	180,953
Solid Waste Fund	-	238
Total	<u>\$ 2,325,258</u>	<u>\$ 2,325,258</u>

These balances either originated during prior fiscal years and were not settled during fiscal year 2025, or originated during fiscal year 2025 as a result of current year activity between the funds.

A summary of interfund transfers for the year ended June 30, 2025, follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ -	\$ 250,000
Parks and Recreation Fund	16,250	-
Downtown NID Fund	141,806	285,000
Capital Improvement Trust Fund	-	661,553
2021 EDA Grant Projects	285,000	-
Non-Major Funds	250,000	37,056
Proprietary funds:		
CWWSS Fund	8,894,470	8,353,917
Total	<u>\$ 9,587,526</u>	<u>\$ 9,587,526</u>

The purpose of these transfers is to subsidize the operations and support the fund balance/net position of the fund receiving the transfer.

6. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended June 30, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due in One Year
Governmental funds:					
Police software lease	\$ 42,211	\$ -	\$ 42,211	\$ -	\$ -
Heritage Hills Golf Course equipment lease	31,033	-	15,378	15,655	15,752
Street equipment lease	218,117	-	107,460	110,657	110,657
Fire equipment lease	498,389	-	79,919	418,470	81,010
Rothwell Park solar pavilion lease	423,605	-	23,390	400,215	24,330
Heritage Hills Golf Course note	500,000	-	100,000	400,000	100,000
Revenue bonds	1,417,668	-	86,326	1,331,342	88,979
Proprietary funds:					
Water equipment lease	3,040,996	-	454,387	2,586,609	465,802
Revenue bonds	2,350,000	1,166,000	770,000	2,746,000	815,200
	<u>\$ 8,522,019</u>	<u>\$ 1,166,000</u>	<u>\$ 1,679,071</u>	<u>\$ 8,008,948</u>	<u>\$ 1,701,730</u>

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm wastewater systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the city does not exceed 20% of the assessed valuation of taxable property.

Based on the assessed valuation as of January 1, 2024, of \$186,068,159, the constitutional total general obligation debt limit was \$37,213,632, which provides a general obligation debt margin of \$35,882,290.

Leases

Governmental funds:

In November 2017, the City entered into a lease purchase agreement for police software. The interest rate on the lease was 2.96%. Principal payments were due annually through November 2024, at which time the City purchased the software for \$1. The City satisfied its obligation to make the minimum lease payments under the lease purchase agreement from the General Fund's revenues. The lease was secured by the software and was paid off during the year ended June 30, 2025.

In October 2020, the City entered into a lease purchase agreement for golf course irrigation equipment. The lease bears interest at 2.39%. Principal payments are due annually through October 2025, at which time ownership of the equipment will transfer to the City. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the Heritage Hills Golf Course Fund's revenues. The lease is secured by the equipment.

In August 2022, the City entered into a lease purchase agreement for two dump trucks for the street department. The lease bears interest at 2.90%. Principal payments are due annually through August 2025, at which time the City can purchase the equipment for \$1. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the General Fund's revenues. The lease is secured by the equipment.

In August 2022, the City entered into a lease purchase agreement for a fire pumper truck. The lease bears interest at 1.63%. Principal payments are due annually through August 2029, at which time the City can purchase the equipment for \$1. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the General Fund's revenues. The lease is secured by the equipment.

In August 2022, the City entered into a lease purchase agreement for a solar pavilion. The lease bears interest at 3.78%. Principal payments are due annually through August 2037, at which time the City can purchase the equipment for \$1. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the General Fund's revenues. The lease is secured by the equipment.

Proprietary funds:

In November 2019, the City entered into a lease purchase agreement for water equipment. The lease bears interest at 2.945%. Principal payments are due quarterly through November 2030, at which time the City has the option to purchase the equipment. The City will satisfy its obligation to make the minimum lease payments under the lease purchase agreement from the CWWSS Fund's operating revenues. The lease is secured by the equipment.

These lease purchase agreements qualify as leased purchases for accounting purposes because ownership is assumed to transfer upon satisfaction of the entire lease obligation. However, as a result of the City using the modified cash basis of accounting, the leased purchases and related capital assets are not recorded in the financial statements.

The future minimum lease payments on the City's leases are as follows:

Year Ending June 30	Governmental Funds	Proprietary Funds	Total
2026	\$ 257,402	\$ 541,364	\$ 798,766
2027	127,500	541,364	668,864
2028	127,500	541,363	668,863
2029	127,499	541,363	668,862
2030	127,500	541,364	668,864
2031-2035	198,344	117,663	316,007
2036-2038	119,005	-	119,005
Total	1,084,750	2,824,481	3,909,231
Less: amounts representing interest	(139,753)	(237,872)	(377,625)
Total principal	<u>\$ 944,997</u>	<u>\$ 2,586,609</u>	<u>\$ 3,531,606</u>

Note

In April 2019, the City entered into a promissory note agreement for the purchase of Heritage Hills Golf Course. The note is non-interest bearing. Principal payments are due annually through December 2028. The note is secured by the property.

Revenue Bonds

Governmental funds:

In September 2020, the City issued \$1,700,000 in Series 2020 revenue bonds for the purpose of financing the Downtown Moberly Public Facilities Improvements Project.

Proprietary funds:

In November 2002, residents of the City authorized State Environmental Improvement and Energy Resources Authority Combined Waterworks and Sewage System Revenue Bonds for the purpose of financing construction of and improvements to the combined water and sewer system.

In 2004, the City issued \$5,100,000 in Series 2004C revenue bonds. In 2006, the City issued \$5,460,000 in Series 2006 revenue bonds. In 2008, the City issued \$2,560,000 in Series 2008 in revenue bonds. In 2024, the City issued \$1,166,000 in Series 2024 revenue bonds.

In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurred approved expenditures, DNR reimbursed the City for the expenditures from the construction escrow funds. Additionally, an amount (83.33% of which was federal funding) representing 70% of the construction costs was deposited into bond reserve funds in the City's name and are held as a guarantee against the outstanding bond obligations. Interest earned from these reserve funds can be used by the City to fund interest payments on the revenue bonds. A portion of the reserve funds is transferred back to the State as principal payments are made on the revenue bonds.

The CWWSS Fund has pledged future operating revenues, net of current specified operating expenses, to repay the revenue bonds. The revenue bonds are payable solely from operating revenues and are payable through 2045. Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues for fiscal year 2025 are over 779% of the annual principal and interest payments made during the year, as principal and interest paid were \$854,907 and net revenues were \$6,662,044.

The City's revenue bonds are comprised of the following individual issues:

	Original Amount	Interest Rate	Final Maturity Date	Balance June 30, 2025
Governmental funds:				
Series 2020 revenue bonds	\$ 1,700,000	3.05%	10/1/2037	\$ 1,331,342
Proprietary funds:				
Series 2004C revenue bonds	5,100,000	3.00-5.05%	1/1/2026	320,000
Series 2006 revenue bonds	5,460,000	4.00-5.25%	7/1/2026	660,000
Series 2008 revenue bonds	2,560,000	2.01-4.41%	1/1/2029	600,000
Series 2024 revenue bonds	1,166,000	1.25%	1/1/2045	1,166,000
				<u>\$ 4,077,342</u>

Annual debt service requirements on the City's revenue bonds are as follows:

Governmental funds:

Year Ending June 30	Principal	Interest	Total
2026	\$ 88,980	\$ 39,936	\$ 128,916
2027	91,714	37,201	128,915
2028	94,440	34,474	128,914
2029	97,435	31,479	128,914
2030	100,429	28,485	128,914
2031-2035	550,320	94,253	644,573
2036-2038	308,024	14,264	322,288
Total	<u>\$ 1,331,342</u>	<u>\$ 280,092</u>	<u>\$ 1,611,434</u>

Proprietary funds:

Year Ending June 30	Principal	Interest	Total
2026	\$ 815,200	\$ 66,867	\$ 882,067
2027	536,100	33,087	569,187
2028	202,000	21,334	223,334
2029	207,900	16,707	224,607
2030	53,800	12,143	65,943
2031-2035	283,700	50,335	334,035
2036-2040	309,600	31,888	334,035
2041-2045	337,700	11,765	341,488
Total	<u>\$ 2,746,000</u>	<u>\$ 244,125</u>	<u>\$ 2,974,695</u>

7. PROPERTY TAXES

The City's property taxes are levied no later than September 1 and is based on the value of all real and personal property located in Randolph County as of the prior January 1, the lien date. Taxes are billed by November 1 and are considered delinquent after December 31. Property taxes are recognized as revenue when received. The City has entered into an agreement with Randolph County for collection of property taxes. The County reports collections to the City monthly. The City's assessed valuation and tax levy per \$100 assessed valuation for the 2024 calendar year are as follows:

Assessed valuation:

Real estate	\$ 126,666,090
Personal property	49,481,963
State assessed	9,920,106
	<u>\$ 186,068,159</u>

Tax levy:

General revenue	\$ 0.7867
Parks and recreation	0.3651
	<u>\$ 1.1518</u>

8. PENSION PLAN

General Information About the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

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

Benefits Provided

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

	<u>2025 Valuation</u>
Benefit multiplier	1.50%
Final average salary	3 years
Member contributions	0%

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

Employees Covered by Benefit Terms

As of June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	161
Inactive employees entitled to but not yet receiving benefits	87
Active employees	112
Total	<u><u>360</u></u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City's contribution rates are 8.3% (General), 14.9% (Police), and 18.5% (Fire) of annual covered payroll.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2025.

Actuarial Assumptions

The total pension liability in the February 28, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	General - 2.75% to 6.75%, including inflation Police - 2.75% to 6.55%, including inflation Fire - 2.75% to 7.15%, including inflation
Investment rate of return	7.00%, net of investment expenses

Mortality rates were based on the PubG-2010 Retiree, PubNS-2010 Disabled Retiree, and the PubG-02010 Employee mortality tables.

The actuarial assumptions used in the February 28, 2025, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	5.00%	1.76%
Equity	39.00%	3.39%
Fixed income	23.00%	3.54%
Real assets	33.00%	2.68%
Strategic assets	7.00%	83.00%
Cash/leverage	-7.00%	2.83%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability/(Asset)

As a result of the City using the modified cash basis of accounting, the net pension liability/(asset) is not recorded in the accompanying financial statements. However, the following summarizes the changes in the net pension liability/(asset) if it had been recorded:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2024	\$ 32,380,519	\$ 35,729,775	\$ (3,349,256)
Changes for the year:			
Service cost	627,517	-	627,517
Interest	2,218,300	-	2,218,300
Difference between expected and actual experience	836,002	-	836,002
Contributions - employer	-	609,032	(609,032)
Net investment income	-	2,170,976	(2,170,976)
Benefit payments, including refunds	(2,032,317)	(2,032,317)	-
Administrative expense	-	(40,760)	40,760
Other changes	-	142,308	(142,308)
Net changes	1,649,502	849,239	800,263
Balances at June 30, 2025	\$ 34,030,021	\$ 36,579,014	\$ (2,548,993)

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

The following presents the net pension liability/(asset) of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability/(asset) would be using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 38,315,735	\$ 34,030,021	\$ 30,485,308
Plan fiduciary net position	\$ 36,579,014	\$ 36,579,014	\$ 36,579,014
Net pension liability/(asset)	\$ 1,736,721	\$ (2,548,993)	\$ (6,093,706)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued LAGERS financial report.

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

As a result of the City using the modified cash basis of accounting, deferred outflows and inflows of resources are not recorded in the accompanying financial statements. In addition, pension expense is recorded as expenditures/expenses in the accompanying financial statements based on actual cash basis contributions made to the pension plan during the year ended June 30, 2025. However, the following summarizes the deferred outflows and inflows of resources, and pension expense if they had been recorded.

For the year ended June 30, 2025, the City's pension expense under full accrual accounting would have been \$799,530. However, on the modified cash basis of accounting, the City recognized payments to LAGERS of \$609,329 as expense. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,151,255	\$ (345)
Changes in assumptions	-	(9,672)
Net difference between projected and actual earnings on pension plan investments	<u>1,603,425</u>	<u>-</u>
Total	<u>\$ 2,754,680</u>	<u>\$ (10,017)</u>

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

2026	\$ 1,592,369
2027	805,156
2028	258,189
2029	82,468
2030	<u>6,481</u>
Total	<u>\$ 2,744,663</u>

9. COMMITMENTS AND CONTINGENCIES

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workman's compensation; liability, crime, and employee errors and omissions; and natural disasters. The City purchases commercial insurance to provide coverage for general liability, property damage, and workers' compensation. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

B. Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

C. Intergovernmental Revenue

The City receives financial assistance from federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the City as of June 30, 2025.

D. Landfill Closure and Post-closure Costs

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty-years after closure. As the City uses the modified cash basis of accounting, a liability is not recorded for future closure or post-closure costs that will be incurred at or near the date the landfill no longer accepts waste. The landfill was filled to capacity and closed in 2006 and the City received final closure status from the Missouri Department of Natural Resources (DNR) at that time. The liability for post-closure care costs is \$2,165,758 as of June 30, 2025, based on calculations performed by DNR. The actual cost of closure and post-closure care is subject to change based on inflation/deflation, technology changes, or changes in landfill laws and regulations.

The City does not have any assets restricted for the payment of these costs. The City intends to finance these costs from revenues generated from the Solid Waste Fund's charges for services and/or the General Fund's reserves.

Prior to the Mamtek failure and the City's resulting credit downrating, the City had pledged its resources to DNR to handle whatever issues may occur at the landfill. With the credit downrating, DNR policy required the City to post a \$380,000 performance bond with a commercial insurer (Lexon Insurance Company, formerly Old Hickory Insurance) and maintain a performance guarantee policy until such time that the City's credit rating returns to investment grade. Initially, the annual premium for this coverage was \$71,567; however, since the landfill was placed into post-closure monitoring status by DNR in 2016, the premium has decreased to \$42,855 annually, payable in December of each year.

E. Other Commitments

In fiscal year 2019, solar panels were installed throughout the City. The City entered into an agreement with a third party to operate, maintain, and repair these panels for \$15,660/month through June 30, 2039.

In fiscal year 2020, the City entered into an energy performance contract with a third party for water meters (including an automated reading system), billing and accounting software, and energy efficient equipment for the water and wastewater plants. The total contract price was \$4,642,450, which will be paid in quarterly installments from November 1, 2020 through August 1, 2030.

10. FUND DISCLOSURES

As of June 30, 2025, the 2021 EDA Grant Projects Fund had an accumulated deficit of \$1,724,958. This is due to grant reimbursements not being received prior to yearend and as such, the deficit will be eliminated upon receipts of the reimbursements.

As of June 30, 2025, the Airport Operating Fund had an accumulated deficit of \$291,609. This is due to the accumulated operational losses of the fund.

As of June 30, 2025, the 911 Emergency Telephone Fund had an accumulated deficit of \$118,434. This is due to the accumulated operational losses of the fund.

For the year ended June 30, 2025, the ARPA Grant Fund's actual expenditures exceeded its budgeted expenditures by \$899,374.

For the year ended June 30, 2025, the Transportation Trust Fund's actual expenditures exceeded its budgeted expenditures by \$1,698,000.

11. TAX ABATEMENTS

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosures of tax information about (1) a reporting government's own tax abatement agreements, and (2) those that are entered into by other governments that reduce the reporting government's tax revenues. The City has entered into agreements with various organizations under 353.110 (Urban Redevelopment), which provide for the abatement of personal and real estate property taxes.

During the year ended June 30, 2025, the total assessed value of the property included in the Urban Redevelopment was \$5,774,778, and the total tax abatements were \$66,508.

12. CONDUIT DEBT

The City has issued industrial revenue bonds to assist a company within the City to acquire and construct facilities for manufacturing and industrial development purposes. The company is required to make regular principal and interest payments over the maturity of the bonds. The original issuance amount of these revenue bonds totaled \$55,000,000. The outstanding balance on these bonds as of June 30, 2025 was \$14,002,044.

The City has no liability for repayment of these bonds. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds.

13. RESTATEMENT

During the year ended June 30, 2025, the City identified expenditures related to a project that had been incorrectly coded to the Capital Improvement Trust Fund instead of the CWWSS Fund, and were corrected accordingly.

This resulted in the following restatement to fund balance and net position:

	Governmental Fund	Proprietary Fund
	Capital Improvement Trust Fund	CWWSS Fund
July 1, 2024, as previously stated	\$ 1,752,641	\$ 5,270,967
Restatement - correction of error	35,147	(35,147)
July 1, 2024, as restated	<u>\$ 1,787,788</u>	<u>\$ 5,235,820</u>

SUPPLEMENTARY INFORMATION

**CITY OF MOBERLY
COMBINING BALANCE SHEET
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025**

	Non-Resident Lodging Fund	Perpetual Care Cemetery Fund	Airport Operating Fund	911 Emergency Telephone Fund
ASSETS				
Cash and cash equivalents	\$ 234,679	\$ 594,991	\$ -	\$ -
Prepaid expenses	-	-	6,416	33,734
Other assets	-	-	320	-
Total assets	<u>\$ 234,679</u>	<u>\$ 594,991</u>	<u>\$ 6,736</u>	<u>\$ 33,734</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 291,929	\$ 118,434
Total liabilities	<u>-</u>	<u>-</u>	<u>291,929</u>	<u>118,434</u>
Fund balances:				
Nonspendable	-	594,991	6,416	33,734
Restricted for:				
Tourism	234,679	-	-	-
Unassigned	-	-	(291,609)	(118,434)
Total fund balances	<u>234,679</u>	<u>594,991</u>	<u>(285,193)</u>	<u>(84,700)</u>
Total liabilities and fund balances	<u>\$ 234,679</u>	<u>\$ 594,991</u>	<u>\$ 6,736</u>	<u>\$ 33,734</u>

CITY OF MOBERLY
COMBINING BALANCE SHEET (CONTINUED)
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Inmate Security Fund	MODAG Grant/Loan Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
ASSETS					
Cash and cash equivalents	\$ 47,981	\$ 23,975	\$ 277,211	\$ 690,728	\$ 1,869,565
Prepaid expenses	-	-	-	-	40,150
Other assets	-	-	-	-	320
Total assets	<u>\$ 47,981</u>	<u>\$ 23,975</u>	<u>\$ 277,211</u>	<u>\$ 690,728</u>	<u>\$ 1,910,035</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 410,363
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,363</u>
Fund balances:					
Nonspendable	-	-	-	-	635,141
Restricted for:					
Tourism	-	-	-	-	234,679
Grant activity	-	23,975	277,211	-	301,186
Public safety	47,981	-	-	-	47,981
Special taxing district activity	-	-	-	690,728	690,728
Unassigned	-	-	-	-	(410,043)
Total fund balances	<u>47,981</u>	<u>23,975</u>	<u>277,211</u>	<u>690,728</u>	<u>1,499,672</u>
Total liabilities and fund balances	<u>\$ 47,981</u>	<u>\$ 23,975</u>	<u>\$ 277,211</u>	<u>\$ 690,728</u>	<u>\$ 1,910,035</u>

CITY OF MOBERLY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	Non-Resident Lodging Fund	Perpetual Care Cemetery Fund	Airport Operating Fund	911 Emergency Telephone Fund
REVENUES				
Other taxes	\$ 109,248	\$ -	\$ -	\$ -
Charges for goods and services	-	11,040	369,548	234,343
Grants and contributions	-	-	190,778	-
Interest	7,145	17,949	-	-
Miscellaneous	-	-	13,313	23,491
Total revenues	<u>116,393</u>	<u>28,989</u>	<u>573,639</u>	<u>257,834</u>
EXPENDITURES				
General government	106,400	-	656,170	-
Public safety	-	-	-	550,454
Capital outlay	9,651	-	132,442	-
Total expenditures	<u>116,051</u>	<u>-</u>	<u>788,612</u>	<u>550,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>342</u>	<u>28,989</u>	<u>(214,973)</u>	<u>(292,620)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	250,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Net change in fund balances	342	28,989	(214,973)	(42,620)
Fund balances - beginning	<u>234,337</u>	<u>566,002</u>	<u>(70,220)</u>	<u>(42,080)</u>
Fund balances - ending	<u>\$ 234,679</u>	<u>\$ 594,991</u>	<u>\$ (285,193)</u>	<u>\$ (84,700)</u>

CITY OF MOBERLY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	Inmate Security Fund	MODAG Grant/Loan Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
REVENUES					
Sales taxes	\$ -	\$ -	\$ -	\$ 144,764	\$ 144,764
Property taxes	-	-	-	236,298	236,298
Other taxes	-	-	-	-	109,248
Charges for goods and services	14,702	-	-	-	629,633
Grants and contributions	-	-	22,511	-	213,289
Interest	1,197	725	7,843	19,622	54,481
Miscellaneous	-	-	-	-	36,804
Total revenues	<u>15,899</u>	<u>725</u>	<u>30,354</u>	<u>400,684</u>	<u>1,424,517</u>
EXPENDITURES					
General government	-	-	-	95,653	858,223
Public safety	-	-	-	-	550,454
Capital outlay	-	-	-	13,573	155,666
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,226</u>	<u>1,564,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,899</u>	<u>725</u>	<u>30,354</u>	<u>291,458</u>	<u>(139,826)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	250,000
Transfers (out)	-	-	-	(37,056)	(37,056)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,056)</u>	<u>212,944</u>
Net change in fund balances	15,899	725	30,354	254,402	73,118
Fund balances - beginning	32,082	23,250	246,857	436,326	1,426,554
Fund balances - ending	<u>\$ 47,981</u>	<u>\$ 23,975</u>	<u>\$ 277,211</u>	<u>\$ 690,728</u>	<u>\$ 1,499,672</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes:				
Sales and use	\$ 4,110,000	\$ 4,110,000	\$ 4,328,788	\$ 218,788
Franchise	2,180,000	2,180,000	2,144,163	(35,837)
Property	1,262,500	1,280,000	1,395,349	115,349
Motor vehicle, license and fuel	725,000	725,000	776,622	51,622
Other	256,200	269,200	209,611	(59,589)
Licenses, permits and fees	577,750	582,750	444,329	(138,421)
Charges for goods and services	1,027,024	984,148	952,241	(31,907)
Grants and contributions	15,000	1,215,000	52,643	(1,162,357)
Interest	90,000	90,000	147,166	57,166
Miscellaneous	94,500	95,000	204,573	109,573
Total revenues	<u>10,337,974</u>	<u>11,531,098</u>	<u>10,655,485</u>	<u>(875,613)</u>
EXPENDITURES				
General government	1,007,613	1,739,728	2,382,622	642,894
Public safety	8,573,556	7,740,549	5,166,236	(2,574,313)
Economic and community development	790,281	860,814	534,935	(325,879)
Transportation	1,355,066	1,464,971	1,480,694	15,723
Capital outlay	1,243,907	2,054,620	599,026	(1,455,594)
Debt service:				
Principal	-	-	122,130	122,130
Interest	-	-	9,392	9,392
Total expenditures	<u>12,970,423</u>	<u>13,860,682</u>	<u>10,295,035</u>	<u>(3,565,647)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,632,449)</u>	<u>(2,329,584)</u>	<u>360,450</u>	<u>2,690,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,735,000	3,084,783	-	(3,084,783)
Transfers (out)	(250,000)	(275,141)	(250,000)	25,141
Total other financing sources (uses)	<u>2,485,000</u>	<u>2,809,642</u>	<u>(250,000)</u>	<u>(3,059,642)</u>
Net change in fund balance	(147,449)	480,058	110,450	(369,608)
Fund balance - beginning	6,573,494	6,573,494	6,573,494	-
Fund balance - ending	<u>\$ 6,426,045</u>	<u>\$ 7,053,552</u>	<u>\$ 6,683,944</u>	<u>\$ (369,608)</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
PARKS AND RECREATION FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes:				
Sales and use	\$ 1,815,000	\$ 1,815,000	\$ 1,564,881	\$ (250,119)
Property	612,500	612,500	646,217	33,717
Other	3,500	3,500	268,400	264,900
Charges for goods and services	438,000	545,000	444,992	(100,008)
Grants and contributions	456,859	456,859	371,096	(85,763)
Interest	-	-	19,928	19,928
Miscellaneous	40,000	40,000	494,928	454,928
Total revenues	<u>3,365,859</u>	<u>3,472,859</u>	<u>3,810,442</u>	<u>337,583</u>
EXPENDITURES				
General government	-	-	73,736	(73,736)
Parks and recreation	2,512,091	2,545,377	2,322,861	(222,516)
Capital outlay	1,131,235	1,268,235	725,188	(543,047)
Debt service:				
Principal	-	-	115,282	115,282
Interest	-	-	852	852
Total expenditures	<u>3,643,326</u>	<u>3,813,612</u>	<u>3,237,919</u>	<u>(723,165)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(277,467)</u>	<u>(340,753)</u>	<u>572,523</u>	<u>913,276</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	177,384	16,250	(161,134)
Transfers (out)	(271,134)	(171,134)	-	171,134
Total other financing sources (uses)	<u>(271,134)</u>	<u>6,250</u>	<u>16,250</u>	<u>10,000</u>
Net change in fund balance	(548,601)	(334,503)	588,773	923,276
Fund balance - beginning	732,115	732,115	732,115	-
Fund balance - ending	<u>\$ 183,514</u>	<u>\$ 397,612</u>	<u>\$ 1,320,888</u>	<u>\$ 923,276</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
ARPA GRANT FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Grants and contributions	\$ -	\$ -	\$ 1,467,756	\$ 1,467,756
Interest	60,000	60,000	90,195	30,195
Miscellaneous	-	-	-	-
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>1,557,951</u>	<u>1,497,951</u>
EXPENDITURES				
General government	-	-	899,374	(899,374)
Total expenditures	<u>-</u>	<u>-</u>	<u>899,374</u>	<u>899,374</u>
Excess of revenues over expenditures	<u>60,000</u>	<u>60,000</u>	<u>658,577</u>	<u>598,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(2,700,000)	(2,700,000)	-	2,700,000
Total other financing sources (uses)	<u>(2,700,000)</u>	<u>(2,700,000)</u>	<u>-</u>	<u>2,700,000</u>
Net change in fund balance	<u>(2,640,000)</u>	<u>(2,640,000)</u>	<u>658,577</u>	<u>3,298,577</u>
Fund balance - beginning	2,486,188	2,486,188	2,486,188	-
Fund balance - ending	<u>\$ (153,812)</u>	<u>\$ (153,812)</u>	<u>\$ 3,144,765</u>	<u>\$ 3,298,577</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
TRANSPORTATION TRUST FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales taxes	\$ 1,575,000	\$ 1,575,000	\$ 1,564,208	\$ (10,792)
Grants and contributions	820,000	820,000	655,014	(164,986)
Interest	90,000	90,000	74,622	(15,378)
Miscellaneous	20,000	20,000	35,929	15,929
Total revenues	<u>2,505,000</u>	<u>2,505,000</u>	<u>2,329,773</u>	<u>(175,227)</u>
EXPENDITURES				
Transportation	566,100	566,100	2,460,120	1,894,020
Capital outlay	1,100,000	1,100,000	903,980	(196,020)
Total expenditures	<u>1,666,100</u>	<u>1,666,100</u>	<u>3,364,100</u>	<u>1,698,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>838,900</u>	<u>838,900</u>	<u>(1,034,327)</u>	<u>(1,873,227)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(200,000)	-	200,000
Total other financing sources (uses)	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	838,900	638,900	(1,034,327)	(1,673,227)
Fund balance - beginning	2,961,148	2,961,148	2,961,148	-
Fund balance - ending	<u>\$ 3,800,048</u>	<u>\$ 3,600,048</u>	<u>\$ 1,926,821</u>	<u>\$ (1,673,227)</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
DOWNTOWN NID FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Interest	\$ 3,000	\$ 3,000	\$ 3,372	\$ 372
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,372</u>	<u>372</u>
EXPENDITURES				
Debt service:				
Principal	128,915	128,915	86,326	(42,589)
Interest	-	-	42,589	42,589
Total expenditures	<u>128,915</u>	<u>128,915</u>	<u>128,915</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,915)</u>	<u>(125,915)</u>	<u>(125,543)</u>	<u>372</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	141,806	141,806	141,806	-
Transfers out	-	-	(285,000)	(285,000)
Total other financing sources (uses)	<u>141,806</u>	<u>141,806</u>	<u>(143,194)</u>	<u>(285,000)</u>
Net change in fund balance	15,891	15,891	(268,737)	(284,628)
Fund balance - beginning	<u>1,762,722</u>	<u>1,762,722</u>	<u>1,762,722</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,778,613</u>	<u>\$ 1,778,613</u>	<u>\$ 1,493,985</u>	<u>\$ (284,628)</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT TRUST FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales taxes	\$ 1,575,000	\$ 1,575,000	\$ 1,563,423	\$ (11,577)
Interest	30,000	30,000	64,878	34,878
Total revenues	<u>1,605,000</u>	<u>1,605,000</u>	<u>1,628,301</u>	<u>23,301</u>
EXPENDITURES				
General government	146,300	100,703	113,331	12,628
Capital outlay	40,000	40,000	17,475	(22,525)
Total expenditures	<u>186,300</u>	<u>140,703</u>	<u>130,806</u>	<u>(9,897)</u>
Excess of revenues over expenditures	<u>1,418,700</u>	<u>1,464,297</u>	<u>1,497,495</u>	<u>33,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(655,053)	(755,053)	(661,553)	93,500
Total other financing sources (uses)	<u>(655,053)</u>	<u>(755,053)</u>	<u>(661,553)</u>	<u>93,500</u>
Net change in fund balance	763,647	709,244	835,942	126,698
Fund balance - beginning	<u>1,787,788</u>	<u>1,787,788</u>	<u>1,787,788</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,551,435</u>	<u>\$ 2,497,032</u>	<u>\$ 2,623,730</u>	<u>\$ 126,698</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
2021 EDA GRANT PROJECTS FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Grants and contributions	\$ 5,200,000	\$ 3,700,000	\$ 2,306,387	\$ (1,393,613)
Total revenues	<u>5,200,000</u>	<u>3,700,000</u>	<u>2,306,387</u>	<u>(1,393,613)</u>
EXPENDITURES				
General government	4,594,024	4,594,024	2,208,405	(2,385,619)
Total expenditures	<u>4,594,024</u>	<u>4,594,024</u>	<u>2,208,405</u>	<u>(2,385,619)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>605,976</u>	<u>(894,024)</u>	<u>97,982</u>	<u>992,006</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	928,287	928,287	-	928,287
Transfers in	-	-	285,000	285,000
Total other financing sources (uses)	<u>928,287</u>	<u>928,287</u>	<u>285,000</u>	<u>1,213,287</u>
Net change in fund balance	1,534,263	34,263	382,982	348,719
Fund balance - beginning	<u>(2,107,940)</u>	<u>(2,107,940)</u>	<u>(2,107,940)</u>	<u>-</u>
Fund balance - ending	<u>\$ (573,677)</u>	<u>\$ (2,073,677)</u>	<u>\$ (1,724,958)</u>	<u>\$ 348,719</u>

CITY OF MOBERLY
LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 627,517	\$ 563,889	\$ 520,074	\$ 507,364	\$ 504,508	\$ 491,145	\$ 507,622	\$ 480,252	\$ 432,367	\$ 438,332
Interest on the total pension liability	2,218,300	2,099,205	1,986,500	1,978,987	2,056,378	2,006,456	1,965,673	1,930,051	1,857,428	1,803,146
Difference between expected and actual experience	836,002	993,385	1,046,586	(484,190)	(66,197)	(60,428)	(225,346)	(294,174)	336,659	(684,226)
Changes in assumptions	-	-	-	-	(755,573)	-	-	-	-	733,161
Benefit payments, including refunds	(2,032,317)	(1,939,305)	(1,991,811)	(1,813,390)	(1,851,396)	(1,662,216)	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)
Net change in total pension liability	1,649,502	1,717,174	1,561,349	188,771	(112,280)	774,957	556,050	529,692	918,433	915,134
Total pension liability beginning	32,380,519	30,663,345	29,101,996	28,913,225	29,025,505	28,250,548	27,694,498	27,164,806	26,246,373	25,331,239
Total pension liability ending	\$ 34,030,021	\$ 32,380,519	\$ 30,663,345	\$ 29,101,996	\$ 28,913,225	\$ 29,025,505	\$ 28,250,548	\$ 27,694,498	\$ 27,164,806	\$ 26,246,373
Plan fiduciary net position										
Contributions - employer	\$ 609,032	\$ 567,370	\$ 564,062	\$ 511,941	\$ 502,764	\$ 522,811	\$ 465,987	\$ 440,592	\$ 399,480	\$ 430,772
Pension plan net investment income	2,170,976	1,777,310	1,242,995	24,203	8,269,672	385,080	1,964,625	3,328,352	3,186,635	(89,900)
Benefit payments, including refunds	(2,032,317)	(1,939,305)	(1,991,811)	(1,813,390)	(1,851,396)	(1,662,216)	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)
Pension plan administrative expense	(40,760)	(42,540)	(48,246)	(34,027)	(31,112)	(40,459)	(35,485)	(25,265)	(24,355)	(24,221)
Other	142,308	(65,845)	148,091	(547,861)	98,786	1,626	179,769	(597,566)	(65,932)	(7,007)
Net change in plan fiduciary net position	849,239	296,990	(84,909)	(1,859,134)	6,988,714	(793,158)	882,997	1,559,676	1,787,807	(1,065,635)
Plan fiduciary net position beginning	35,729,775	35,432,785	35,517,694	37,376,828	30,388,114	31,181,272	30,298,275	28,738,599	26,950,792	28,016,427
Plan fiduciary net position ending	\$ 36,579,014	\$ 35,729,775	\$ 35,432,785	\$ 35,517,694	\$ 37,376,828	\$ 30,388,114	\$ 31,181,272	\$ 30,298,275	\$ 28,738,599	\$ 26,950,792
Net pension liability/(asset)	\$ (2,548,993)	\$ (3,349,256)	\$ (4,769,440)	\$ (6,415,698)	\$ (8,463,603)	\$ (1,362,609)	\$ (2,930,724)	\$ (2,603,777)	\$ (1,573,793)	\$ (704,419)
Plan fiduciary net position as a percentage of the total pension liability	107.49%	110.34%	115.55%	122.05%	129.27%	104.69%	110.37%	109.40%	105.79%	102.68%
Covered payroll	\$ 6,022,337	\$ 5,762,839	\$ 5,324,528	\$ 4,797,370	\$ 4,830,552	\$ 4,724,325	\$ 4,540,213	\$ 4,760,869	\$ 4,301,224	\$ 4,282,419
Net pension liability/(asset) as a percentage of covered payroll	42.33%	58.12%	89.57%	133.73%	175.21%	28.84%	64.55%	54.69%	36.59%	16.45%

CITY OF MOBERLY
LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS –
LAST TEN FISCAL YEARS
June 30, 2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 629,818	\$ 567,308	\$ 589,820	\$ 528,983	\$ 521,808
Contributions in relation to the actuarially determined contribution	609,329	567,308	563,746	512,653	502,765
Contribution deficiency (excess)	<u>\$ 20,489</u>	<u>\$ -</u>	<u>\$ 26,074</u>	<u>\$ 16,330</u>	<u>\$ 19,043</u>
Covered payroll	\$ 6,022,337	\$ 5,758,845	\$ 5,322,659	\$ 4,797,370	\$ 4,830,552
Contributions as a percentage of covered payroll	10.12%	9.85%	10.59%	10.69%	10.41%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 546,167	\$ 511,802	\$ 466,660	\$ 434,843	\$ 482,254
Contributions in relation to the actuarially determined contribution	509,192	466,890	442,530	401,060	431,641
Contribution deficiency (excess)	<u>\$ 36,975</u>	<u>\$ 44,912</u>	<u>\$ 24,130</u>	<u>\$ 33,783</u>	<u>\$ 50,613</u>
Covered payroll	\$ 4,724,325	\$ 4,540,213	\$ 4,760,869	\$ 4,295,099	\$ 4,282,419
Contributions as a percentage of covered payroll	10.78%	10.28%	9.30%	9.34%	10.08%

SINGLE AUDIT REPORTS

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

To the City Council
City of Moberly

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of each major fund and the aggregate remaining fund information of the City of Moberly (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City's Response to the Finding

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the finding identified in our audit as described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

William F. Keeler UC

Columbia, Missouri
December 29, 2025

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

To the City Council
City of Moberly

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Moberly (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each major federal program for the year ended June 30, 2025. The City's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

William J. Keepers UC

Columbia, Missouri
December 29, 2025

CITY OF MOBERLY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Transportation				
Passed through Missouri Department of Transportation:				
Highway Planning and Construction	20.205	TAP-9900-272, TAP-4500-212, TEAP084, STP 4500(211)	\$ -	\$ 98,943
Alcohol Open Container Requirements	20.607	22-154-AL-100, 23-154-AL-094, 24-154-AL-118, 25-ENF-03-112	-	7,531
U.S. Department of the Interior				
Passed through Missouri Department of Natural Resources:				
Outdoor Recreation Acquisition, Development and Planning	15.916	29-01757	-	316,107
U.S. Department of Homeland Security				
Passed through Missouri Department of Public Safety:				
Homeland Security Grant Program	97.607	28462-FY 2024	-	2,831
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	-	216,327
Passed through Missouri Department of Economic Development:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	31492335, SLRFP4542	-	914,035
Passed through Missouri Department of Natural Resources:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	D083E3E22938	-	518,740
U.S. Department of Commerce				
Investments for Public Works and Economic Development Facilities	11.300	ED23DENOG0081	-	828,762
Passed through Missouri Department of Commerce:				
Economic Adjustment Assistance	11.307	05-79-06034	-	1,330,896
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 4,234,172</u>

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes only the current year federal grant activity of the City and is presented on the modified cash basis of accounting. This information 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*. Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in the preparation of, the basic financial statements, although such differences are not material.

2. INDIRECT COST RATE

The City has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MOBERLY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with the modified cash basis of accounting.
2. A significant deficiency relating to the audit of the financial statements are reported in the “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*.” This is not considered a material weakness.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs is reported in the “Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.”
5. The auditor’s report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal programs.
5. No audit findings relative to the major federal award programs for the City, that are required to be reported in accordance with 2 CFR section 200.516(a), are reported in Part C of this Schedule.

6. The programs tested as major programs include:

	Assistance Listing Number
Economic Development Cluster	11.300, 11.307
Coronavirus State and Local Fiscal Recovery Funds	21.207

7. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
8. The City did not qualify as a low-risk auditee for the year ended June 30, 2025.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2025-001: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Condition: During the audit, the SEFA prepared by the City was not accurate or complete.

Cause: During fiscal year 2025, the City experienced transition in the Finance Director position and the current Finance Director was not employed for the full fiscal year.

Effect: We provided assistance to correct and complete the SEFA to ensure it was reasonably stated for financial statement reporting and Single Audit purposes.

Recommendation: We recommend the City establish and document procedures to ensure the SEFA is prepared accurately and completely prior to the audit.

City's response: The City agrees with the recommendation. During fiscal year 2025, the City experienced transition in the Finance Director position and the current Finance Director was not employed for the full fiscal year. Going forward, the current Finance Director will be more directly involved in the preparation and review of the SEFA.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no audit findings relative to federal awards in the current year.

CITY OF MOBERLY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2025**

There were no audit findings in the prior year.