

**CITY OF MOBERLY**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2023**

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Moberly

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying modified cash basis financial statements of each major fund and the aggregate remaining fund information for the City of Moberly (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of each major fund and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position – modified cash basis for the year then ended in accordance with the basis of accounting as described in Note 1.

#### *Basis for Opinions*

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

#### *Responsibilities of Management 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 as described in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 22, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*William F. Keppel, UC*

Columbia, Missouri  
December 22, 2023

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MOBERLY  
BALANCE SHEET  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
June 30, 2023**

	Major Funds						Total
	General Fund	Parks and Recreation Fund	ARPA Grant Fund	Transportation Trust Fund	Downtown NID Fund	Non-Major Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,410,093	\$ 1,050,632	\$ 2,657,021	\$ 2,807,227	\$ 1,746,588	\$ 2,535,828	\$ 14,207,389
Due from other funds	2,011,037	-	-	-	-	-	2,011,037
Prepaid expenses	446,972	64,731	-	-	-	34,512	546,215
Total assets	<u>\$ 5,868,102</u>	<u>\$ 1,115,363</u>	<u>\$ 2,657,021</u>	<u>\$ 2,807,227</u>	<u>\$ 1,746,588</u>	<u>\$ 2,570,340</u>	<u>\$ 16,764,641</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to other funds	\$ -	\$ 8,746	\$ -	\$ -	\$ -	\$ 1,821,100	\$ 1,829,846
Other payables	55,426	12,550	-	-	-	-	67,976
Total liabilities	<u>55,426</u>	<u>21,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,821,100</u>	<u>1,897,822</u>
Fund balances:							
Nonspendable	446,972	64,731	-	-	-	577,525	1,089,228
Restricted for:							
Parks and recreation	-	1,029,336	-	-	-	-	1,029,336
Transportation	-	-	-	2,807,227	-	-	2,807,227
Tourism	-	-	-	-	-	207,891	207,891
Capital outlay	-	-	-	-	-	982,985	982,985
Grant activity	-	-	2,657,021	-	-	257,094	2,914,115
Public safety	-	-	-	-	-	15,928	15,928
Special taxing district activity	-	-	-	-	1,746,588	528,917	2,275,505
Assigned for:							
Capital outlay	154,700	-	-	-	-	-	154,700
Debt service	1,098,161	-	-	-	-	-	1,098,161
Economic development	17,109	-	-	-	-	-	17,109
Transportation	540,125	-	-	-	-	-	540,125
Unassigned	3,555,609	-	-	-	-	(1,821,100)	1,734,509
Total fund balances	<u>5,812,676</u>	<u>1,094,067</u>	<u>2,657,021</u>	<u>2,807,227</u>	<u>1,746,588</u>	<u>749,240</u>	<u>14,866,819</u>
Total liabilities and fund balances	<u>\$ 5,868,102</u>	<u>\$ 1,115,363</u>	<u>\$ 2,657,021</u>	<u>\$ 2,807,227</u>	<u>\$ 1,746,588</u>	<u>\$ 2,570,340</u>	<u>\$ 16,764,641</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**  
**Year Ended June 30, 2023**

	Major Funds						Total
	General Fund	Parks and Recreation Fund	ARPA Grant Fund	Transportation Trust Fund	Downtown NID Fund	Non-Major Funds	
<b>REVENUES</b>							
Taxes:							
Sales and use	\$ 3,824,657	\$ 1,463,619	\$ -	\$ 1,464,428	\$ -	\$ 1,571,606	\$ 8,324,310
Franchise	2,237,609	-	-	-	-	-	2,237,609
Property	1,250,958	579,351	-	-	-	223,816	2,054,125
Motor vehicle and license	692,349	-	-	-	-	-	692,349
Other	85,284	193,826	-	-	-	106,420	385,530
Licenses, permits and fees	469,413	-	-	-	-	-	469,413
Charges for goods and services	841,086	419,382	-	-	-	655,921	1,916,389
Grants and contributions	59,222	15,500	1,436,892	10,339	-	53,683	1,575,636
Interest	103,298	24,851	71,466	75,114	2,255	69,886	346,870
Miscellaneous	1,133,556	1,057,479	-	59,110	-	42,288	2,292,433
Total revenues	<u>10,697,432</u>	<u>3,754,008</u>	<u>1,508,358</u>	<u>1,608,991</u>	<u>2,255</u>	<u>2,723,620</u>	<u>20,294,664</u>
<b>EXPENDITURES</b>							
General government	2,086,597	60,074	-	-	-	2,322,036	4,468,707
Public safety	4,280,944	-	-	-	-	628,869	4,909,813
Economic and community development	526,450	-	-	-	-	-	526,450
Transportation	1,200,700	-	-	256,584	-	-	1,457,284
Parks and recreation	-	1,994,833	-	-	-	-	1,994,833
Capital outlay	858,658	1,742,108	-	770,193	-	70,035	3,440,994
Debt service:							
Principal	39,831	114,752	-	-	81,259	-	235,842
Interest and fees	3,695	1,382	-	-	47,656	-	52,733
Total expenditures	<u>8,996,875</u>	<u>3,913,149</u>	<u>-</u>	<u>1,026,777</u>	<u>128,915</u>	<u>3,020,940</u>	<u>17,086,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,700,557</u>	<u>(159,141)</u>	<u>1,508,358</u>	<u>582,214</u>	<u>(126,660)</u>	<u>(297,320)</u>	<u>3,208,008</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	45,452	100,000	-	-	141,806	367,140	654,398
Transfers (out)	(403,257)	-	(29,905)	-	-	(751,490)	(1,184,652)
Total other financing sources (uses)	<u>(357,805)</u>	<u>100,000</u>	<u>(29,905)</u>	<u>-</u>	<u>141,806</u>	<u>(384,350)</u>	<u>(530,254)</u>
Net change in fund balances	1,342,752	(59,141)	1,478,453	582,214	15,146	(681,670)	2,677,754
Fund balances - beginning	4,469,924	1,153,208	1,178,568	2,225,013	1,731,442	1,430,910	12,189,065
Fund balances - ending	<u>\$ 5,812,676</u>	<u>\$ 1,094,067</u>	<u>\$ 2,657,021</u>	<u>\$ 2,807,227</u>	<u>\$ 1,746,588</u>	<u>\$ 749,240</u>	<u>\$ 14,866,819</u>

See accompanying notes to the basic financial statements.

**CITY OF MOBERLY**  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**June 30, 2023**

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,616,829	\$ 834,081	\$ 2,450,910	\$ 329,605
Prepaid expenses	122,993	-	122,993	-
Total current assets	<u>1,739,822</u>	<u>834,081</u>	<u>2,573,903</u>	<u>329,605</u>
Non-current assets:				
Restricted cash and cash equivalents	3,445,564	-	3,445,564	-
Restricted investments	1,053,868	-	1,053,868	-
Total non-current assets	<u>4,499,432</u>	<u>-</u>	<u>4,499,432</u>	<u>-</u>
Total assets	<u>6,239,254</u>	<u>834,081</u>	<u>7,073,335</u>	<u>329,605</u>
<b>LIABILITIES</b>				
Current liabilities:				
Due to other funds	180,953	238	181,191	-
Other payables	221,291	10,599	231,890	-
Total liabilities	<u>402,244</u>	<u>10,837</u>	<u>413,081</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for debt service	4,499,432	-	4,499,432	-
Unrestricted	1,337,578	823,244	2,160,822	329,605
Total net position	<u>\$ 5,837,010</u>	<u>\$ 823,244</u>	<u>\$ 6,660,254</u>	<u>\$ 329,605</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**  
**Year Ended June 30, 2023**

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
<b>REVENUES</b>				
Charges for services	\$ 6,242,201	\$ 1,278,732	\$ 7,520,933	\$ 2,003,869
Operating grants and contributions	13,770	-	13,770	-
Total operating revenues	<u>6,255,971</u>	<u>1,278,732</u>	<u>7,534,703</u>	<u>2,003,869</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,803,844	-	1,803,844	-
Contractual services	1,160,618	1,166,432	2,327,050	2,044,335
Repairs and maintenance	711,569	-	711,569	-
Materials and supplies	1,050,774	398	1,051,172	-
Capital outlay	679,200	175	679,375	-
Miscellaneous	160,918	43,045	203,963	-
Debt service:				
Principal	1,748,734	-	1,748,734	-
Interest and fees	127,139	-	127,139	-
Total operating expenses	<u>7,442,796</u>	<u>1,210,050</u>	<u>8,652,846</u>	<u>2,044,335</u>
Operating income (loss)	<u>(1,186,825)</u>	<u>68,682</u>	<u>(1,118,143)</u>	<u>(40,466)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest	184,195	21,658	205,853	7,759
Miscellaneous	136,092	-	136,092	-
Transfers in	8,217,170	-	8,217,170	-
Transfers (out)	(7,686,916)	-	(7,686,916)	-
Total non-operating revenues	<u>850,541</u>	<u>21,658</u>	<u>872,199</u>	<u>7,759</u>
Change in net position	(336,284)	90,340	(245,944)	(32,707)
Total net position - beginning	<u>6,173,294</u>	<u>732,904</u>	<u>6,906,198</u>	<u>362,312</u>
Total net position - ending	<u>\$ 5,837,010</u>	<u>\$ 823,244</u>	<u>\$ 6,660,254</u>	<u>\$ 329,605</u>

See accompanying notes to the basic financial statements.

**CITY OF MOBERLY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**MODIFIED CASH BASIS**  
**June 30, 2022**

	Custodial Fund
	Veterans' Flag Project Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 40,437
Total assets	40,437
<b>NET POSITION</b>	
Amount held for others	40,437
Total net position	\$ 40,437

See accompanying notes to the basic financial statements.

**CITY OF MOBERLY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**MODIFIED CASH BASIS**  
**Year Ended June 30, 2023**

	Custodial Fund
	Veterans' Flag Project Fund
<b>ADDITIONS</b>	
Interest	\$ 1,143
Miscellaneous	3,039
Total additions	4,182
<b>DISBURSEMENTS</b>	
Distributions to others	2,607
Total disbursements	2,607
Change in net position	1,575
Net position, July 1	38,862
<b>NET POSITION, JUNE 30</b>	<b>\$ 40,437</b>

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, sales taxes, and other financial resources restricted for parks and recreation purposes.

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

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

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

The City reports the following major proprietary funds:

Enterprise funds:

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

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

Internal service fund:

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

In addition, the City reports the following fiduciary fund:

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

### *C. Cash and Cash Equivalents*

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

#### *D. Investments*

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

#### *E. Capital Assets*

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

#### *F. Long-term Debt*

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

#### *G. Equity*

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

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

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

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

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

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

The City did not have any committed fund balances as of June 30, 2023.

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. As of June 30, 2023, there were ten employees that qualified for benefits and the City contributed approximately \$650 per employee to the Health Trust Fund on a monthly basis. Contributions totaled \$92,400 during the year ended June 30, 2023.

#### *J. Estimates*

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

#### *K. Subsequent Events*

Events that occurred subsequent to June 30, 2023, have been evaluated through December 22, 2023, which is the date the financial statements were available to be issued.

## **2. LEGAL COMPLIANCE – BUDGET**

The City's policy is to prepare the operating budgets in accordance with the modified cash basis of accounting. The City prepared budgets for all fund types for the year ended June 30, 2023.

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, 2023:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 250,000	\$ -	\$ 250,000
Collateralized with securities pledged by the financial institution in the government's name	18,144,592	-	18,144,592
	<u>\$ 18,394,592</u>	<u>\$ -</u>	<u>\$ 18,394,592</u>
Carrying value	<u>\$ 20,468,695</u>	<u>\$ 5,210</u>	<u>\$ 20,473,905</u>

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

	Balance Sheet Governmental Funds	Statement of Financial Position Proprietary Funds	Statement of Fiduciary Net Position	Total
Cash and cash equivalents	\$ 14,207,389	\$ 2,780,515	\$ 40,437	\$ 17,028,341
Restricted cash and cash equivalents	-	3,445,564	-	3,445,564
	<u>\$ 14,207,389</u>	<u>\$ 6,226,079</u>	<u>\$ 40,437</u>	<u>\$ 20,473,905</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, 2023, 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	\$ -	\$ -	\$ 1,053,868	\$ 1,053,868	\$ 1,053,868
Total investments	\$ -	\$ -	\$ 1,053,868	\$ 1,053,868	\$ 1,053,868

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

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

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

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

#### 4. RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2023, cash and cash equivalents and investments were restricted for various uses as follows:

	Cash and Cash	
	Equivalents	Investments
CWWSS Fund:		
Restricted for debt service	\$ 3,445,564	\$ 1,053,868

## 5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables as of June 30, 2023, resulting from interfund activity were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds:		
General Fund	\$ 2,011,037	\$ -
Parks and Recreation Fund	-	8,746
Non-Major Funds	-	1,821,100
Proprietary funds:		
CWWSS Fund	-	180,953
Solid Waste Fund	-	238
Total	<u>\$ 2,011,037</u>	<u>\$ 2,011,037</u>

These balances either originated during prior fiscal years and were not settled during fiscal year 2023, or originated during fiscal year 2023 as a result of current year activity between the funds.

A summary of interfund transfers for the year ended June 30, 2023, follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 45,452	\$ 403,257
Parks and Recreation Fund	100,000	-
ARPA Grant Fund	-	29,905
Downtown NID Fund	141,806	-
Non-Major Funds	367,140	751,490
Proprietary funds:		
CWWSS Fund	<u>8,217,170</u>	<u>7,686,916</u>
Total	<u>\$ 8,871,568</u>	<u>\$ 8,871,568</u>

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

## 6. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due in One Year
Governmental funds:					
Police software lease	\$ 123,072	\$ -	\$ 39,831	\$ 83,241	\$ 41,026
Heritage Hills Golf Course equipment lease	60,806	-	14,752	46,054	15,016
Street equipment lease	-	322,702	-	322,702	104,507
Fire equipment lease	-	576,612	-	576,612	78,432
Rothwell Park solar pavilion lease	-	446,174	-	446,174	22,569
Heritage Hills Golf Course note	700,000	-	100,000	600,000	100,000
Revenue bonds	1,582,561	-	81,259	1,501,302	83,634
Proprietary funds:					
Water equipment lease	4,057,506	-	568,734	3,488,772	439,253
Revenue bonds	4,740,000	-	1,180,000	3,560,000	1,210,000
	<u>\$ 11,263,945</u>	<u>\$ 1,345,488</u>	<u>\$ 1,984,576</u>	<u>\$ 10,624,857</u>	<u>\$ 2,094,437</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, 2022, of \$184,713,325, the constitutional total general obligation debt limit was \$36,942,665, which provides a general obligation debt margin of \$35,441,363.

### Leases

#### Governmental funds:

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.

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

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

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

Proprietary funds:

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

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

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

Year Ending June 30	Governmental Funds	Proprietary Funds	Total
2024	\$ 301,024	\$ 541,363	\$ 842,387
2025	300,985	541,364	842,349
2026	257,407	541,364	798,771
2027	127,500	541,364	668,864
2028	127,500	541,363	668,863
2029-2033	374,005	1,210,967	1,584,972
2034-2038	198,344	-	198,344
Total	1,686,765	3,917,785	5,604,550
Less: amounts representing interest	(211,982)	(429,013)	(640,995)
Total principal	<u>\$ 1,474,783</u>	<u>\$ 3,488,772</u>	<u>\$ 4,963,555</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 2023 are over 486% of the annual principal and interest payments made during the year, as principal and interest paid were \$1,286,390 and net revenues were \$6,255,971.

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

	Original Amount	Interest Rate	Final Maturity Date	Balance June 30, 2023
Governmental funds:				
Series 2020 revenue bonds	\$ 1,700,000	3.05%	10/1/2037	\$ 1,501,302
Proprietary funds:				
Series 2004B revenue bonds	7,150,000	2.00-5.00%	1/1/2024	455,000
Series 2004C revenue bonds	5,100,000	3.00-5.05%	1/1/2026	935,000
Series 2006A revenue bonds	5,460,000	4.00-5.25%	7/1/2026	1,295,000
Series 2008A revenue bonds	2,560,000	2.01-4.41%	1/1/2029	875,000
				<u>\$ 5,061,302</u>

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

Governmental funds:				
Year Ending June 30	Principal	Interest	Total	
2024	\$ 83,634	\$ 45,281	\$ 128,915	
2025	86,327	42,589	128,916	
2026	88,980	39,936	128,916	
2027	91,714	37,201	128,915	
2028	94,440	34,474	128,914	
2029-2033	517,993	126,580	644,573	
2034-2038	538,214	41,901	580,115	
Total	<u>\$ 1,501,302</u>	<u>\$ 367,962</u>	<u>\$ 1,869,264</u>	
Proprietary funds:				
Year Ending June 30	Principal	Interest	Total	
2024	\$ 1,210,000	\$ 111,656	\$ 1,321,656	
2025	770,000	65,019	835,019	
2026	790,000	40,628	830,628	
2027	485,000	15,653	500,653	
2028	150,000	7,874	157,874	
2029	155,000	3,900	158,900	
Total	<u>\$ 3,560,000</u>	<u>\$ 244,730</u>	<u>\$ 3,804,730</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 2022 Calendar Year</u>
Assessed valuation:	
Real estate	\$ 119,446,190
Personal property	56,713,857
State assessed	<u>8,553,278</u>
	<u>\$ 184,713,325</u>
Tax levy:	
General revenue	\$ 0.7294
Parks and recreation	<u>0.3385</u>
	<u>\$ 1.0679</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>2023 Valuation</u>
Benefit multiplier	1.50%
Final average salary	3 years
Member contributions	0%

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

Employees Covered by Benefit Terms

As of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	73
Active employees	108
Total	329

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 6.3% (General), 12.9% (Police), and 17.9% (Fire) of annual covered payroll.

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

The City’s net pension liability/(asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions

The total pension liability in the February 28, 2023, 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, 2023, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

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

### ***Changes in the Net Pension Liability/(Asset)***

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2022	\$ 29,101,996	\$ 35,517,694	\$ (6,415,698)
Changes for the year:			
Service cost	520,074	-	520,074
Interest	1,986,500	-	1,986,500
Difference between expected and actual experience	1,046,586	-	1,046,586
Contributions - employer	-	564,062	(564,062)
Net investment income	-	1,242,995	(1,242,995)
Benefit payments, including refunds	(1,991,811)	(1,991,811)	-
Administrative expense	-	(48,246)	48,246
Other changes	-	148,091	(148,091)
Net changes	1,561,349	(84,909)	1,646,258
Balances at June 30, 2023	\$ 30,663,345	\$ 35,432,785	\$ (4,769,440)

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

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

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 34,478,933	\$ 30,663,345	\$ 27,498,803
Plan fiduciary net position	\$ 35,432,785	\$ 35,432,785	\$ 35,432,785
Net pension liability/(asset)	\$ (953,852)	\$ (4,769,440)	\$ (7,933,982)

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, 2023. 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, 2023, the City's pension expense under full accrual accounting would have been (\$182,431). However, on the modified cash basis of accounting, the City recognized payments to LAGERS of \$557,897 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	\$ 804,218	\$ (220,365)
Changes in assumptions	-	(97,364)
Net difference between projected and actual earnings on pension plan investments	396,320	-
Total	\$ 1,200,538	\$ (317,729)

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

2024	\$ (35,977)
2025	(228,166)
2026	853,335
2027	293,617
Total	\$ 882,809

## 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, 2023.

### *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 \$2,332,355 as of June 30, 2023, 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.

### *Other Commitments*

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

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

## **10. FUND DISCLOSURES**

For the year ended June 30, 2023, the Airport Operating Fund has an accumulated deficit of \$164,839. This is due to the accumulated operational losses of the fund.

For the year ended June 30, 2023, the 911 Emergency Telephone Fund has an accumulated deficit of \$13,578. This is due to the accumulated operational losses of the fund.

For the year ended June 30, 2023, the 2021 EDA Grant Projects Fund has an accumulated deficit of \$1,608,171. This is due to grant reimbursements not being received prior to yearend and as such, the deficits will be eliminated upon receipts of the reimbursements.

## **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, 2023, the total assessed value of the property included in the Enterprise Zones was \$1,083,350, and the total tax abatements were \$11,569.

During the year ended June 30, 2023, the total assessed value of the property included in the Urban Redevelopment was \$5,184,603, and the total tax abatements were \$55,366.

## **12. SUBSEQUENT EVENT**

In December 2023, the City issued \$55,000,000 in Industrial Revenue Bonds. The City has no liability for the repayment of these bonds.

## **SUPPLEMENTARY INFORMATION**

**CITY OF MOBERLY  
COMBINING BALANCE SHEET  
MODIFIED CASH BASIS  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2023**

	Non-Resident Lodging Fund	Capital Improvement Trust Fund	Perpetual Care Cemetery Fund	Airport Operating Fund	911 Emergency Telephone Fund	2021 EDA Grant Projects Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 207,891	\$ 982,985	\$ 543,013	\$ -	\$ -	\$ -
Prepaid expenses	-	-	-	5,515	28,997	-
Total assets	<u>\$ 207,891</u>	<u>\$ 982,985</u>	<u>\$ 543,013</u>	<u>\$ 5,515</u>	<u>\$ 28,997</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ 170,354	\$ 42,575	\$ 1,608,171
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,354</u>	<u>42,575</u>	<u>1,608,171</u>
Fund balances:						
Nonspendable	-	-	543,013	5,515	28,997	-
Restricted for:						
Tourism	207,891	-	-	-	-	-
Capital outlay	-	982,985	-	-	-	-
Grant activity	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Unassigned	-	-	-	(170,354)	(42,575)	(1,608,171)
Total fund balances	<u>207,891</u>	<u>982,985</u>	<u>543,013</u>	<u>(164,839)</u>	<u>(13,578)</u>	<u>(1,608,171)</u>
Total liabilities and fund balances	<u>\$ 207,891</u>	<u>\$ 982,985</u>	<u>\$ 543,013</u>	<u>\$ 5,515</u>	<u>\$ 28,997</u>	<u>\$ -</u>

**CITY OF MOBERLY**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**MODIFIED CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2023**

	Inmate Security Fund	Police Forfeiture Fund	MODAG Grant/Loan Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 15,928	\$ -	\$ 22,465	\$ 234,629	\$ 528,917	\$ 2,535,828
Prepaid expenses	-	-	-	-	-	34,512
Total assets	<u>\$ 15,928</u>	<u>\$ -</u>	<u>\$ 22,465</u>	<u>\$ 234,629</u>	<u>\$ 528,917</u>	<u>\$ 2,570,340</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,821,100
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,821,100</u>
Fund balances:						
Nonspendable	-	-	-	-	-	577,525
Restricted for:						
Tourism	-	-	-	-	-	207,891
Capital outlay	-	-	-	-	-	982,985
Grant activity	-	-	22,465	234,629	-	257,094
Public safety	15,928	-	-	-	-	15,928
Special taxing district activity	-	-	-	-	528,917	528,917
Unassigned	-	-	-	-	-	(1,821,100)
Total fund balances	<u>15,928</u>	<u>-</u>	<u>22,465</u>	<u>234,629</u>	<u>528,917</u>	<u>749,240</u>
Total liabilities and fund balances	<u>\$ 15,928</u>	<u>\$ -</u>	<u>\$ 22,465</u>	<u>\$ 234,629</u>	<u>\$ 528,917</u>	<u>\$ 2,570,340</u>

**CITY OF MOBERLY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2023**

	Non-Resident Lodging Fund	Capital Improvement Trust Fund	Perpetual Care Cemetery Fund	Airport Operating Fund	911 Emergency Telephone Fund	2021 EDA Grant Projects Fund
<b>REVENUES</b>						
Sales taxes	\$ -	\$ 1,463,619	\$ -	\$ -	\$ -	\$ -
Property taxes						
Other taxes	106,420	-	-	-	-	-
Charges for goods and services	-	-	13,277	356,712	285,316	-
Grants and contributions	-	-	-	7,612	17,539	-
Interest	5,624	22,934	15,574	-	521	-
Miscellaneous	-	15,000	-	12,791	(449)	-
Total revenues	<u>112,044</u>	<u>1,501,553</u>	<u>28,851</u>	<u>377,115</u>	<u>302,927</u>	<u>-</u>
<b>EXPENDITURES</b>						
General government	83,862	211,860	-	595,054	-	1,185,990
Public safety	-	-	-	-	628,869	-
Capital outlay	1,000	24,860	-	-	23,761	-
Total expenditures	<u>84,862</u>	<u>236,720</u>	<u>-</u>	<u>595,054</u>	<u>652,630</u>	<u>1,185,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,182</u>	<u>1,264,833</u>	<u>28,851</u>	<u>(217,939)</u>	<u>(349,703)</u>	<u>(1,185,990)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	8,683	-	108,457	250,000	-
Transfers (out)	-	(659,937)	(15,547)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(651,254)</u>	<u>(15,547)</u>	<u>108,457</u>	<u>250,000</u>	<u>-</u>
Net change in fund balances	27,182	613,579	13,304	(109,482)	(99,703)	(1,185,990)
Fund balances - beginning	180,709	369,406	529,709	(55,357)	86,125	(422,181)
Fund balances - ending	<u>\$ 207,891</u>	<u>\$ 982,985</u>	<u>\$ 543,013</u>	<u>\$ (164,839)</u>	<u>\$ (13,578)</u>	<u>\$ (1,608,171)</u>

**CITY OF MOBERLY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**MODIFIED CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2023**

	Inmate Security Fund	Police Forfeiture Fund	MODAG Grant/Loan Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
<b>REVENUES</b>						
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 107,987	\$ 1,571,606
Property taxes	-	-	-	-	223,816	223,816
Other taxes	-	-	-	-	-	106,420
Charges for goods and services	616	-	-	-	-	655,921
Grants and contributions	-	-	-	28,532	-	53,683
Interest	441	-	634	7,770	16,388	69,886
Total revenues	1,057	-	634	36,302	363,137	2,723,620
<b>EXPENDITURES</b>						
General government	-	-	-	-	245,270	2,322,036
Public safety	-	-	-	-	-	628,869
Capital outlay	-	4,320	-	-	16,094	70,035
Total expenditures	-	4,320	-	-	261,364	3,020,940
Excess (deficiency) of revenues over (under) expenditures	1,057	(4,320)	634	36,302	101,773	(297,320)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	367,140
Transfers (out)	-	-	-	(55,200)	(20,806)	(751,490)
Total other financing sources (uses)	-	-	-	(55,200)	(20,806)	(384,350)
Net change in fund balances	1,057	(4,320)	634	(18,898)	80,967	(681,670)
Fund balances - beginning	14,871	4,320	21,831	253,527	447,950	1,430,910
Fund balances - ending	\$ 15,928	\$ -	\$ 22,465	\$ 234,629	\$ 528,917	\$ 749,240

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Sales and use	\$ 3,550,000	\$ 3,550,000	\$ 3,824,657	\$ 274,657
Franchise	2,000,000	2,000,000	2,237,609	237,609
Property	1,132,000	1,132,000	1,250,958	118,958
Motor vehicle, license and fuel	657,000	657,000	692,349	35,349
Other	152,000	152,000	85,284	(66,716)
Licenses, permits and fees	427,750	427,750	469,413	41,663
Charges for goods and services	866,778	866,778	841,086	(25,692)
Grants and contributions	46,000	46,000	59,222	13,222
Interest	9,000	9,000	103,298	94,298
Miscellaneous	132,850	132,850	1,133,556	1,000,706
Total revenues	<u>8,973,378</u>	<u>8,973,378</u>	<u>10,697,432</u>	<u>1,724,054</u>
<b>EXPENDITURES</b>				
General government	2,037,434	2,037,434	2,086,597	49,163
Public safety	4,732,058	4,732,058	4,280,944	(451,114)
Economic and community development	570,818	570,818	526,450	(44,368)
Transportation	987,114	987,114	1,200,700	213,586
Capital outlay	801,108	801,108	858,658	57,550
Debt service:				
Principal	-	-	39,831	39,831
Interest	-	-	3,695	3,695
Total expenditures	<u>9,128,532</u>	<u>9,128,532</u>	<u>8,996,875</u>	<u>(131,657)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(155,154)</u>	<u>(155,154)</u>	<u>1,700,557</u>	<u>1,855,711</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	806,561	806,561	45,452	(761,109)
Transfers (out)	<u>(303,257)</u>	<u>(303,257)</u>	<u>(403,257)</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>503,304</u>	<u>503,304</u>	<u>(357,805)</u>	<u>(861,109)</u>
Net change in fund balance	348,150	348,150	1,342,752	994,602
Fund balance - beginning	4,469,924	4,469,924	4,469,924	-
Fund balance - ending	<u>\$ 4,818,074</u>	<u>\$ 4,818,074</u>	<u>\$ 5,812,676</u>	<u>\$ 994,602</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**PARKS AND RECREATION FUND**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Sales and use	\$ 1,535,000	\$ 1,535,000	\$ 1,463,619	\$ (71,381)
Property	541,750	541,750	579,351	37,601
Other	4,000	4,000	193,826	189,826
Charges for goods and services	398,000	406,134	419,382	13,248
Grants and contributions	-	-	15,500	15,500
Interest	-	-	24,851	24,851
Miscellaneous	233,000	553,000	1,057,479	504,479
Total revenues	<u>2,711,750</u>	<u>3,039,884</u>	<u>3,754,008</u>	<u>714,124</u>
<b>EXPENDITURES</b>				
General government	-	-	60,074	(60,074)
Parks and recreation	2,099,706	2,105,206	1,994,833	(110,373)
Capital outlay	1,491,014	1,841,014	1,742,108	(98,906)
Debt service:				
Principal	-	-	114,752	114,752
Interest	-	-	1,382	1,382
Total expenditures	<u>3,590,720</u>	<u>3,946,220</u>	<u>3,913,149</u>	<u>(153,219)</u>
Deficiency of revenues under expenditures	<u>(878,970)</u>	<u>(906,336)</u>	<u>(159,141)</u>	<u>747,195</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,000	1,000	100,000	99,000
Total other financing sources	<u>1,000</u>	<u>1,000</u>	<u>100,000</u>	<u>99,000</u>
Net change in fund balance	(877,970)	(905,336)	(59,141)	846,195
Fund balance - beginning	1,153,208	1,153,208	1,153,208	-
Fund balance - ending	<u>\$ 275,238</u>	<u>\$ 247,872</u>	<u>\$ 1,094,067</u>	<u>\$ 846,195</u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**ARPA GRANT FUND**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Grants and contributions	\$ 1,373,655	\$ 1,373,655	\$ 1,436,892	\$ 63,237
Interest	750	750	71,466	70,716
Total revenues	<u>1,374,405</u>	<u>1,374,405</u>	<u>1,508,358</u>	<u>133,953</u>
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(29,905)</u>	<u>270,095</u>
Total other financing (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(29,905)</u>	<u>270,095</u>
Net change in fund balance	1,074,405	1,074,405	1,478,453	404,048
Fund balance - beginning	<u>1,178,568</u>	<u>1,178,568</u>	<u>1,178,568</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 2,252,973</u></u>	<u><u>\$ 2,252,973</u></u>	<u><u>\$ 2,657,021</u></u>	<u><u>\$ 404,048</u></u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION TRUST FUND**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales taxes	\$ 1,410,000	\$ 1,410,000	\$ 1,464,428	\$ 54,428
Grants and contributions	-	-	10,339	10,339
Interest	6,700	6,700	75,114	68,414
Miscellaneous	20,000	20,000	59,110	39,110
Total revenues	<u>1,436,700</u>	<u>1,436,700</u>	<u>1,608,991</u>	<u>172,291</u>
<b>EXPENDITURES</b>				
Transportation	179,059	179,059	256,584	77,525
Capital outlay	1,100,000	1,100,000	770,193	(329,807)
Total expenditures	<u>1,279,059</u>	<u>1,279,059</u>	<u>1,026,777</u>	<u>(252,282)</u>
Excess of revenues over expenditures	<u>157,641</u>	<u>157,641</u>	<u>582,214</u>	<u>424,573</u>
Net change in fund balance	157,641	157,641	582,214	424,573
Fund balance - beginning	<u>2,225,013</u>	<u>2,225,013</u>	<u>2,225,013</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 2,382,654</u></u>	<u><u>\$ 2,382,654</u></u>	<u><u>\$ 2,807,227</u></u>	<u><u>\$ 424,573</u></u>

**CITY OF MOBERLY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**BUDGET AND ACTUAL**  
**DOWNTOWN NID FUND**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 1,200	\$ 1,200	\$ 2,255	\$ 1,055
Total revenues	1,200	1,200	2,255	1,055
<b>EXPENDITURES</b>				
Debt service:				
Principal	128,915	128,915	81,259	(47,656)
Interest	-	-	47,656	47,656
Total expenditures	128,915	128,915	128,915	-
Deficiency of revenues under expenditures	(127,715)	(127,715)	(126,660)	1,055
<b>OTHER FINANCING SOURCES</b>				
Transfers in	141,806	141,806	141,806	-
Total other financing sources	141,806	141,806	141,806	-
Net change in fund balance	14,091	14,091	15,146	1,055
Fund balance - beginning	1,731,442	1,731,442	1,731,442	-
Fund balance - ending	<u>\$ 1,745,533</u>	<u>\$ 1,745,533</u>	<u>\$ 1,746,588</u>	<u>\$ 1,055</u>

**CITY OF MOBERLY**  
**LAGERS (PENSION PLAN)**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**June 30, 2023**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 590,185	\$ 528,983	\$ 521,808	\$ 546,167	\$ 511,802
Contributions in relation to the actuarially determined contribution	<u>564,062</u>	<u>512,653</u>	<u>502,765</u>	<u>509,192</u>	<u>466,890</u>
Contribution deficiency (excess)	<u>\$ 26,123</u>	<u>\$ 16,330</u>	<u>\$ 19,043</u>	<u>\$ 36,975</u>	<u>\$ 44,912</u>
Covered payroll	\$ 5,324,528	\$ 4,797,370	\$ 4,830,552	\$ 4,724,325	\$ 4,540,213
Contributions as a percentage of covered payroll	10.59%	10.69%	10.41%	10.78%	10.28%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 466,660	\$ 435,512	\$ 482,254	\$ 510,485	\$ 516,476
Contributions in relation to the actuarially determined contribution	<u>442,530</u>	<u>401,694</u>	<u>431,641</u>	<u>444,544</u>	<u>421,983</u>
Contribution deficiency (excess)	<u>\$ 24,130</u>	<u>\$ 33,818</u>	<u>\$ 50,613</u>	<u>\$ 65,941</u>	<u>\$ 94,493</u>
Covered payroll	\$ 4,760,869	\$ 4,301,224	\$ 4,282,419	\$ 4,310,880	\$ 4,232,686
Contributions as a percentage of covered payroll	9.30%	9.34%	10.08%	10.31%	9.97%

## **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, 2023, 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 22, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*William F. Keppel UC*

Columbia, Missouri  
December 22, 2023

**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**

***Opinion on the 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 its major federal program for the year ended June 30, 2023. The City's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2023.

***Basis for Opinion on the Federal Program***

We conducted our audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibility for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*William J. Keepers UC*

Columbia, Missouri  
December 22, 2023

**CITY OF MOBERLY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 20223**

	Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Transportation				
Passed through Missouri Department of Transportation:				
Highway Planning and Construction	20.205	TEAP063	\$ -	\$ 10,339
DWI Saturation Enforcement	20.607	N/A	-	1,472
U.S. Department of Health and Human Services				
Passed through Missouri Department of Health and Senior Services:				
Flouride Grant	93.000	22-154-AL-100	-	6,870
U.S. Department of Homeland Security				
Passed through Missouri Department of Public Safety:				
Emergency Management Performance Grant	97.042	EMK-2021 FY2021 SHSP	-	2,989
Homeland Security Grant Program	97.067	LETPA	-	18,548
U.S. Department of the Interior				
Passed through Missouri Department of Natural Resources:				
Historic Preservation Funds Grant	15.904	2-21-10029-013	-	16,485
U.S. Department of the Treasury				
Passed through Missouri Office of Administration:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	29,905
U.S. Environmental Protection Agency				
Passed through Missouri Department of Natural Resources:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295854-01	-	137,100
U.S. Department of Commerce				
Passed through Missouri Department of Commerce:				
Economic Adjustment Assistance	11.307	N/A	-	894,630
U.S. Department of Housing and Urban Development				
Passed through Missouri Department of Economic Development:				
Community Development Block Grant	14.228	2018-ND-03	-	4,400
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 1,122,738</u>

**1. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes only the current year federal grant activity of the City and is presented on the 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.

**CITY OF MOBERLY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 31, 2023**

**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 Federal 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 program tested as a major program includes:

	Assistance Listing Number
Economic Adjustment Assistance	<hr style="width: 100%; border: 0.5px solid black;"/> 11.307

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, 2023.

**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, 2023**

There were no prior audit findings.