

CITY OF MOBERLY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021

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JUNE 30, 2021**

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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, 2021, 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, 2021, 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 December 16, 2021, 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. Karpis UC

December 16, 2021

BASIC FINANCIAL STATEMENTS

**CITY OF MOBERLY
BALANCE SHEET
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Major Funds							Total
	General Fund	Parks and Recreation Fund	Park Sales Tax Trust Fund	Airport Operating Fund	Transportation Trust Fund	Downtown NID Fund	Non-Major Funds	
ASSETS								
Cash and cash equivalents	\$ 1,370,553	\$ 3,810	\$ 958,706	\$ 100	\$ 1,566,769	\$ 1,718,458	\$ 3,327,353	\$ 8,945,749
Due from other funds	430,013	-	-	-	-	-	-	430,013
Prepaid expenses	363,465	50,265	-	3,235	-	-	23,999	440,964
Total assets	<u>\$ 2,164,031</u>	<u>\$ 54,075</u>	<u>\$ 958,706</u>	<u>\$ 3,335</u>	<u>\$ 1,566,769</u>	<u>\$ 1,718,458</u>	<u>\$ 3,351,352</u>	<u>\$ 9,816,726</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to other funds	\$ -	\$ 42,852	\$ -	\$ 132,705	\$ -	\$ -	\$ 73,252	\$ 248,809
Other payables	46,458	3,885	-	-	-	-	-	50,343
Total liabilities	<u>46,458</u>	<u>46,737</u>	<u>-</u>	<u>132,705</u>	<u>-</u>	<u>-</u>	<u>73,252</u>	<u>299,152</u>
Fund balances:								
Nonspendable	363,465	50,265	-	3,235	-	-	23,999	440,964
Restricted	-	-	-	-	-	-	290,000	290,000
Assigned	-	-	958,706	-	1,566,769	1,718,458	3,037,353	7,281,286
Unassigned	1,754,108	(42,927)	-	(132,605)	-	-	(73,252)	1,505,324
Total fund balances	<u>2,117,573</u>	<u>7,338</u>	<u>958,706</u>	<u>(129,370)</u>	<u>1,566,769</u>	<u>1,718,458</u>	<u>3,278,100</u>	<u>9,517,574</u>
Total liabilities and fund balances	<u>\$ 2,164,031</u>	<u>\$ 54,075</u>	<u>\$ 958,706</u>	<u>\$ 3,335</u>	<u>\$ 1,566,769</u>	<u>\$ 1,718,458</u>	<u>\$ 3,351,352</u>	<u>\$ 9,816,726</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, 2021

	Major Funds						Total	
	General Fund	Parks and Recreation Fund	Park Sales Tax Trust Fund	Airport Operating Fund	Transportation Trust Fund	Downtown NID Fund		Non-Major Funds
REVENUES								
Taxes:								
Sales	\$ 2,752,151	\$ -	\$ 1,319,125	\$ -	\$ 1,319,415	\$ -	\$ 59,225	5,449,916
Franchise	1,874,672	-	-	-	-	-	-	1,874,672
Property	1,177,210	544,765	-	-	-	-	216,635	1,938,610
Motor vehicle and license	225,400	-	-	-	-	-	1,679,727	1,905,127
Other	640,539	3,656	131,765	-	-	-	103,133	879,093
Licenses, permits and fees	444,042	-	-	-	-	-	-	444,042
Charges for goods and services	664,196	283,752	-	168,253	-	-	358,902	1,475,103
Grants and contributions	570,754	50,946	-	2,234,620	1,153,938	-	395,292	4,405,550
Interest	1,171	-	412	-	4,121	-	11,323	17,027
Miscellaneous	116,186	62,722	-	9,497	330,721	-	310,725	829,851
Total revenues	<u>8,466,321</u>	<u>945,841</u>	<u>1,451,302</u>	<u>2,412,370</u>	<u>2,808,195</u>	<u>-</u>	<u>3,134,962</u>	<u>19,218,991</u>
EXPENDITURES								
General government	1,998,619	-	-	2,424,234	-	46,000	592,077	5,060,930
Public safety	3,835,758	-	-	-	-	-	452,037	4,287,795
Economic and community development	833,081	-	-	-	-	-	-	833,081
Transportation	862,966	-	-	-	3,005,570	-	473,801	4,342,337
Parks and recreation	-	1,461,883	120	-	-	-	114,969	1,576,972
Capital outlay	250,451	258,850	-	-	498,911	-	1,069,801	2,078,013
Debt service:								
Principal	100,636	-	-	-	-	38,603	100,000	239,239
Interest and fees	7,441	-	-	-	-	25,854	-	33,295
Total expenditures	<u>7,888,952</u>	<u>1,720,733</u>	<u>120</u>	<u>2,424,234</u>	<u>3,504,481</u>	<u>110,457</u>	<u>2,802,685</u>	<u>18,451,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>577,369</u>	<u>(774,892)</u>	<u>1,451,182</u>	<u>(11,864)</u>	<u>(696,286)</u>	<u>(110,457)</u>	<u>332,277</u>	<u>767,329</u>
OTHER FINANCING SOURCES (USES)								
Debt proceeds	-	-	-	-	-	1,700,000	75,120	1,775,120
Transfers in	860	774,893	75,120	40,289	729,568	128,915	683,251	2,432,896
Transfers (out)	(292,310)	-	(1,077,144)	-	-	-	(1,503,058)	(2,872,512)
Total other financing sources (uses)	<u>(291,450)</u>	<u>774,893</u>	<u>(1,002,024)</u>	<u>40,289</u>	<u>729,568</u>	<u>1,828,915</u>	<u>(744,687)</u>	<u>1,335,504</u>
Net change in fund balances	285,919	1	449,158	28,425	33,282	1,718,458	(412,410)	2,102,833
Fund balances - beginning	<u>1,831,654</u>	<u>7,337</u>	<u>509,548</u>	<u>(157,795)</u>	<u>1,533,487</u>	<u>-</u>	<u>3,690,510</u>	<u>7,414,741</u>
Fund balances - ending	<u>\$ 2,117,573</u>	<u>\$ 7,338</u>	<u>\$ 958,706</u>	<u>\$ (129,370)</u>	<u>\$ 1,566,769</u>	<u>\$ 1,718,458</u>	<u>\$ 3,278,100</u>	<u>\$ 9,517,574</u>

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2021

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,014,983	\$ 683,014	\$ 2,697,997	\$ 519,861
Prepaid expenses	113,369	-	113,369	-
Total current assets	<u>2,128,352</u>	<u>683,014</u>	<u>2,811,366</u>	<u>519,861</u>
Non-current assets:				
Restricted cash and cash equivalents	2,954,845	-	2,954,845	-
Restricted investments	1,026,213	-	1,026,213	-
Total non-current assets	<u>3,981,058</u>	<u>-</u>	<u>3,981,058</u>	<u>-</u>
Total assets	<u>6,109,410</u>	<u>683,014</u>	<u>6,792,424</u>	<u>519,861</u>
LIABILITIES				
Current liabilities:				
Due to other funds	180,965	239	181,204	-
Other payables	196,281	3,799	200,080	-
Total liabilities	<u>377,246</u>	<u>4,038</u>	<u>381,284</u>	<u>-</u>
NET POSITION				
Restricted for debt service	3,981,058	-	3,981,058	-
Unrestricted	1,751,106	678,976	2,430,082	519,861
Total net position	<u>\$ 5,732,164</u>	<u>\$ 678,976</u>	<u>\$ 6,411,140</u>	<u>\$ 519,861</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, 2021

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
REVENUES				
Charges for services	\$ 5,845,779	\$ 1,089,526	\$ 6,935,305	\$ 1,780,562
Operating grants and contributions	62,143	48,756	110,899	-
Total operating revenues	<u>5,907,922</u>	<u>1,138,282</u>	<u>7,046,204</u>	<u>1,780,562</u>
OPERATING EXPENSES				
Personnel services	1,790,473	4,600	1,795,073	-
Contractual services	727,230	1,007,256	1,734,486	1,621,744
Repairs and maintenance	506,832	-	506,832	-
Materials and supplies	724,094	361	724,455	-
Capital outlay	3,384,815	-	3,384,815	-
Miscellaneous	114,597	42,951	157,548	-
Debt service:				
Principal	1,406,729	-	1,406,729	-
Interest and fees	301,061	-	301,061	-
Total operating expenses	<u>8,955,831</u>	<u>1,055,168</u>	<u>10,010,999</u>	<u>1,621,744</u>
Operating income (loss)	<u>(3,047,909)</u>	<u>83,114</u>	<u>(2,964,795)</u>	<u>158,818</u>
NON-OPERATING REVENUES (EXPENSES)				
Lease proceeds	2,699,414	-	2,699,414	-
Interest	11,857	431	12,288	230
Miscellaneous	115,946	-	115,946	-
Transfers in	7,012,468	-	7,012,468	-
Transfers (out)	<u>(6,574,352)</u>	<u>-</u>	<u>(6,574,352)</u>	<u>-</u>
Total non-operating revenues	<u>3,265,333</u>	<u>431</u>	<u>3,265,764</u>	<u>230</u>
Change in net position	217,424	83,545	300,969	159,048
Total net position - beginning	<u>5,514,740</u>	<u>595,431</u>	<u>6,110,171</u>	<u>360,813</u>
Total net position - ending	<u>\$ 5,732,164</u>	<u>\$ 678,976</u>	<u>\$ 6,411,140</u>	<u>\$ 519,861</u>

See accompanying notes to the basic financial statements.

CITY OF MOBERLY
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2021

		Custodial Funds	
	Veterans' Flag Project Fund	Community Betterment Fund	Total
ASSETS			
Cash and cash equivalents	\$ 43,948	\$ -	\$ 43,948
Total assets	43,948	-	43,948
NET POSITION			
Amount held for others	43,948	-	43,948
Total net position	\$ 43,948	\$ -	\$ 43,948

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, 2021

	Custodial Funds		Total
	Veterans' Flag Project Fund	Community Betterment Fund	
ADDITIONS			
Interest	\$ 29	\$ -	\$ 29
Miscellaneous	7,080	-	7,080
Total additions	7,109	-	7,109
DISBURSEMENTS			
Distributions to others	3,178	4,863	8,041
Total disbursements	3,178	4,863	8,041
OTHER			
Transfers in	-	1,500	1,500
Total other	-	1,500	1,500
Change in net position	3,931	(3,363)	568
Net position, July 1	40,017	3,363	43,380
NET POSITION, JUNE 30	\$ 43,948	\$ -	\$ 43,948

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.

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.

Airport Operating Fund – This special revenue fund was established to account for sales revenue and other financial resources assigned for airport operating purposes.

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

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

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 committed fund balances as of June 30, 2021.

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, 2021, there were fourteen employees that qualified for benefits and the City contributed approximately \$650 per employee to the Health Trust Fund on a monthly basis. Contributions totaled \$100,100 during the year ended June 30, 2021.

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, 2021.

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, 2021:

	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	13,196,754	-	13,196,754
	<u>\$ 13,451,075</u>	<u>\$ -</u>	<u>\$ 13,451,075</u>
Carrying value	<u>\$ 15,075,734</u>	<u>\$ 5,610</u>	<u>\$ 15,081,344</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	\$ 8,908,641	\$ 3,217,858	\$ 12,126,499
Restricted cash and cash equivalents	-	2,954,845	2,954,845
	<u>\$ 8,908,641</u>	<u>\$ 6,172,703</u>	<u>\$ 15,081,344</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, 2021, 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	\$ -	\$ -	\$ 1,026,213	\$ 1,026,213	\$ 1,026,213
Total investments	\$ -	\$ -	\$ 1,026,213	\$ 1,026,213	\$ 1,026,213

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, 2021, 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	\$ 2,954,845	\$ 1,026,213	\$ 3,981,058

Also at June 30, 2021, the \$290,000 fund balance in the Hometown Strong Fund was restricted for capital and other projects by the providers of the contributions to the fund.

5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2021, resulting from interfund activity were as follows:

	Interfund Receivable	Interfund Payable
Governmental funds:		
General Fund	\$ 430,013	\$ -
Parks and Recreation Fund	-	42,852
Airport Operating Fund	-	132,705
Non-Major Funds	-	73,252
Proprietary funds:		
CWWSS Fund	-	180,965
Solid Waste Fund	-	239
Total	<u>\$ 430,013</u>	<u>\$ 430,013</u>

These balances either originated during prior fiscal years and were not settled during fiscal year 2021, or originated during fiscal year 2021 as a result of current year activity between the funds.

A summary of interfund transfers for the year ended June 30, 2021, follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 860	\$ 292,310
Parks and Recreation Fund	774,893	-
Park Sales Tax Trust Fund	75,120	1,077,144
Airport Operating Fund	40,289	-
Transportation Trust Fund	729,568	-
Downtown NID Fund	128,915	-
Non-Major Funds	683,251	1,503,058
Proprietary funds:		
CWWSS Fund	7,012,468	6,574,352
Fiduciary funds:		
Community Betterment Fund	1,500	-
Total	<u>\$ 9,446,864</u>	<u>\$ 9,446,864</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, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due in One Year
Governmental funds:					
Fire and street equipment lease	\$ 62,017	\$ -	\$ 62,017	\$ -	\$ -
Police software lease	200,368	-	38,619	161,749	38,670
Heritage Hills Golf Course equipment lease	-	75,120	-	75,120	14,314
Heritage Hills Golf Course note	900,000	-	100,000	800,000	100,000
Revenue bonds	-	1,700,000	38,603	1,661,397	78,836
Proprietary funds:					
Sewer equipment lease	150,717	-	74,477	76,240	76,500
Water equipment lease	1,975,586	2,699,414	207,252	4,467,748	410,242
Revenue bonds	7,020,000	-	1,125,000	5,895,000	1,155,000
	<u>\$ 10,308,688</u>	<u>\$ 4,474,534</u>	<u>\$ 1,645,968</u>	<u>\$ 13,137,254</u>	<u>\$ 1,873,562</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, 2020, of \$166,610,099, the constitutional total general obligation debt limit was \$33,322,020, which provides a general obligation debt margin of \$31,660,623.

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.

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.

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
2022	\$ 59,659	\$ 619,958	\$ 679,617
2023	59,659	541,363	601,022
2024	59,659	541,364	601,023
2025	59,659	541,362	601,021
2026	16,134	541,363	557,497
2027-2031	-	2,435,878	2,435,878
Total	254,770	5,221,288	5,476,058
Less: amounts representing interest	(17,901)	(677,300)	(695,201)
Total principal	<u>\$ 236,869</u>	<u>\$ 4,543,988</u>	<u>\$ 4,780,857</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 \$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 2021 are over 455% of the annual principal and interest payments made during the year, as principal and interest paid were \$1,284,700 and net revenues were \$5,845,779.

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

	Original Amount	Interest Rate	Final Maturity Date	Balance June 30, 2021
Governmental funds:				
Series 2020 revenue bonds	\$ 1,700,000	3.05%	10/1/2037	\$ 1,661,397
Proprietary funds:				
Series 2004B revenue bonds	7,150,000	2.00-5.00%	1/1/2024	1,335,000
Series 2004C revenue bonds	5,100,000	3.00-5.05%	1/1/2026	1,520,000
Series 2006A revenue bonds	5,460,000	4.00-5.25%	7/1/2026	1,900,000
Series 2008A revenue bonds	2,560,000	2.01-4.41%	1/1/2029	1,140,000
				<u>\$ 7,556,397</u>

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

Governmental funds:

Year Ending June 30	Principal	Interest	Total
2022	\$ 78,836	\$ 50,079	\$ 128,915
2023	81,259	47,656	128,915
2024	83,634	45,281	128,915
2025	86,327	42,589	128,916
2026	88,980	39,936	128,916
2027-2031	487,534	157,038	644,572
2032-2036	567,212	77,361	644,573
2037-2038	187,615	5,757	193,372
Total	<u>\$ 1,661,397</u>	<u>\$ 465,697</u>	<u>\$ 2,127,094</u>

Proprietary funds:

Year Ending June 30	Principal	Interest	Total
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	790,000	33,503	823,503
2027-2029	790,000	27,227	817,227
Total	<u>\$ 5,895,000</u>	<u>\$ 430,068</u>	<u>\$ 6,325,068</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:

	For the 2020 Calendar Year
Assessed valuation:	
Real estate	\$ 116,794,440
Personal property	42,303,956
State assessed	7,511,703
	<u>\$ 166,610,099</u>
Tax levy:	
General revenue	\$ 0.7251
Parks and recreation	0.3365
	<u>\$ 1.0616</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>2021 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	149
Inactive employees entitled to but not yet receiving benefits	70
Active employees	<u>109</u>
Total	<u><u>328</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 7.3% (General), 13.6% (Police), and 16.9% (Fire) of annual covered payroll.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions

The total pension liability in the February 28, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	2.75% to 6.75%, 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, 2021, 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 following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<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:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (a) - (b)</u>
Balances at June 30, 2020	\$ 29,025,505	\$ 30,388,114	\$ (1,362,609)
Changes for the year:			
Service cost	504,508	-	504,508
Interest	2,056,378	-	2,056,378
Difference between expected and actual experience	(66,197)	-	(66,197)
Changes in assumptions	(755,573)	-	(755,573)
Contributions - employer	-	502,764	(502,764)
Net investment income	-	8,269,672	(8,269,672)
Benefit payments, including refunds	(1,851,396)	(1,851,396)	-
Administrative expense	-	(31,112)	31,112
Other changes	-	98,786	(98,786)
Net changes	<u>(112,280)</u>	<u>6,988,714</u>	<u>(7,100,994)</u>
Balances at June 30, 2021	<u>\$ 28,913,225</u>	<u>\$ 37,376,828</u>	<u>\$ (8,463,603)</u>

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.

	<u>Current Single Discount</u>		
	<u>1% Decrease (6.00%)</u>	<u>Rate Assumption (7.00%)</u>	<u>1% Increase (8.00%)</u>
Total pension liability	\$ 32,539,374	\$ 28,913,225	\$ 25,900,759
Plan fiduciary net position	\$ 37,376,828	\$ 37,376,828	\$ 37,376,828
Net pension liability/(asset)	\$ (4,837,454)	\$ (8,463,603)	\$ (11,476,069)

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, 2021. 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, 2021, the City's pension expense under full accrual accounting would have been (\$1,332,795). However, on the modified cash basis of accounting, the City recognized payments to LAGERS of \$504,973 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	\$ 227,102	\$ (273,790)
Changes in assumptions	14,699	(536,170)
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(3,973,732)</u>
Total	<u>\$ 241,801</u>	<u>\$ (4,783,692)</u>

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

2022	\$ (1,343,054)
2023	(1,036,229)
2024	(923,594)
2025	(1,236,326)
2026	<u>(2,688)</u>
Total	<u>\$ (4,541,891)</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, 2021.

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 \$2,243,239 as of June 30, 2021, 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, 2021. 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.

The 2021 EDA Grant Projects Fund has an accumulated deficit at June 30, 2021. This is due to grant reimbursements not being received until after yearend and as such, the deficit will be eliminated upon receipt of the reimbursements.

The General Fund's actual expenditures exceeded budgeted expenditures by \$15,348; the Park Sales Tax Trust Fund's actual expenditures exceeded budgeted expenditures by \$120; and the Transportation Trust Fund's actual expenditures exceed budgeted expenditures by \$14,881 for the year ended June 30, 2021. This is due to additional expenditures being incurred that either weren't budgeted for, or that the budget wasn't amended for.

The Downtown NID Fund's actual expenditures exceeded budgeted expenditures by \$40,457 for the year ended June 30, 2021. This is due to additional expenditures being incurred related to the revenue bond issuance that either weren't budgeted for, or that the budget wasn't amended for.

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, 2021, the total assessed value of the property included in the Enterprise Zones was \$1,083,350, and the total tax abatements were \$11,501.

During the year ended June 30, 2021, the total assessed value of the property included in the Urban Redevelopment was \$3,492,292, and the total tax abatements were \$37,074.

SUPPLEMENTARY INFORMATION

**CITY OF MOBERLY
COMBINING BALANCE SHEET
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Non-Resident Lodging Fund	Heritage Hills Golf Course Fund	Capital Improvement Trust Fund	Perpetual Care Cemetery Principal Fund	Perpetual Care Cemetery Interest Fund	Use Tax Trust Fund	Ameren Missouri Solar Rebates Fund	911 Emergency Telephone Fund	2021 EDA Grant Projects Fund	Hometown Strong Fund
ASSETS										
Cash and cash equivalents	\$ 159,062	\$ -	\$ 27,674	\$ 1,086	\$ 504,000	\$ 248,815	\$ 362,670	\$ 181,647	\$ -	\$ 290,000
Prepaid expenses	-	-	-	-	-	-	-	23,999	-	-
Total assets	<u>\$ 159,062</u>	<u>\$ -</u>	<u>\$ 27,674</u>	<u>\$ 1,086</u>	<u>\$ 504,000</u>	<u>\$ 248,815</u>	<u>\$ 362,670</u>	<u>\$ 205,646</u>	<u>\$ -</u>	<u>\$ 290,000</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,252	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,252</u>	<u>-</u>
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	23,999	-	-
Restricted	-	-	-	-	-	-	-	-	-	290,000
Assigned	159,062	-	27,674	1,086	504,000	248,815	362,670	181,647	-	-
Unassigned	-	-	-	-	-	-	-	-	(73,252)	-
Total fund balances	<u>159,062</u>	<u>-</u>	<u>27,674</u>	<u>1,086</u>	<u>504,000</u>	<u>248,815</u>	<u>362,670</u>	<u>205,646</u>	<u>(73,252)</u>	<u>290,000</u>
Total liabilities and fund balances	<u>\$ 159,062</u>	<u>\$ -</u>	<u>\$ 27,674</u>	<u>\$ 1,086</u>	<u>\$ 504,000</u>	<u>\$ 248,815</u>	<u>\$ 362,670</u>	<u>\$ 205,646</u>	<u>\$ -</u>	<u>\$ 290,000</u>

**CITY OF MOBERLY
COMBINING BALANCE SHEET (CONTINUED)
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Inmate Security Fund	Police Forfeiture Fund	Street Improvements Fund	MODAG Grant/Loan Fund	Project Residuals Fund	ICSC/Buxton Fund	Railcar Preservation Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
ASSETS										
Cash and cash equivalents	\$ 14,069	\$ 4,320	\$ 696,791	\$ 21,798	\$ 150,105	\$ 11,630	\$ 587	\$ 230,380	\$ 422,719	\$ 3,327,353
Prepaid expenses	-	-	-	-	-	-	-	-	-	23,999
Total assets	<u>\$ 14,069</u>	<u>\$ 4,320</u>	<u>\$ 696,791</u>	<u>\$ 21,798</u>	<u>\$ 150,105</u>	<u>\$ 11,630</u>	<u>\$ 587</u>	<u>\$ 230,380</u>	<u>\$ 422,719</u>	<u>\$ 3,351,352</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,252
Total liabilities	-	-	-	-	-	-	-	-	-	73,252
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	23,999
Restricted	-	-	-	-	-	-	-	-	-	290,000
Assigned	14,069	4,320	696,791	21,798	150,105	11,630	587	230,380	422,719	3,037,353
Unassigned	-	-	-	-	-	-	-	-	-	(73,252)
Total fund balances	<u>14,069</u>	<u>4,320</u>	<u>696,791</u>	<u>21,798</u>	<u>150,105</u>	<u>11,630</u>	<u>587</u>	<u>230,380</u>	<u>422,719</u>	<u>3,278,100</u>
Total liabilities and fund balances	<u>\$ 14,069</u>	<u>\$ 4,320</u>	<u>\$ 696,791</u>	<u>\$ 21,798</u>	<u>\$ 150,105</u>	<u>\$ 11,630</u>	<u>\$ 587</u>	<u>\$ 230,380</u>	<u>\$ 422,719</u>	<u>\$ 3,351,352</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, 2021

	Non-Resident Lodging Fund	Heritage Hills Golf Course Fund	Capital Improvement Trust Fund	Perpetual Care Cemetery Principal Fund	Perpetual Care Cemetery Interest Fund	Use Tax Trust Fund	Ameren Missouri Solar Rebates Fund	911 Emergency Telephone Fund	2021 EDA Grant Projects Fund	Hometown Strong Fund
REVENUES										
Sales tax	\$ -	\$ -	\$ 1,319,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	103,133	-	-	-	-	-	-	-	-	-
Charges for goods and services	-	-	-	24,025	-	-	-	334,172	-	-
Grants and contributions	-	12,311	-	-	-	-	-	70,156	-	290,000
Interest	109	-	1,077	-	339	171	-	73	-	-
Miscellaneous	-	18,743	-	-	-	-	-	7,098	-	-
Total revenues	103,242	31,054	1,320,203	24,025	339	171	-	411,499	-	290,000
EXPENDITURES										
General government	96,535	-	298,572	-	-	-	-	-	73,252	-
Public safety	-	-	-	-	-	-	-	452,037	-	-
Parks and recreation	-	114,969	-	-	-	-	-	-	-	-
Capital outlay	1,944	119,336	819,364	-	-	-	-	24,159	-	-
Debt service:										
Principal	-	100,000	-	-	-	-	-	-	-	-
Total expenditures	98,479	334,305	1,117,936	-	-	-	-	476,196	73,252	-
Excess (deficiency) of revenues over (under) expenditures	4,763	(303,251)	202,267	24,025	339	171	-	(64,697)	(73,252)	290,000
OTHER FINANCING SOURCES (USES)										
Debt proceeds	-	75,120	-	-	-	-	-	-	-	-
Transfers in	-	303,251	100,000	-	30,000	-	-	250,000	-	-
Transfers (out)	(1,000)	(75,120)	(1,388,684)	(30,000)	(339)	-	-	-	-	-
Total other financing sources (uses)	(1,000)	303,251	(1,288,684)	(30,000)	29,661	-	-	250,000	-	-
Net change in fund balances	3,763	-	(1,086,417)	(5,975)	30,000	171	-	185,303	(73,252)	290,000
Fund balances - beginning	155,299	-	1,114,091	7,061	474,000	248,644	362,670	20,343	-	-
Fund balances - ending	\$ 159,062	\$ -	\$ 27,674	\$ 1,086	\$ 504,000	\$ 248,815	\$ 362,670	\$ 205,646	\$ (73,252)	\$ 290,000

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, 2021

	Inmate Security Fund	Police Forfeiture Fund	Street Improvements Fund	MODAG Grant/Loan Fund	Project Residuals Fund	ICSC/Buxton Fund	Railcar Preservation Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
REVENUES										
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,225	\$ 59,225
Property taxes	-	-	-	-	-	-	-	-	216,635	216,635
Motor vehicle and license taxes	-	-	360,601	-	-	-	-	-	-	1,679,727
Other taxes	-	-	-	-	-	-	-	-	-	103,133
Charges for goods and services	705	-	-	-	-	-	-	-	-	358,902
Grants and contributions	-	-	-	-	-	-	-	22,825	-	395,292
Interest	9	-	341	15	103	7	-	149	8,930	11,323
Miscellaneous	-	-	279,884	-	-	5,000	-	-	-	310,725
Total revenues	714	-	640,826	15	103	5,007	-	22,974	284,790	3,134,962
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	123,718	592,077
Public safety	-	-	-	-	-	-	-	-	-	452,037
Transportation	-	-	473,801	-	-	-	-	-	-	473,801
Parks and recreation	-	-	-	-	-	-	-	-	-	114,969
Capital outlay	-	-	104,998	-	-	-	-	-	-	1,069,801
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	100,000
Total expenditures	-	-	578,799	-	-	-	-	-	123,718	2,802,685
Excess (deficiency) of revenues over (under) expenditures	714	-	62,027	15	103	5,007	-	22,974	161,072	332,277
OTHER FINANCING SOURCES (USES)										
Debt proceeds	-	-	-	-	-	-	-	-	-	75,120
Transfers in	-	-	-	-	-	-	-	-	-	683,251
Transfers (out)	-	-	-	-	-	-	-	-	(7,915)	(1,503,058)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(7,915)	(744,687)
Net change in fund balances	714	-	62,027	15	103	5,007	-	22,974	153,157	(412,410)
Fund balances - beginning	13,355	4,320	634,764	21,783	150,002	6,623	587	207,406	269,562	3,690,510
Fund balances - ending	\$ 14,069	\$ 4,320	\$ 696,791	\$ 21,798	\$ 150,105	\$ 11,630	\$ 587	\$ 230,380	\$ 422,719	\$ 3,278,100

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 2,360,750	\$ 2,590,750	\$ 2,752,151	\$ 161,401
Franchise	2,020,000	2,020,000	1,874,672	(145,328)
Property	1,088,500	1,088,500	1,177,210	88,710
Motor vehicle and license	190,000	190,000	225,400	35,400
Other	603,500	603,500	640,539	37,039
Licenses, permits and fees	355,050	355,050	444,042	88,992
Charges for goods and services	719,640	719,640	664,196	(55,444)
Grants and contributions	43,000	43,000	570,754	527,754
Interest	22,000	22,000	1,171	(20,829)
Miscellaneous	88,000	88,000	116,186	28,186
Total revenues	<u>7,490,440</u>	<u>7,720,440</u>	<u>8,466,321</u>	<u>745,881</u>
EXPENDITURES				
General government	1,658,699	1,888,699	1,998,619	109,920
Public safety	4,162,142	4,162,142	3,835,758	(326,384)
Economic and community development	626,811	626,811	833,081	206,270
Transportation	977,409	977,409	862,966	(114,443)
Capital outlay	255,651	255,651	250,451	(5,200)
Debt service:				
Principal	-	-	100,636	100,636
Interest	-	-	7,441	7,441
Total expenditures	<u>7,680,712</u>	<u>7,910,712</u>	<u>7,888,952</u>	<u>(21,760)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,272)</u>	<u>(190,272)</u>	<u>577,369</u>	<u>767,641</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	480,561	480,561	860	(479,701)
Transfers (out)	(290,289)	(290,289)	(292,310)	(2,021)
Total other financing sources (uses)	<u>190,272</u>	<u>190,272</u>	<u>(291,450)</u>	<u>(481,722)</u>
Net change in fund balance	-	-	285,919	285,919
Fund balance - beginning	<u>1,831,654</u>	<u>1,831,654</u>	<u>1,831,654</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,831,654</u>	<u>\$ 1,831,654</u>	<u>\$ 2,117,573</u>	<u>\$ 285,919</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 533,000	\$ 533,000	\$ 544,765	\$ 11,765
Other	4,750	4,750	3,656	(1,094)
Charges for goods and services	308,550	308,550	283,752	(24,798)
Grants and contributions	-	-	50,946	50,946
Miscellaneous	15,000	15,000	62,722	47,722
Total revenues	<u>861,300</u>	<u>861,300</u>	<u>945,841</u>	<u>84,541</u>
EXPENDITURES				
Parks and recreation	1,529,859	1,529,859	1,461,883	(67,976)
Capital outlay	319,500	319,500	258,850	(60,650)
Total expenditures	<u>1,849,359</u>	<u>1,849,359</u>	<u>1,720,733</u>	<u>(128,626)</u>
Deficiency of revenues under expenditures	<u>(988,059)</u>	<u>(988,059)</u>	<u>(774,892)</u>	<u>213,167</u>
OTHER FINANCING SOURCES				
Transfers in	988,059	988,059	774,893	(213,166)
Total other financing sources	<u>988,059</u>	<u>988,059</u>	<u>774,893</u>	<u>(213,166)</u>
Net change in fund balance	-	-	1	1
Fund balance - beginning	7,337	7,337	7,337	-
Fund balance - ending	<u>\$ 7,337</u>	<u>\$ 7,337</u>	<u>\$ 7,338</u>	<u>\$ 1</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 1,125,750	\$ 1,125,750	\$ 1,319,125	\$ 193,375
Other	105,000	105,000	131,765	26,765
Interest	5,000	5,000	412	(4,588)
Total revenues	<u>1,235,750</u>	<u>1,235,750</u>	<u>1,451,302</u>	<u>215,552</u>
EXPENDITURES				
Parks and recreation	-	-	120	(120)
Total expenditures	<u>-</u>	<u>-</u>	<u>120</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,235,750</u>	<u>1,235,750</u>	<u>1,451,182</u>	<u>215,432</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	75,120	75,120
Transfers (out)	(1,232,059)	(1,232,059)	(1,077,144)	154,915
Total other financing uses	<u>(1,232,059)</u>	<u>(1,232,059)</u>	<u>(1,002,024)</u>	<u>230,035</u>
Net change in fund balance	3,691	3,691	449,158	445,587
Fund balance - beginning	<u>509,548</u>	<u>509,548</u>	<u>509,548</u>	<u>-</u>
Fund balance - ending	<u>\$ 513,239</u>	<u>\$ 513,239</u>	<u>\$ 958,706</u>	<u>\$ 445,467</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
AIRPORT OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Rental fees	\$ 37,500	\$ 37,500	\$ 168,253	\$ 130,753
Sales	200,500	200,500	-	(200,500)
Grants and contributions	6,430,000	6,430,000	2,234,620	(4,195,380)
Interest	75	75	-	(75)
Miscellaneous	10,000	10,000	9,497	(503)
Total revenues	<u>6,678,075</u>	<u>6,678,075</u>	<u>2,412,370</u>	<u>(4,265,705)</u>
EXPENDITURES				
Transportation	6,718,364	6,718,364	2,424,234	(4,294,130)
Total expenditures	<u>6,718,364</u>	<u>6,718,364</u>	<u>2,424,234</u>	<u>(4,294,130)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,289)</u>	<u>(40,289)</u>	<u>(11,864)</u>	<u>28,425</u>
OTHER FINANCING SOURCES				
Transfers in	40,289	40,289	40,289	-
Total other financing sources	<u>40,289</u>	<u>40,289</u>	<u>40,289</u>	<u>-</u>
Net change in fund balance	-	-	28,425	28,425
Fund balance - beginning	<u>(157,795)</u>	<u>(157,795)</u>	<u>(157,795)</u>	<u>-</u>
Fund balance - ending	<u><u>\$ (157,795)</u></u>	<u><u>\$ (157,795)</u></u>	<u><u>\$ (129,370)</u></u>	<u><u>\$ 28,425</u></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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales taxes	\$ 1,125,750	\$ 1,315,750	\$ 1,319,415	\$ 3,665
Grants and contributions	1,298,000	1,298,000	1,153,938	(144,062)
Interest	10,000	10,000	4,121	(5,879)
Miscellaneous	58,600	285,000	330,721	45,721
Total revenues	<u>2,492,350</u>	<u>2,908,750</u>	<u>2,808,195</u>	<u>(100,555)</u>
EXPENDITURES				
Transportation	2,339,600	2,889,600	3,005,570	115,970
Capital outlay	600,000	600,000	498,911	(101,089)
Total expenditures	<u>2,939,600</u>	<u>3,489,600</u>	<u>3,504,481</u>	<u>14,881</u>
Deficiency of revenues under expenditures	<u>(447,250)</u>	<u>(580,850)</u>	<u>(696,286)</u>	<u>(115,436)</u>
OTHER FINANCING SOURCES				
Transfers in	-	133,600	729,568	595,968
Total other financing sources	<u>-</u>	<u>133,600</u>	<u>729,568</u>	<u>595,968</u>
Net change in fund balance	(447,250)	(447,250)	33,282	480,532
Fund balance - beginning	<u>1,533,487</u>	<u>1,533,487</u>	<u>1,533,487</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,086,237</u>	<u>\$ 1,086,237</u>	<u>\$ 1,566,769</u>	<u>\$ 480,532</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
DOWNTOWN NID FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
General government	\$ -	\$ -	\$ 46,000	\$ 46,000
Debt service:				
Principal	-	70,000	38,603	(31,397)
Interest	-	-	25,854	25,854
Total expenditures	-	70,000	110,457	40,457
Deficiency of revenues under expenditures	-	(70,000)	(110,457)	(40,457)
OTHER FINANCING SOURCES				
Debt proceeds	-	-	1,700,000	(1,700,000)
Transfers in	-	70,000	128,915	58,915
Total other financing sources	-	70,000	1,828,915	(1,641,085)
Net change in fund balance	-	-	1,718,458	1,718,458
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 1,718,458	\$ 1,718,458

**CITY OF MOBERLY
LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
June 30, 2021**

	2021	2020	2019	2018	2017	2016
Total pension liability						
Service cost	\$ 504,508	\$ 491,145	\$ 507,622	\$ 480,252	\$ 432,367	\$ 438,332
Interest on the total pension liability	2,056,378	2,006,456	1,965,673	1,930,051	1,857,428	1,803,146
Difference between expected and actual experience	(66,197)	(60,428)	(225,346)	(294,174)	336,659	(684,226)
Changes in assumptions	(755,573)	-	-	-	-	733,161
Benefit payments, including refunds	(1,851,396)	(1,662,216)	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)
Net change in total pension liability	(112,280)	774,957	556,050	529,692	918,433	915,134
Total pension liability beginning	29,025,505	28,250,548	27,694,498	27,164,806	26,246,373	25,331,239
Total pension liability ending	<u>\$ 28,913,225</u>	<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>
Plan fiduciary net position						
Contributions - employer	\$ 502,764	\$ 522,811	\$ 465,987	\$ 440,592	\$ 399,480	\$ 430,772
Pension plan net investment income	8,269,672	385,080	1,964,625	3,328,352	3,186,635	(89,900)
Benefit payments, including refunds	(1,851,396)	(1,662,216)	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)
Pension plan administrative expense	(31,112)	(40,459)	(35,485)	(25,265)	(24,355)	(24,221)
Other	98,786	1,626	179,769	(597,566)	(65,932)	(7,007)
Net change in plan fiduciary net position	6,988,714	(793,158)	882,997	1,559,676	1,787,807	(1,065,635)
Plan fiduciary net position beginning	30,388,114	31,181,272	30,298,275	28,738,599	26,950,792	28,016,427
Plan fiduciary net position ending	<u>\$ 37,376,828</u>	<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>
Net pension liability/(asset)	<u>\$ (8,463,603)</u>	<u>\$ (1,362,609)</u>	<u>\$ (2,930,724)</u>	<u>\$ (2,603,777)</u>	<u>\$ (1,573,793)</u>	<u>\$ (704,419)</u>
Plan fiduciary net position as a percentage of the total pension	129.27%	104.69%	110.37%	109.40%	105.79%	102.68%
Covered payroll	\$ 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	175.21%	28.84%	64.55%	54.69%	36.59%	16.45%

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, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 521,808	\$ 546,167	\$ 511,802	\$ 466,660	\$ 435,512
Contributions in relation to the actuarially determined contribution	<u>502,765</u>	<u>509,192</u>	<u>466,890</u>	<u>442,530</u>	<u>401,694</u>
Contribution deficiency (excess)	<u>\$ 19,043</u>	<u>\$ 36,975</u>	<u>\$ 44,912</u>	<u>\$ 24,130</u>	<u>\$ 33,818</u>
Covered payroll	\$ 4,830,552	\$ 4,724,325	\$ 4,540,213	\$ 4,760,869	\$ 4,301,224
Contributions as a percentage of covered payroll	10.41%	10.78%	10.28%	9.30%	9.34%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 482,254	\$ 510,485	\$ 516,476	\$ 547,184	\$ 531,682
Contributions in relation to the actuarially determined contribution	<u>431,641</u>	<u>444,544</u>	<u>421,983</u>	<u>378,016</u>	<u>344,056</u>
Contribution deficiency (excess)	<u>\$ 50,613</u>	<u>\$ 65,941</u>	<u>\$ 94,493</u>	<u>\$ 169,168</u>	<u>\$ 187,626</u>
Covered payroll	\$ 4,282,419	\$ 4,310,880	\$ 4,232,686	\$ 4,232,490	\$ 4,360,811
Contributions as a percentage of covered payroll	10.08%	10.31%	9.97%	8.93%	7.89%

SINGLE AUDIT REPORTS

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, 2021, 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 16, 2021.

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. Karpis UC

December 16, 2021

INDEPENDENT AUDITORS' 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

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 the City's major federal programs for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on the Major Federal Programs

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 its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

William K. Keplers UC

December 16, 2021

CITY OF MOBERLY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Federal Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Transportation				
Passed through Missouri Department of Transportation:				
Airport Improvement Program	20.106	19-034A-1 TAP 4500(209)	\$ -	\$ 2,162,549
Highway Planning and Construction - Route M and Morley Sidewalk	20.205	STP 4500(207)	-	778,530
Passed through Missouri Department of Natural Resources:				
Recreation Trails Program - Fisk Avenue Trail	20.219	2017-11	-	12,007
U.S. Department of Justice				
Passed through Missouri Department of Public Safety:				
Local Law Enforcement Block Grant	16.738	N/A	-	8,705
U.S. Department of Homeland Security				
Passed through Missouri Department of Public Safety:				
Emergency Management Performance Grant	97.042	N/A	-	15,213
Disaster Grants - Public Assistance	97.036	DR 4451	-	22,015
Passed through Mark Twain Regional Council of Governments:				
Homeland Security Grant Program	97.067	N/A	-	59,096
U.S. Department of the Interior				
Passed through Missouri Department of Natural Resources:				
Historic Preservation Funds Grant	15.904	N/A	-	24,691
U.S. Department of the Treasury				
Passed through Randolph County:				
COVID-19 Coronavirus Relief Fund	21.019	N/A	-	447,913
U.S. Environmental Protection Agency				
Passed through Missouri Department of Natural Resources:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295854-01	-	38,707
U.S. Department of Housing and Urban Development				
Passed through Missouri Department of Economic Development:				
Community Development Block Grant	14.228	2017-PF19	-	285,400
Total expenditures of federal awards			\$ -	\$ 3,854,826

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 accrual 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 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

As a result of the COVID-19 pandemic, the City received approximately \$59,096 of donated personal protective equipment from the federal government.

CITY OF MOBERLY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 31, 2021

A. SUMMARY OF AUDIT RESULTS

1. The auditors’ 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. No deficiencies relating to the audit of the financial statements are reported in the “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*.”
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 deficiencies relating to the audit of the major federal award programs is reported in the “Independent Auditors’ Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.”
5. The auditors’ report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal program.
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:

	Federal Assistance Listing Number
Airport Improvement Program	20.106
Highway Planning and Construction - Route M and Morley Sidewalk	20.205
Recreation Trails Program - Fisk Avenue Trail	20.219

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, 2021.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

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

None.

CITY OF MOBERLY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

There were no audit findings for the prior year.