

**CITY OF MOBERLY**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2020**

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ANNUAL FINANCIAL REPORT  
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## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Moberly

### Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes 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.

### *Auditors' Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of each major fund and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position – modified cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## ***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 U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The information presented in the table of contents under the heading supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020, on our consideration of the City's internal control over financial reporting and on our testing of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*William K. Keppers UC*

November 13, 2020

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MOBERLY  
BALANCE SHEET  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<b>Major Funds</b>						<b>Total</b>
	<b>General Fund</b>	<b>Capital Improvement Trust Fund</b>	<b>Parks and Recreation Fund</b>	<b>Park Sales Tax Trust Fund</b>	<b>Transportation Trust Fund</b>	<b>Non-Major Funds</b>	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,133,406	\$ 1,114,091	\$ 1,750	\$ 509,548	\$ 1,533,487	\$ 2,558,171	\$ 6,850,453
Due from other funds	379,961	-	-	-	-	-	379,961
Prepaid expenses	350,111	-	46,983	-	-	21,583	418,677
Total assets	<u>\$ 1,863,478</u>	<u>\$ 1,114,091</u>	<u>\$ 48,733</u>	<u>\$ 509,548</u>	<u>\$ 1,533,487</u>	<u>\$ 2,579,754</u>	<u>\$ 7,649,091</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ 37,636	\$ -	\$ -	\$ 161,130	\$ 198,766
Other payables	31,824	-	3,760	-	-	-	35,584
Total liabilities	<u>31,824</u>	<u>-</u>	<u>41,396</u>	<u>-</u>	<u>-</u>	<u>161,130</u>	<u>234,350</u>
Fund balances:							
Nonspendable	350,111	-	46,983	-	-	21,583	418,677
Assigned for special revenue purposes	-	1,114,091	-	509,548	1,533,487	2,558,071	5,715,197
Unassigned	1,481,543	-	(39,646)	-	-	(161,030)	1,280,867
Total fund balances	<u>1,831,654</u>	<u>1,114,091</u>	<u>7,337</u>	<u>509,548</u>	<u>1,533,487</u>	<u>2,418,624</u>	<u>7,414,741</u>
Total liabilities and fund balances	<u>\$ 1,863,478</u>	<u>\$ 1,114,091</u>	<u>\$ 48,733</u>	<u>\$ 509,548</u>	<u>\$ 1,533,487</u>	<u>\$ 2,579,754</u>	<u>\$ 7,649,091</u>

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**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Major Funds</b>					<b>Non-Major Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Capital Improvement Trust Fund</b>	<b>Parks and Recreation Fund</b>	<b>Park Sales Tax Trust Fund</b>	<b>Transportation Trust Fund</b>		
<b>REVENUES</b>							
Taxes:							
Sales	\$ 2,507,785	\$ 1,197,326	\$ -	\$ 1,196,743	\$ 1,197,779	\$ 54,302	6,153,935
Franchise	1,854,183	-	-	-	-	-	1,854,183
Property	1,146,866	-	529,879	-	-	179,499	1,856,244
Motor vehicle and license	181,263	-	-	-	-	369,870	551,133
Other	585,878	-	4,801	118,656	-	92,330	801,665
Licenses, permits and fees	326,178	-	-	-	-	-	326,178
Charges for goods and services	613,995	-	233,497	-	-	448,540	1,296,032
Grants and contributions	25,181	-	-	-	171,233	327,411	523,825
Interest	22,310	17,568	-	4,150	18,833	24,938	87,799
Miscellaneous	223,855	-	72,446	-	39,083	580,762	916,146
Total revenues	<u>7,487,494</u>	<u>1,214,894</u>	<u>840,623</u>	<u>1,319,549</u>	<u>1,426,928</u>	<u>2,077,652</u>	<u>14,367,140</u>
<b>EXPENDITURES</b>							
General government	1,942,512	291,639	-	-	-	194,749	2,428,900
Public safety	3,860,732	-	-	-	-	497,844	4,358,576
Economic and community development	735,877	-	-	-	-	-	735,877
Transportation	792,405	-	-	-	758,452	865,660	2,416,517
Parks and recreation	-	-	1,441,207	-	-	65,439	1,506,646
Capital outlay	235,428	12,147	789,106	-	902,921	1,270,017	3,209,619
Debt service:							
Principal	93,242	-	-	-	-	100,000	193,242
Interest and fees	9,928	-	-	-	-	-	9,928
Total expenditures	<u>7,670,124</u>	<u>303,786</u>	<u>2,230,313</u>	<u>-</u>	<u>1,661,373</u>	<u>2,993,709</u>	<u>14,859,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(182,630)</u>	<u>911,108</u>	<u>(1,389,690)</u>	<u>1,319,549</u>	<u>(234,445)</u>	<u>(916,057)</u>	<u>(492,165)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Note proceeds	-	-	-	-	-	1,000,000	1,000,000
Transfers in	5,434	-	1,389,405	53,460	335,172	446,574	2,230,045
Transfers (out)	(285,462)	(869,129)	-	(1,550,017)	-	(60,894)	(2,765,502)
Total other financing sources (uses)	<u>(280,028)</u>	<u>(869,129)</u>	<u>1,389,405</u>	<u>(1,496,557)</u>	<u>335,172</u>	<u>1,385,680</u>	<u>464,543</u>
Net change in fund balances	(462,658)	41,979	(285)	(177,008)	100,727	469,623	(27,622)
Fund balances - beginning (as restated)	2,294,312	1,072,112	7,622	686,556	1,432,760	1,949,001	7,442,363
Fund balances - ending	<u>\$ 1,831,654</u>	<u>\$ 1,114,091</u>	<u>\$ 7,337</u>	<u>\$ 509,548</u>	<u>\$ 1,533,487</u>	<u>\$ 2,418,624</u>	<u>\$ 7,414,741</u>

See accompanying notes to the basic financial statements.

**CITY OF MOBERLY**  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<b>Major Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>CWWSS Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>	<b>Health Trust Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,035,995	\$ 597,775	\$ 2,633,770	\$ 360,813
Prepaid expenses	100,578	-	100,578	-
Total current assets	<u>2,136,573</u>	<u>597,775</u>	<u>2,734,348</u>	<u>360,813</u>
Non-current assets:				
Restricted cash and cash equivalents	2,747,962	-	2,747,962	-
Restricted investments	1,017,778	-	1,017,778	-
Total non-current assets	<u>3,765,740</u>	<u>-</u>	<u>3,765,740</u>	<u>-</u>
Total assets	<u>5,902,313</u>	<u>597,775</u>	<u>6,500,088</u>	<u>360,813</u>
<b>LIABILITIES</b>				
Current liabilities:				
Due to other funds	180,963	232	181,195	-
Other payables	206,610	2,112	208,722	-
Total liabilities	<u>387,573</u>	<u>2,344</u>	<u>389,917</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for debt service	3,765,740	-	3,765,740	-
Unrestricted	1,749,000	595,431	2,344,431	360,813
Total net position	<u>\$ 5,514,740</u>	<u>\$ 595,431</u>	<u>\$ 6,110,171</u>	<u>\$ 360,813</u>

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**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Major Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>CWWSS</b>	<b>Solid Waste</b>	<b>Total</b>	<b>Health Trust</b>
	<b>Fund</b>	<b>Fund</b>		<b>Fund</b>
<b>REVENUES</b>				
Charges for services	\$ 5,442,634	\$ 1,069,040	\$ 6,511,674	\$ 1,793,743
Total operating revenues	<u>5,442,634</u>	<u>1,069,040</u>	<u>6,511,674</u>	<u>1,793,743</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,666,506	7,149	1,673,655	-
Contractual services	514,535	1,016,517	1,531,052	1,958,494
Repairs and maintenance	507,293	-	507,293	-
Materials and supplies	862,649	376	863,025	-
Capital outlay	2,156,111	51,184	2,207,295	-
Miscellaneous	55,433	145,169	200,602	-
Debt service:				
Principal	1,172,502	-	1,172,502	-
Interest and fees	219,266	-	219,266	-
Total operating expenses	<u>7,154,295</u>	<u>1,220,395</u>	<u>8,374,690</u>	<u>1,958,494</u>
Operating income (loss)	<u>(1,711,661)</u>	<u>(151,355)</u>	<u>(1,863,016)</u>	<u>(164,751)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Lease proceeds	1,975,586	-	1,975,586	-
Interest	48,144	8,537	56,681	13,341
Miscellaneous	28,954	-	28,954	-
Transfers in	6,157,592	-	6,157,592	-
Transfers (out)	<u>(5,623,635)</u>	<u>-</u>	<u>(5,623,635)</u>	<u>-</u>
Total non-operating revenues	<u>2,586,641</u>	<u>8,537</u>	<u>2,595,178</u>	<u>13,341</u>
Change in net position	874,980	(142,818)	732,162	(151,410)
Total net position - beginning (as restated)	<u>4,639,760</u>	<u>738,249</u>	<u>5,378,009</u>	<u>512,223</u>
Total net position - ending	<u>\$ 5,514,740</u>	<u>\$ 595,431</u>	<u>\$ 6,110,171</u>	<u>\$ 360,813</u>

See accompanying notes to the basic financial statements.

**CITY OF MOBERLY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**MODIFIED CASH BASIS**  
**JUNE 30, 2020**

	<b>Custodial Funds</b>		
	<b>Veterans' Flag Project Fund</b>	<b>Community Betterment Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 40,017	\$ 3,363	\$ 43,380
Total assets	40,017	3,363	43,380
<b>LIABILITIES</b>			
Due to other governments	40,017	3,363	43,380
Total liabilities	40,017	3,363	43,380
<b>NET POSITION</b>	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements.

**CITY OF MOBERLY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Custodial Funds</b>		<b>Total</b>
	<b>Veterans' Flag Project Fund</b>	<b>Community Betterment Fund</b>	
<b>RECEIPTS</b>			
Interest	\$ 455	\$ -	\$ 455
Miscellaneous	2,321	-	2,321
<b>Total receipts</b>	<u>2,776</u>	<u>-</u>	<u>2,776</u>
<b>DISBURSEMENTS</b>			
General government	2,776	1,500	4,276
<b>Total disbursements</b>	<u>2,776</u>	<u>1,500</u>	<u>4,276</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	1,500	1,500
<b>Total other financing sources</b>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Change in net position	-	-	-
Net position, July 1	-	-	-
<b>NET POSITION, JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 of 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 U.S. generally accepted accounting principles (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.

Capital Improvement Trust Fund – This special revenue fund was established to account for sales taxes assigned for general government capital improvement purposes.

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

Park Sales Tax Trust Fund – This special revenue fund was established to account for sales taxes and other financial resources assigned for park purposes.

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

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 funds:

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

Community Betterment Fund – This custodial fund accounts for funds collected by the City for the benefit of the community. The funds collected by the City are subsequently remitted to the Moberly Community Betterment Group.

### *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 restricted or committed fund balances as of June 30, 2020.

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 and dental insurance to employees who retire after thirty years of service with the City. The coverage is provided until the employee qualifies for Medicare. At June 30, 2020, there were sixteen employees that qualified for benefits and the City contributed approximately \$496 per employee to the Health Trust Fund on a monthly basis. Contributions totaled approximately \$95,326 during the year ended June 30, 2020.

#### *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.

## **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, 2020.

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, 2020:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 254,321	\$ -	\$ 254,321
Collateralized with securities pledged by the financial institution in the government's name	12,364,613	-	12,364,613
	<u>\$ 12,618,934</u>	<u>\$ -</u>	<u>\$ 12,618,934</u>
Carrying value	<u>\$ 12,589,448</u>	<u>\$ 3,550</u>	<u>\$ 12,592,998</u>

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

	Governmental Funds Balance Sheet	Proprietary Funds Statement of Financial Position	Total
Cash and cash equivalents	\$ 6,850,453	\$ 2,994,583	\$ 9,845,036
Restricted cash and cash equivalents	-	2,747,962	2,747,962
	<u>\$ 6,850,453</u>	<u>\$ 5,742,545</u>	<u>\$ 12,592,998</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, 2020, 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	\$ -	\$ -	\$ 1,017,778	\$ 1,017,778	\$ 1,017,778
Total investments	\$ -	\$ -	\$ 1,017,778	\$ 1,017,778	\$ 1,017,778

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, INVESTMENTS, AND NET POSITION

At June 30, 2020, cash and cash equivalents, investments, and net position were restricted for various uses as follows:

	Cash and Cash Equivalents	Investments	Net Position
CWWSS Fund:			
Restricted for debt service	\$ 2,747,962	\$ 1,017,778	\$ 3,765,740

## 5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2020, resulting from interfund activity were as follows:

	Interfund Receivable	Interfund Payable
Governmental funds:		
General Fund	\$ 379,961	\$ -
Parks and Recreation Fund	-	37,636
Non-Major Funds	-	161,130
Proprietary funds:		
CWWSS Fund	-	180,963
Solid Waste Fund	-	232
Total	<u>\$ 379,961</u>	<u>\$ 379,961</u>

These balances either originated during prior fiscal years and were not settled during fiscal year 2020, or originated during fiscal year 2020 as a result of current year activity between the funds.

A summary of interfund transfers for the year ended June 30, 2020, follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 5,434	\$ 285,462
Capital Improvement Trust Fund	-	869,129
Parks and Recreation Fund	1,389,405	-
Park Sales Tax Trust Fund	53,460	1,550,017
Transportation Trust Fund	335,172	-
Non-Major Funds	446,574	60,894
Proprietary funds:		
CWWSS Fund	6,157,592	5,623,635
Fiduciary funds:		
Community Betterment Fund	1,500	-
Total	<u>\$ 8,389,137</u>	<u>\$ 8,389,137</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 December 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due in One Year
Governmental funds:					
Fire and street equipment lease	\$ 119,871	\$ -	\$ 57,854	\$ 62,017	\$ 62,017
Police software lease	235,756	-	35,388	200,368	36,450
Heritage Hills Golf Course note	-	1,000,000	100,000	900,000	100,000
Proprietary funds:					
Sewer equipment lease	223,219	-	72,502	150,717	74,461
Water equipment lease	-	1,975,586	-	1,975,586	203,081
Revenue bonds	8,120,000	-	1,100,000	7,020,000	1,125,000
	<u>\$ 8,698,846</u>	<u>\$ 2,975,586</u>	<u>\$ 1,365,744</u>	<u>\$ 10,308,688</u>	<u>\$ 1,601,009</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, 2019, of \$163,796,228, the constitutional total general obligation debt limit was \$32,759,246, which provides a general obligation debt margin of \$32,759,246.

### Leases

#### Governmental funds:

In February 2014, the City entered into a lease purchase agreement for fire and street equipment. The lease bears interest at 2.38%. Principal payments are due annually through February 2021, 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 General Fund's revenues. The lease is secured by the equipment.

In November 2017, the City entered into a lease purchase agreement for police software. The lease bears interest at 2.96%. Principal payments are due annually through November 2024, at which time the City can purchase the software 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 software.

#### Proprietary funds:

In May 2018, the City entered into a lease purchase agreement for sewer equipment. The lease bears interest at 2.7%. Principal payments are due annually through May 2022, at which time the City has the option to purchase the equipment. The City has been satisfying 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.

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 capital leases 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 capital lease 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
2021	\$ 107,318	\$ 349,713	\$ 457,031
2022	48,380	619,713	668,093
2023	47,220	541,363	588,583
2024	46,024	541,363	587,387
2025	34,615	589,446	624,061
Total	283,557	2,641,598	2,925,155
Less: amounts representing interest	(21,172)	(515,295)	(536,467)
Total principal	<u>\$ 262,385</u>	<u>\$ 2,126,303</u>	<u>\$ 2,388,688</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

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 \$7,150,000 in Series 2004B revenue bonds to refinance the Series 2003 revenue bonds. Also in 2004, the City issued \$5,100,000 in Series 2004C revenue bonds. In 2006, the City issued \$5,460,000 in Series 2006A revenue bonds. In 2008, the City issued \$2,560,000 in Series 2008A in 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 2029. 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 2020 are over 424% of the annual principal and interest payments made during the year, as principal and interest paid were \$1,284,890 and net revenues were \$5,442,634.

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

	Original Amount	Interest Rate	Final Maturity Date	Balance June 30, 2020
Series 2004B revenue bonds	\$ 7,150,000	2.00-5.00%	1/1/2024	\$ 1,760,000
Series 2004C revenue bonds	5,100,000	3.00-5.05%	1/1/2026	1,800,000
Series 2006A revenue bonds	5,460,000	4.00-5.25%	7/1/2026	2,190,000
Series 2008A revenue bonds	2,560,000	2.01-4.41%	1/1/2029	1,270,000
				<u>\$ 7,020,000</u>

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

Year Ending June 30	Principal	Interest	Total
2021	\$ 1,125,000	\$ 159,700	\$ 1,284,700
2022	1,155,000	133,397	1,288,397
2023	1,180,000	106,390	1,286,390
2024	1,210,000	78,559	1,288,559
2025	770,000	50,992	820,992
2026-2029	1,580,000	60,730	1,640,730
Total	<u>\$ 7,020,000</u>	<u>\$ 589,768</u>	<u>\$ 7,609,768</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 are as follows:

	<u>For the 2019 Calendar Year</u>
Assessed valuation:	
Real estate	\$ 116,495,630
Personal property	40,342,987
State assessed	<u>6,957,611</u>
	<u>\$ 163,796,228</u>
Tax levy:	
General revenue	\$ 0.7223
Parks and recreation	<u>0.3352</u>
	<u>\$ 1.0575</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](http://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>2020 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

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	73
Active employees	112
Total	330

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 7.7% (General), 13.8% (Police), and 15.9% (Fire) of annual covered payroll.

***Net Pension Liability (Asset)***

The City’s net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2020.

Actuarial Assumptions

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

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

Mortality rates were based on the 2014 Healthy Annuitant, Disabled, and Employees Mortality Tables.

The actuarial assumptions used in the February 28, 2020, valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%
	100.00%	

#### Discount Rate

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

#### ***Changes in the Net Pension Liability (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, 2019	\$ 28,250,548	\$ 31,181,272	\$ (2,930,724)
Changes for the year:			
Service cost	491,145	-	491,145
Interest	2,006,456	-	2,006,456
Difference between expected and actual experience	(60,428)	-	(60,428)
Contributions - employer	-	522,811	(522,811)
Net investment income	-	385,080	(385,080)
Benefit payments, including refunds	(1,662,216)	(1,662,216)	-
Administrative expense	-	(40,459)	40,459
Other changes	-	1,626	(1,626)
Net changes	774,957	(793,158)	1,568,115
Balances at June 30, 2020	\$ 29,025,505	\$ 30,388,114	\$ (1,362,609)

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 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	Current Single Discount		
	1% Decrease (6.25%)	Rate Assumption (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 32,755,030	\$ 29,025,505	\$ 25,944,596
Plan fiduciary net position	\$ 30,388,114	\$ 30,388,114	\$ 30,388,114
Net pension liability (asset)	\$ 2,366,916	\$ (1,362,609)	\$ (4,443,518)

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, 2020. 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, 2020, the City's pension expense under full accrual accounting would have been \$478,438. However, on the modified cash basis of accounting, the City recognized payments to LAGERS of \$517,937 as expense. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 234,905	\$ (359,085)
Changes in assumptions	44,383	-
Net difference between projected and actual earnings on pension plan investments	803,341	-
Total	\$ 1,082,629	\$ (359,085)

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

2021	\$ (194,485)
2022	130,952
2023	437,777
2024	356,646
2025	(7,346)
Thereafter	<u>-</u>
Total	<u><u>\$ 723,544</u></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, 2020.

### 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 \$2,142,725 as of June 30, 2020, 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 \$41,116 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 2019, the City entered into an agreement with a third party to purchase body cameras and video evidence management software for the Police Department for \$19,128/year through August 2022.

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**

The Airport Operating Fund has an accumulated deficit at June 30, 2020. This is due to interfund transfers to the Airport Operating Fund not being made until after yearend and as such, the deficit will be eliminated upon receipt of the transfers.

## **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 RSMo 135.200-135.260 (Enterprise Zones) and 353.110 (Urban Redevelopment), which provide for the abatement of personal and real estate property taxes.

During the year ended June 30, 2020, the total assessed value of the property included in the Enterprise Zones was \$2,387,440, and the total tax abatements were \$25,247.

During the year ended June 30, June 30, 2020, the total assessed value of the property included in the Urban Redevelopment was \$5,052,228, and the total tax abatements were \$53,427.

## 12. RESTATEMENT

During the year ended June 30, 2020, the City determined several prior year balances were incorrect and needed to be restated.

As a result, the fund balances and net position as of June 30, 2019, were restated as follows:

	Fund balance/ net position, as previously reported	Effect of restatement	Fund balance/ net position, as restated
Governmental funds:			
General Fund	\$ 2,230,062	\$ 64,250	\$ 2,294,312
Capital Improvement Trust Fund	1,244,572	(172,460)	1,072,112
Parks and Recreation Fund	1,167	6,455	7,622
Transportation Trust Fund	1,432,723	37	1,432,760
Non-Major Funds	1,947,691	1,310	1,949,001
Proprietary funds:			
CWWSS Fund	4,840,220	(200,460)	4,639,760
Totals	<u>\$ 11,696,435</u>	<u>\$ (300,868)</u>	<u>\$ 11,395,567</u>

## 13. SUBSEQUENT EVENT

In October 2020, the City issued \$1,700,000 of limited general obligation bonds for the City of Moberly, Missouri Downtown Public Facilities Neighborhood Improvement District.

## **SUPPLEMENTARY INFORMATION**

**CITY OF MOBERLY  
COMBINING BALANCE SHEET  
MODIFIED CASH BASIS  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<u>Non-Resident Lodging Fund</u>	<u>Heritage Hills Golf Course Fund</u>	<u>Airport Operating Fund</u>	<u>Perpetual Care Cemetery Principal Fund</u>	<u>Perpetual Care Cemetery Interest Fund</u>	<u>Use Tax Trust Fund</u>	<u>Ameren Missouri Solar Rebates Fund</u>	<u>911 Emergency Telephone Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 155,299	\$ -	\$ 100	\$ 7,061	\$ 474,000	\$ 248,644	\$ 362,670	\$ 1,995
Prepaid expenses	-	-	3,235	-	-	-	-	18,348
Total assets	<u>\$ 155,299</u>	<u>\$ -</u>	<u>\$ 3,335</u>	<u>\$ 7,061</u>	<u>\$ 474,000</u>	<u>\$ 248,644</u>	<u>\$ 362,670</u>	<u>\$ 20,343</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Due to other funds	\$ -	\$ -	\$ 161,130	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	161,130	-	-	-	-	-
Fund balances:								
Nonspendable	-	-	3,235	-	-	-	-	18,348
Assigned for special revenue purposes	155,299	-	-	7,061	474,000	248,644	362,670	1,995
Unassigned	-	-	(161,030)	-	-	-	-	-
Total fund balances	<u>155,299</u>	<u>-</u>	<u>(157,795)</u>	<u>7,061</u>	<u>474,000</u>	<u>248,644</u>	<u>362,670</u>	<u>20,343</u>
Total liabilities and fund balances	<u>\$ 155,299</u>	<u>\$ -</u>	<u>\$ 3,335</u>	<u>\$ 7,061</u>	<u>\$ 474,000</u>	<u>\$ 248,644</u>	<u>\$ 362,670</u>	<u>\$ 20,343</u>

**CITY OF MOBERLY  
COMBINING BALANCE SHEET (CONTINUED)  
MODIFIED CASH BASIS  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<b>Inmate Security Fund</b>	<b>Police Forfeiture Fund</b>	<b>Street Improvements Fund</b>	<b>MODAG Grant/Loan Fund</b>	<b>Project Residuals Fund</b>	<b>ICSC/Buxton Fund</b>	<b>Railcar Preservation Fund</b>	<b>Lucille Manor CDBG Fund</b>	<b>Downtown CID Fund</b>	<b>Total</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 13,355	\$ 4,320	\$ 634,764	\$ 21,783	\$ 150,002	\$ 6,623	\$ 587	\$ 207,406	\$ 269,562	\$ 2,558,171
Prepaid expenses	-	-	-	-	-	-	-	-	-	21,583
Total assets	<u>\$ 13,355</u>	<u>\$ 4,320</u>	<u>\$ 634,764</u>	<u>\$ 21,783</u>	<u>\$ 150,002</u>	<u>\$ 6,623</u>	<u>\$ 587</u>	<u>\$ 207,406</u>	<u>\$ 269,562</u>	<u>\$ 2,579,754</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,130
Total liabilities	-	-	-	-	-	-	-	-	-	161,130
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	21,583
Assigned for special revenue purposes	13,355	4,320	634,764	21,783	150,002	6,623	587	207,406	269,562	2,558,071
Unassigned	-	-	-	-	-	-	-	-	-	(161,030)
Total fund balances	<u>13,355</u>	<u>4,320</u>	<u>634,764</u>	<u>21,783</u>	<u>150,002</u>	<u>6,623</u>	<u>587</u>	<u>207,406</u>	<u>269,562</u>	<u>2,418,624</u>
Total liabilities and fund balances	<u>\$ 13,355</u>	<u>\$ 4,320</u>	<u>\$ 634,764</u>	<u>\$ 21,783</u>	<u>\$ 150,002</u>	<u>\$ 6,623</u>	<u>\$ 587</u>	<u>\$ 207,406</u>	<u>\$ 269,562</u>	<u>\$ 2,579,754</u>

**CITY OF MOBERLY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Non-Resident Lodging Fund</u>	<u>Heritage Hills Golf Course Fund</u>	<u>Airport Operating Fund</u>	<u>Perpetual Care Cemetery Principal Fund</u>	<u>Perpetual Care Cemetery Interest Fund</u>	<u>Use Tax Trust Fund</u>	<u>Ameren Missouri Solar Rebates Fund</u>	<u>911 Emergency Telephone Fund</u>
<b>REVENUES</b>								
Other taxes	\$ 92,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for goods and services	-	-	209,683	6,600	-	-	-	231,621
Grants and contributions	-	24,672	264,953	175	-	-	-	-
Interest	1,959	-	22	-	5,434	2,811	-	966
Miscellaneous	-	-	14,221	-	-	-	416,130	-
Total revenues	<u>94,289</u>	<u>24,672</u>	<u>488,879</u>	<u>6,775</u>	<u>5,434</u>	<u>2,811</u>	<u>416,130</u>	<u>232,587</u>
<b>EXPENDITURES</b>								
General government	95,258	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	497,844
Transportation	-	-	687,822	-	-	-	-	-
Parks and recreation	-	65,439	-	-	-	-	-	-
Capital outlay	12,273	1,021,845	-	-	-	-	-	180,583
Debt service:								
Principal	-	100,000	-	-	-	-	-	-
Total expenditures	<u>107,531</u>	<u>1,187,284</u>	<u>687,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,242)</u>	<u>(1,162,612)</u>	<u>(198,943)</u>	<u>6,775</u>	<u>5,434</u>	<u>2,811</u>	<u>416,130</u>	<u>(445,840)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Debt proceeds	-	1,000,000	-	-	-	-	-	-
Transfers in	-	162,612	33,962	-	-	-	-	250,000
Transfers (out)	(2,000)	-	-	-	(5,434)	-	(53,460)	-
Total other financing sources (uses)	<u>(2,000)</u>	<u>1,162,612</u>	<u>33,962</u>	<u>-</u>	<u>(5,434)</u>	<u>-</u>	<u>(53,460)</u>	<u>250,000</u>
Net change in fund balances	(15,242)	-	(164,981)	6,775	-	2,811	362,670	(195,840)
Fund balances - beginning (as restated)	<u>170,541</u>	<u>-</u>	<u>7,186</u>	<u>286</u>	<u>474,000</u>	<u>245,833</u>	<u>-</u>	<u>216,183</u>
Fund balances - ending	<u>\$ 155,299</u>	<u>\$ -</u>	<u>\$ (157,795)</u>	<u>\$ 7,061</u>	<u>\$ 474,000</u>	<u>\$ 248,644</u>	<u>\$ 362,670</u>	<u>\$ 20,343</u>

**CITY OF MOBERLY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**MODIFIED CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Inmate Security Fund</b>	<b>Police Forfeiture Fund</b>	<b>Street Improvements Fund</b>	<b>MODAG Grant/Loan Fund</b>	<b>Project Residuals Fund</b>	<b>ICSC/Buxton Fund</b>	<b>Railcar Preservation Fund</b>	<b>Lucille Manor CDBG Fund</b>	<b>Downtown CID Fund</b>	<b>Total</b>
<b>REVENUES</b>										
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,302	\$ 54,302
Property taxes	-	-	-	-	-	-	-	-	179,499	179,499
Motor vehicle and license taxes	-	-	369,870	-	-	-	-	-	-	369,870
Other taxes	-	-	-	-	-	-	-	-	-	92,330
Charges for goods and services	636	-	-	-	-	-	-	-	-	448,540
Grants and contributions	-	-	-	-	-	-	-	22,825	14,786	327,411
Interest	146	-	5,893	246	539	75	7	2,156	4,684	24,938
Miscellaneous	-	-	21,097	-	102,314	-	-	-	27,000	580,762
Total revenues	<u>782</u>	<u>-</u>	<u>396,860</u>	<u>246</u>	<u>102,853</u>	<u>75</u>	<u>7</u>	<u>24,981</u>	<u>280,271</u>	<u>2,077,652</u>
<b>EXPENDITURES</b>										
General government	-	-	-	-	-	-	-	-	99,491	194,749
Public safety	-	-	-	-	-	-	-	-	-	497,844
Transportation	-	-	177,838	-	-	-	-	-	-	865,660
Parks and recreation	-	-	-	-	-	-	-	-	-	65,439
Capital outlay	-	-	54,813	-	-	-	-	-	503	1,270,017
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	100,000
Total expenditures	<u>-</u>	<u>-</u>	<u>232,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,994</u>	<u>2,993,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>782</u>	<u>-</u>	<u>164,209</u>	<u>246</u>	<u>102,853</u>	<u>75</u>	<u>7</u>	<u>24,981</u>	<u>180,277</u>	<u>(916,057)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Debt proceeds	-	-	-	-	-	-	-	-	-	1,000,000
Transfers in	-	-	-	-	-	-	-	-	-	446,574
Transfers (out)	-	-	-	-	-	-	-	-	-	(60,894)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385,680</u>
Net change in fund balances	782	-	164,209	246	102,853	75	7	24,981	180,277	469,623
Fund balances - beginning (as restated)	12,573	4,320	470,555	21,537	47,149	6,548	580	182,425	89,285	1,949,001
Fund balances - ending	<u>\$ 13,355</u>	<u>\$ 4,320</u>	<u>\$ 634,764</u>	<u>\$ 21,783</u>	<u>\$ 150,002</u>	<u>\$ 6,623</u>	<u>\$ 587</u>	<u>\$ 207,406</u>	<u>\$ 269,562</u>	<u>\$ 2,418,624</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 2,485,000	\$ 2,485,000	\$ 2,507,785	\$ 22,785
Franchise	2,190,000	2,190,000	1,854,183	(335,817)
Property	1,067,500	1,067,500	1,146,866	79,366
Motor vehicle and license	185,000	185,000	181,263	(3,737)
Other	592,500	632,500	585,878	(46,622)
Licenses, permits and fees	361,450	361,450	326,178	(35,272)
Charges for goods and services	711,149	711,149	613,995	(97,154)
Grants and contributions	68,035	68,035	25,181	(42,854)
Interest	30,300	30,300	22,310	(7,990)
Miscellaneous	85,500	85,500	223,855	138,355
Total revenues	<u>7,776,434</u>	<u>7,816,434</u>	<u>7,487,494</u>	<u>(328,940)</u>
<b>EXPENDITURES</b>				
General government	2,006,912	2,046,912	1,942,512	(104,400)
Public safety	4,056,309	4,056,309	3,860,732	(195,577)
Economic and community development	683,064	683,064	735,877	52,813
Transportation	895,116	895,116	792,405	(102,711)
Capital outlay	329,122	329,122	235,428	(93,694)
Debt service:				
Principal	-	-	93,242	93,242
Interest	-	-	9,928	9,928
Total expenditures	<u>7,970,523</u>	<u>8,010,523</u>	<u>7,670,124</u>	<u>(340,399)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(194,089)</u>	<u>(194,089)</u>	<u>(182,630)</u>	<u>11,459</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	194,089	194,089	5,434	(188,655)
Transfers (out)	-	-	(285,462)	(285,462)
Total other financing sources (uses)	<u>194,089</u>	<u>194,089</u>	<u>(280,028)</u>	<u>(474,117)</u>
Net change in fund balance	-	-	(462,658)	(462,658)
Fund balance - beginning (as restated)	<u>2,294,312</u>	<u>2,294,312</u>	<u>2,294,312</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,294,312</u>	<u>\$ 2,294,312</u>	<u>\$ 1,831,654</u>	<u>\$ (462,658)</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT TRUST FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Sales taxes	\$ 1,185,000	\$ 1,185,000	\$ 1,197,326	\$ 12,326
Interest	27,800	27,800	17,568	(10,232)
Total revenues	<u>1,212,800</u>	<u>1,212,800</u>	<u>1,214,894</u>	<u>2,094</u>
<b>EXPENDITURES</b>				
General government	81,325	81,325	291,639	210,314
Capital outlay	1,595,000	1,595,000	12,147	(1,582,853)
Total expenditures	<u>1,676,325</u>	<u>1,676,325</u>	<u>303,786</u>	<u>(1,372,539)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(463,525)</u>	<u>(463,525)</u>	<u>911,108</u>	<u>1,374,633</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(533,957)</u>	<u>(533,957)</u>	<u>(869,129)</u>	<u>(335,172)</u>
Total other financing uses	<u>(533,957)</u>	<u>(533,957)</u>	<u>(869,129)</u>	<u>(335,172)</u>
Net change in fund balance	(997,482)	(997,482)	41,979	1,039,461
Fund balance - beginning (as restated)	<u>1,072,112</u>	<u>1,072,112</u>	<u>1,072,112</u>	<u>-</u>
Fund balance - ending	<u>\$ 74,630</u>	<u>\$ 74,630</u>	<u>\$ 1,114,091</u>	<u>\$ 1,039,461</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**PARKS AND RECREATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 521,800	\$ 527,800	\$ 529,879	\$ 2,079
Other	5,000	5,000	4,801	(199)
Charges for goods and services	345,500	345,500	233,497	(112,003)
Grants and contributions	38,000	65,000	-	(65,000)
Miscellaneous	10,000	40,000	72,446	32,446
Total revenues	<u>920,300</u>	<u>983,300</u>	<u>840,623</u>	<u>(142,677)</u>
<b>EXPENDITURES</b>				
Parks and recreation	1,435,649	1,435,649	1,441,207	5,558
Capital outlay	625,300	810,300	789,106	(21,194)
Total expenditures	<u>2,060,949</u>	<u>2,245,949</u>	<u>2,230,313</u>	<u>(15,636)</u>
Deficiency of revenues under expenditures	<u>(1,140,649)</u>	<u>(1,262,649)</u>	<u>(1,389,690)</u>	<u>(127,041)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,140,649	1,262,649	1,389,405	126,756
Total other financing sources	<u>1,140,649</u>	<u>1,262,649</u>	<u>1,389,405</u>	<u>126,756</u>
Net change in fund balance	-	-	(285)	(285)
Fund balance - beginning (as restated)	<u>7,622</u>	<u>7,622</u>	<u>7,622</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,622</u>	<u>\$ 7,622</u>	<u>\$ 7,337</u>	<u>\$ (285)</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**PARK SALES TAX TRUST FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 1,185,000	\$ 1,185,000	\$ 1,196,743	\$ 11,743
Other	100,000	100,000	118,656	18,656
Interest	17,100	17,100	4,150	(12,950)
Total revenues	<u>1,302,100</u>	<u>1,302,100</u>	<u>1,319,549</u>	<u>17,449</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	53,460	53,460
Transfers (out)	(1,329,649)	(1,329,649)	(1,550,017)	(220,368)
Total other financing uses	<u>(1,329,649)</u>	<u>(1,329,649)</u>	<u>(1,496,557)</u>	<u>(166,908)</u>
Net change in fund balance	(27,549)	(27,549)	(177,008)	(149,459)
Fund balance - beginning	<u>686,556</u>	<u>686,556</u>	<u>686,556</u>	<u>-</u>
Fund balance - ending	<u>\$ 659,007</u>	<u>\$ 659,007</u>	<u>\$ 509,548</u>	<u>\$ (149,459)</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION TRUST FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Sales taxes	\$ 1,185,000	\$ 1,185,000	\$ 1,197,779	\$ 12,779
Grants and contributions	1,293,000	1,293,000	171,233	(1,121,767)
Interest	26,700	26,700	18,833	(7,867)
Miscellaneous	20,000	20,000	39,083	19,083
Total revenues	<u>2,524,700</u>	<u>2,524,700</u>	<u>1,426,928</u>	<u>(1,097,772)</u>
<b>EXPENDITURES</b>				
Transportation	1,724,025	1,724,025	758,452	(965,573)
Capital outlay	950,000	950,000	902,921	(47,079)
Total expenditures	<u>2,674,025</u>	<u>2,674,025</u>	<u>1,661,373</u>	<u>(1,012,652)</u>
Deficiency of revenues under expenditures	<u>(149,325)</u>	<u>(149,325)</u>	<u>(234,445)</u>	<u>(85,120)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	335,172	335,172
Total other financing sources	<u>-</u>	<u>-</u>	<u>335,172</u>	<u>335,172</u>
Net change in fund balance	<u>(149,325)</u>	<u>(149,325)</u>	<u>100,727</u>	<u>250,052</u>
Fund balance - beginning (as restated)	<u>1,432,760</u>	<u>1,432,760</u>	<u>1,432,760</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,283,435</u>	<u>\$ 1,283,435</u>	<u>\$ 1,533,487</u>	<u>\$ 250,052</u>

**CITY OF MOBERLY  
LAGERS (PENSION PLAN)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS  
June 30, 2020**

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 491,145	\$ 507,622	\$ 480,252	\$ 432,367	\$ 438,332	\$ 457,447
Interest on the total pension liability	2,006,456	1,965,673	1,930,051	1,857,428	1,803,146	1,767,608
Difference between expected and actual experience	(60,428)	(225,346)	(294,174)	336,659	(684,226)	(339,359)
Changes in assumptions	-	-	-	-	733,161	-
Benefit payments, including refunds	(1,662,216)	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)	(1,396,636)
Net change in total pension liability	774,957	556,050	529,692	918,433	915,134	489,060
Total pension liability beginning	28,250,548	27,694,498	27,164,806	26,246,373	25,331,239	24,842,179
Total pension liability ending	<u>\$ 29,025,505</u>	<u>\$ 28,250,548</u>	<u>\$ 27,694,498</u>	<u>\$ 27,164,806</u>	<u>\$ 26,246,373</u>	<u>\$ 25,331,239</u>
Plan fiduciary net position						
Contributions - employer	\$ 522,811	\$ 465,987	\$ 440,592	\$ 399,480	\$ 430,772	\$ 441,997
Pension plan net investment income	385,080	1,964,625	3,328,352	3,186,635	(89,900)	538,229
Benefit payments, including refunds	(1,662,216)	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)	(1,396,636)
Pension plan administrative expense	(40,459)	(35,485)	(25,265)	(24,355)	(24,221)	(26,469)
Other	1,626	179,769	(597,566)	(65,932)	(7,007)	(494,508)
Net change in plan fiduciary net position	(793,158)	882,997	1,559,676	1,787,807	(1,065,635)	(937,387)
Plan fiduciary net position beginning	31,181,272	30,298,275	28,738,599	26,950,792	28,016,427	28,953,814
Plan fiduciary net position ending	<u>\$ 30,388,114</u>	<u>\$ 31,181,272</u>	<u>\$ 30,298,275</u>	<u>\$ 28,738,599</u>	<u>\$ 26,950,792</u>	<u>\$ 28,016,427</u>
City's net pension liability (asset)	<u>\$ (1,362,609)</u>	<u>\$ (2,930,724)</u>	<u>\$ (2,603,777)</u>	<u>\$ (1,573,793)</u>	<u>\$ (704,419)</u>	<u>\$ (2,685,188)</u>
Plan fiduciary net position as a percentage of the total pension	104.69%	110.37%	109.40%	105.79%	102.68%	110.60%
Covered payroll	\$ 4,724,324	\$ 4,522,902	\$ 4,743,678	\$ 4,284,169	\$ 4,265,295	\$ 4,294,269
City's net pension liability (asset) as a percentage of covered payroll	28.84%	64.80%	54.89%	36.74%	16.52%	62.53%

*Note: This schedule will ultimately contain ten years of data.*

**CITY OF MOBERLY  
LAGERS (PENSION PLAN)  
SCHEDULE OF CONTRIBUTIONS –  
LAST TEN FISCAL YEARS  
June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 546,167	\$ 510,279	\$ 465,319	\$ 434,062	\$ 480,456
Contributions in relation to the actuarially determined contribution	509,192	465,367	441,189	400,244	429,843
Contribution deficiency (excess)	<u>\$ 36,975</u>	<u>\$ 44,912</u>	<u>\$ 24,130</u>	<u>\$ 33,818</u>	<u>\$ 50,613</u>
Covered payroll	\$ 4,724,324	\$ 4,522,902	\$ 4,743,678	\$ 4,284,169	\$ 4,265,295
Contributions as a percentage of covered payroll	10.78%	10.29%	9.30%	9.34%	10.08%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 508,558	\$ 514,476	\$ 545,032	\$ 529,895	\$ 506,477
Contributions in relation to the actuarially determined contribution	442,617	420,065	376,259	342,657	296,314
Contribution deficiency (excess)	<u>\$ 65,941</u>	<u>\$ 94,411</u>	<u>\$ 168,773</u>	<u>\$ 187,238</u>	<u>\$ 210,163</u>
Covered payroll	\$ 4,294,269	\$ 4,216,293	\$ 4,216,066	\$ 4,346,395	\$ 4,333,491
Contributions as a percentage of covered payroll	10.31%	9.96%	8.92%	7.88%	6.84%

# **INTERNAL CONTROL AND COMPLIANCE**

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

To the City Council  
City of Moberly

We have audited, in accordance with U.S. generally accepted auditing standards 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 13, 2020.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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*.

## **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 K. Keiper UC*

November 13, 2020