

**CITY OF SEDALIA**  
**AUDITED FINANCIAL STATEMENTS**  
**MARCH 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
of the City of Sedalia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information for the City of Sedalia (the City), as of and for the year ended March 31, 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of March 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the Bothwell Regional Health Center, one of the City's discretely presented component units. Those statements were audited as of and for the year ended May 31, 2022, by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Bothwell Regional Health Center, are based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 other 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 U.S. generally accepted accounting principles, and 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.

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' Responsibility 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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, we:

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

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison schedules, and the pension plans schedules as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***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 accompanying combining non-major governmental fund financial statements and non-major governmental funds budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining non-major governmental fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Single Audit reports of the Bothwell Regional Health Center as of and for the year ended May 31, 2022, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*William F. Keppel, UC*

Columbia, Missouri  
September 15, 2023

## CITY OF SEDALIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

**March 31, 2023**

As management of the City of Sedalia, Missouri, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended March 31, 2023.

#### **Financial Highlights**

- The assets and deferred outflows of the City of Sedalia exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$151,793,342 (net position). Of this amount, \$9,555,719 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$9,046,446 during the year.
- As of the close of the current fiscal year, the City of Sedalia's governmental funds reported combined ending fund balances of \$20,586,637. Of this total, 47% is unassigned and available for use within the City's policies, and 53% is restricted or committed for capital projects and special revenue purposes.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$9,664,833, which is 60% of the total General Fund expenditures.
- The City's financing leases increased \$243,000 due to the implementation of GASB Statement 87, *Leases*.
- The City's certificates of participation decreased \$4,341,000 due to scheduled payments.
- The City's financed purchase (referred to as a capital lease prior to the implementation of GASB Statement 87, *Leases*) decreased \$803,000 due to scheduled payments.
- The City's notes payable decreased \$74,000 due to scheduled payments.
- The City's revenue bonds decreased \$464,000 due to scheduled payments.
- In total the City's long-term debt decreased by \$5,438,000.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, transportation, cultural, parks and recreation and community development. The business-type activities of the City include water, wastewater, and sanitation operations. The government-wide financial statements can be found on pages 11-12.

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

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

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

The City maintains several governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Project Fund, the Transportation Fund, and the Park Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 13-16.

**Proprietary funds** - The City maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, and sanitation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Wastewater, Water, and Sanitation Funds since they are considered to be major funds of the City. The basic proprietary funds financial statements can be found on pages 17-19.

**Fiduciary funds** - This report also includes information for fiduciary funds which are funds held in trust for others.

The basic fiduciary fund financial statements can be found on pages 21-22.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 23-53.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 57-64.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Those statements can be found on pages 65-74.

Schedules of revenues, expenditures and changes in fund balance with comparisons to budgeted amounts are presented for each major governmental fund on pages 54-56.

Please also refer to the separately issued financial statements the Bothwell Regional Health Center, one of the City's discretely presented component units, which may be obtained at said entity's administrative office.



## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Sedalia, assets and deferred outflows exceeded liabilities and deferred inflows by \$151,793,342 as of March 31, 2023.

The largest portion of the City's net position (86%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, and construction in progress), less applicable allowances for depreciation, less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves could not be used to liquidate these liabilities while still providing services with such assets.

The following provides a summary of net position as of March 31:

	CITY OF SEDALIA NET POSITION							
	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	% Change
	2023	2022*	2023	2022*	2023	2022*		
Current and other assets	\$ 28,239,310	\$ 27,367,188	\$ 10,844,294	\$ 14,472,490	\$ 39,083,604	\$ 41,839,678	\$ (2,756,074)	-6.59%
Capital assets	123,132,661	123,465,592	83,198,781	82,549,478	206,331,442	206,015,070	316,372	0.15%
Total assets	151,371,971	150,832,780	94,043,075	97,021,968	245,415,046	247,854,748	(2,439,702)	-0.98%
Deferred outflows of resources	1,961,084	2,425,230	562,345	577,837	2,523,429	3,003,067	(479,638)	-15.97%
Total deferred outflows	1,961,084	2,425,230	562,345	577,837	2,523,429	3,003,067	(479,638)	-15.97%
Long-term obligations	32,630,565	35,795,631	39,906,736	42,538,724	72,537,301	78,334,355	(5,797,054)	-7.40%
Other liabilities	10,298,573	7,932,402	4,571,561	4,428,327	14,870,134	12,360,729	2,509,405	20.30%
Total liabilities	42,929,138	43,728,033	44,478,297	46,967,051	87,407,435	90,695,084	(3,287,649)	-3.62%
Deferred inflows of resources	7,006,546	13,623,838	1,731,152	3,415,203	8,737,698	17,039,041	(8,301,343)	-48.72%
Total deferred inflows	7,006,546	13,623,838	1,731,152	3,415,203	8,737,698	17,039,041	(8,301,343)	-48.72%
Net position								
Net investment in capital assets	90,419,193	88,379,486	40,792,474	39,421,465	131,211,667	127,800,951	3,410,716	2.67%
Restricted	10,449,479	13,234,250	576,477	1,225,973	11,025,956	14,460,223	(3,434,267)	-23.75%
Unrestricted	2,528,699	(5,707,597)	7,027,020	6,570,113	9,555,719	862,516	8,693,203	1007.89%
Total net position	\$ 103,397,371	\$ 95,906,139	\$ 48,395,971	\$ 47,217,551	\$ 151,793,342	\$ 143,123,690	\$ 7,491,232	5.23%

\*The 2022 columns have not been adjusted for restatements made during 2023.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole.

Analysis of the City's Operations: Overall, the City had an increase in net position of \$9,046,446 for the year ending March 31, 2023.

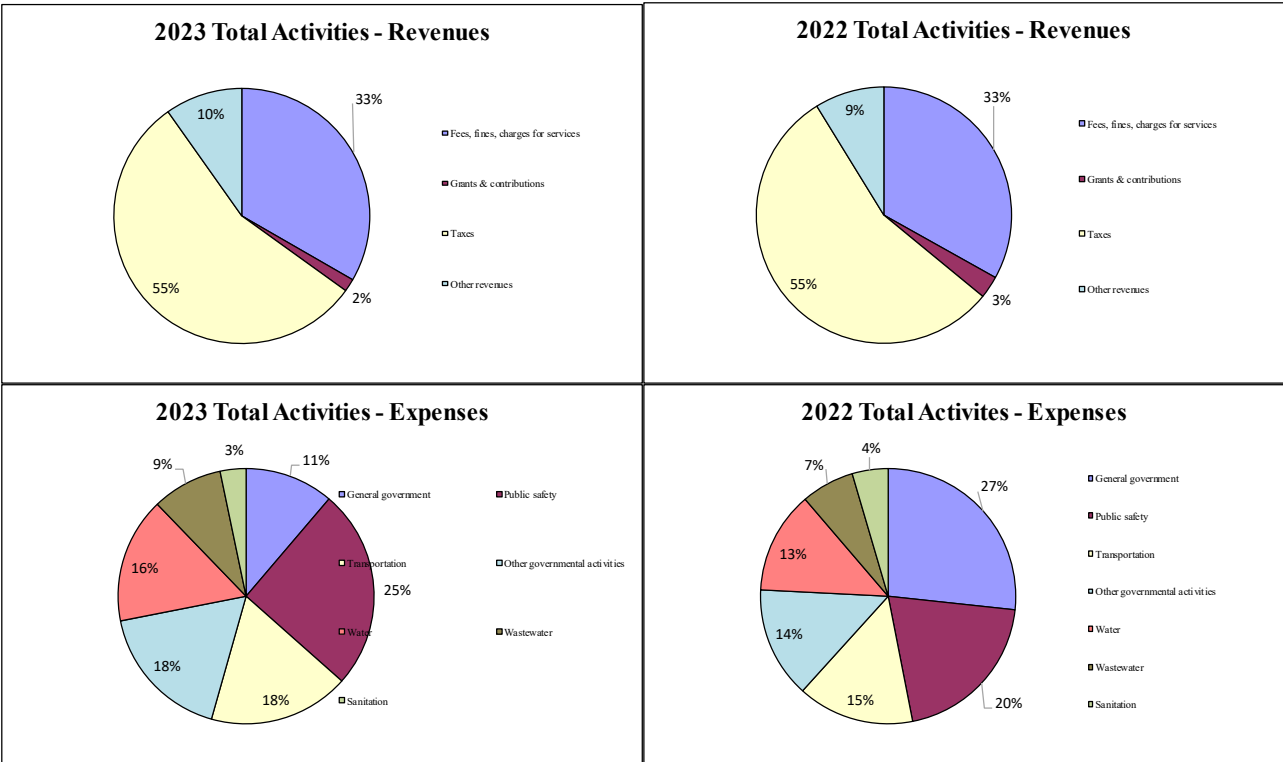
Governmental Activities: Governmental activities increased net position by \$7,444,200.

Business-type Activities: Business-type activities increased net position by \$1,602,246.

The following table and charts provide a summary and comparison of the City's operations for years ended March 31:

<b>CITY OF SEDALIA CHANGE IN NET POSITION</b>									
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Increase (Decrease)</b>	<b>% Change</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>			
<b>Revenues:</b>									
<b>Program revenues:</b>									
Charges for services	\$ 2,148,415	\$ 1,424,186	\$ 13,607,210	\$ 12,866,569	\$ 15,755,625	\$ 14,290,755	\$ 1,464,870	10.25%	
<b>Grants and contributions:</b>									
Operating	165,801	213,681	-	-	165,801	213,681	(47,880)	-22.41%	
Capital	590,576	1,010,222	-	-	590,576	1,010,222	(419,646)	-41.54%	
<b>General revenues:</b>									
Taxes	26,117,768	23,874,909	-	-	26,117,768	23,874,909	2,242,859	9.39%	
Investment revenue	-	-	151,711	20,122	151,711	20,122	131,589	653.96%	
Transfers	1,451,256	1,874,481	(1,453,938)	(1,336,278)	(2,682)	538,203	(540,885)	-100.50%	
Miscellaneous	4,435,312	2,863,727	36,579	384,856	4,471,891	3,248,583	1,223,308	37.66%	
<b>Total revenues</b>	<b>34,909,128</b>	<b>31,261,206</b>	<b>12,341,562</b>	<b>11,935,269</b>	<b>47,250,690</b>	<b>43,196,475</b>	<b>4,054,215</b>	<b>9.39%</b>	
<b>Expenses:</b>									
General government	4,289,079	12,961,868	-	-	4,289,079	12,961,868	(8,672,789)	-66.91%	
Public safety	9,679,629	9,808,892	-	-	9,679,629	9,808,892	(129,263)	-1.32%	
Transportation	6,799,939	7,175,870	-	-	6,799,939	7,175,870	(375,931)	-5.24%	
Economic development	441,242	114,141	-	-	441,242	114,141	327,101	286.58%	
Community development	67,490	88,469	-	-	67,490	88,469	(20,979)	-23.71%	
Parks and recreation	5,395,397	5,518,952	-	-	5,395,397	5,518,952	(123,555)	-2.24%	
Interest expense	792,152	1,113,155	-	-	792,152	1,113,155	(321,003)	-28.84%	
Wastewater	-	-	3,411,408	3,265,285	3,411,408	3,265,285	146,123	4.48%	
Water	-	-	6,081,037	6,283,931	6,081,037	6,283,931	(202,894)	-3.23%	
Sanitation	-	-	1,246,871	2,202,188	1,246,871	2,202,188	(955,317)	-43.38%	
<b>Total expenses</b>	<b>27,464,928</b>	<b>36,781,347</b>	<b>10,739,316</b>	<b>11,751,404</b>	<b>38,204,244</b>	<b>48,532,751</b>	<b>(10,328,507)</b>	<b>-21.28%</b>	
Change in net position	7,444,200	(5,520,141)	1,602,246	183,865	9,046,446	(5,336,276)	14,382,722	-269.53%	
Net position, beginning (as restated for 202	95,953,171	101,426,280	46,793,725	47,033,686	142,746,896	148,459,966	(5,713,070)	-3.85%	
Net position, ending	<u>\$ 103,397,371</u>	<u>\$ 95,906,139</u>	<u>\$ 48,395,971</u>	<u>\$ 47,217,551</u>	<u>\$ 151,793,342</u>	<u>\$ 143,123,690</u>	<u>\$ 8,669,652</u>	<u>6.06%</u>	

\*The 2022 columns have not been adjusted for restatements made during 2023.



**Financial Analysis of the Government's Funds**

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

At the end of the current fiscal year, the City of Sedalia's governmental funds reported combined ending fund balances of \$20,586,637. This is an increase of 5% from \$19,684,491 (restated). The resulting unassigned fund balance was \$9,664,833.

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

Net positions of the respective proprietary funds are Wastewater \$22,630,705; Water \$26,315,532; and Sanitation (\$550,266). The funds had changes in net position from current year activities as follows: Wastewater (\$18,523); Water \$1,153,540; and Sanitation \$467,229.

**General Fund budgetary highlights** - The City spent \$722,523 less than the final budget for the General Fund.

## Capital Assets

The City of Sedalia's investment in capital assets for its governmental and business-type activities as of March 31, 2023 amounts to \$206,331,442 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements and construction in progress.

CITY OF SEDALIA CAPITAL ASSETS								
	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	% Change
	2023	2022	2023	2022	2023	2022		
Land, rights, and improvements	\$ 7,162,558	\$ 7,122,427	\$ 2,706,189	\$ 2,698,721	\$ 9,868,747	\$ 9,821,148	\$ 47,599	0.5%
Construction in progress	25,917,862	25,479,856	17,003,366	15,272,344	42,921,228	40,752,200	2,169,028	5.3%
Structures, improvements, and plant equipment	28,269,572	29,405,343	25,802,413	26,420,817	54,071,985	55,826,160	(1,754,175)	-3.1%
Pumping and purification	-	-	34,975,984	35,580,706	34,975,984	35,580,706	(604,722)	-1.7%
General equipment	4,939,526	3,986,762	2,491,088	2,576,890	7,430,614	6,563,652	866,962	13.2%
Infrastructure	56,764,425	57,471,204	-	-	56,764,425	57,471,204	(706,779)	-1.2%
Leased equipment	78,718	-	219,741	-	298,459	-	298,459	-
<b>Total capital assets</b>	<b>\$ 123,132,661</b>	<b>\$ 123,465,592</b>	<b>\$ 83,198,781</b>	<b>\$ 82,549,478</b>	<b>\$ 206,331,442</b>	<b>\$ 206,015,070</b>	<b>\$ 316,372</b>	<b>0.2%</b>

The 2022 columns have not been adjusted for restatements made during 2023.

Additional information on the City of Sedalia's capital assets can be found in Note 5 on pages 34-35.

## Debt Administration

At the end of the current fiscal year, the City of Sedalia had a total of \$75.1 million of outstanding obligations. Of this amount, \$321,000 represents financing leases that are expected to be repaid so long as the City appropriate funds for payment; \$70,970,000 represents certificates of participation debt; \$863,000 represents financed purchases; \$113,000 represents the amount due on notes payable; and \$2,853,000 represents revenue bonded debt backed by the revenues of the Water Department.

During the current fiscal year, the City's total debt decreased by \$5,438,000.

CITY OF SEDALIA OUTSTANDING DEBT								
	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	% Change
	2023	2022	2023	2022	2023	2022		
Financing leases	\$ 77,145	\$ 78,181	\$ 243,959	\$ -	\$ 321,104	\$ 78,181	\$ 242,923	310.7%
Certificates of participation	32,606,395	34,947,096	38,363,717	40,363,963	70,970,112	75,311,059	(4,340,947)	-5.8%
Financed purchase	-	-	862,726	1,665,536	862,726	1,665,536	(802,810)	-48.2%
Notes payable	29,928	60,829	82,905	125,556	112,833	186,385	(73,552)	-39.5%
Revenue bonds	-	-	2,853,000	3,317,000	2,853,000	3,317,000	(464,000)	-14.0%
<b>Total outstanding debt</b>	<b>\$ 32,713,468</b>	<b>\$ 35,086,106</b>	<b>\$ 42,406,307</b>	<b>\$ 45,472,055</b>	<b>\$ 75,119,775</b>	<b>\$ 80,558,161</b>	<b>\$ (5,438,386)</b>	<b>-6.8%</b>

The 2022 columns have not been adjusted for restatements made during 2023.

Additional information on the City of Sedalia's debt can be found in Note 6 and Note 7 on pages 36-40.

## Request for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Sedalia, Missouri, Attn: Jessica Pyle, Finance Director, 200 South Osage, Sedalia, Missouri 65301 or call (660) 827-3000.

CITY OF SEDALIA

STATEMENT OF NET POSITION

March 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bothwell Regional Health	
				Center	Library
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,070,748	\$ 4,928,946	\$ 10,999,694	\$ 9,004,052	\$ 869,673
Restricted cash and cash equivalents	5,615,306	2,605,927	8,221,233	4,308,277	-
Investments	8,289,398	3,163,553	11,452,951	-	480,371
Accounts receivable	1,422,593	1,671,106	3,093,699	23,971,629	-
Taxes receivable	3,808,388	-	3,808,388	-	-
Leases receivable	71,017	-	71,017	-	-
Other receivables	69,864	19,802	89,666	1,276,040	3,627
Interfund balances	2,407,671	(2,570,571)	(162,900)	-	-
Inventory	140,912	350,601	491,513	2,283,571	-
Prepaid expenses	331,413	98,453	429,866	1,863,658	10,704
Estimated amounts due from third-party payers	-	-	-	664,472	-
Other current assets	12,000	-	12,000	-	-
Non-current assets:					
Capital assets:					
Non-depreciable	33,080,420	19,709,555	52,789,975	3,004,498	-
Depreciable, net	89,973,523	63,269,485	153,243,008	34,547,031	1,346,677
Right-of-use lease assets, net	78,718	219,741	298,459	-	-
Net pension asset	-	576,477	576,477	-	60,099
Internally designated capital acquisitions	-	-	-	5,859,718	-
Principal of permanent endowment	-	-	-	101,614	-
Other non-current assets	-	-	-	564,760	-
Total assets	<u>151,371,971</u>	<u>94,043,075</u>	<u>245,415,046</u>	<u>87,449,320</u>	<u>2,771,151</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plans	1,961,084	562,345	2,523,429	4,602,549	61,609
Total deferred outflows of resources	<u>1,961,084</u>	<u>562,345</u>	<u>2,523,429</u>	<u>4,602,549</u>	<u>61,609</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	1,466,795	337,975	1,804,770	4,860,694	23,541
Compensated absences	1,948,549	-	1,948,549	-	12,171
Other accrued expenses	-	-	-	5,203,902	-
Customer deposits	-	671,756	671,756	-	-
Unearned revenue	4,476,198	655,560	5,131,758	-	-
Estimated amounts due to third-party payers	-	-	-	5,563,949	-
Estimated self-insurance cost	-	-	-	1,335,907	-
Long-term liabilities:					
Net pension liability	2,324,128	406,699	2,730,827	12,954,449	-
Financing leases					
Amounts due within one year	58,978	217,414	276,392	-	-
Amounts due beyond one year	18,167	26,545	44,712	-	-
Financed purchase					
Amounts due within one year	-	277,412	277,412	-	-
Amounts due beyond one year	-	585,314	585,314	-	-
Other long-term debt					
Amounts due within one year	2,348,053	2,411,444	4,759,497	1,517,039	-
Amounts due beyond one year	30,288,270	38,888,178	69,176,448	11,721,421	-
Total liabilities	<u>42,929,138</u>	<u>44,478,297</u>	<u>87,407,435</u>	<u>43,157,361</u>	<u>35,712</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension plans	7,006,546	1,731,152	8,737,698	684,003	39,929
Total deferred inflows of resources	<u>7,006,546</u>	<u>1,731,152</u>	<u>8,737,698</u>	<u>684,003</u>	<u>39,929</u>
<b>NET POSITION</b>					
Net investment in capital assets	90,419,193	40,792,474	131,211,667	24,313,068	1,346,677
Restricted for:					
Capital projects	6,026,511	-	6,026,511	-	-
Transportation	1,240,542	-	1,240,542	-	-
Parks and recreation	2,409,346	-	2,409,346	-	-
Community development	160,114	-	160,114	-	-
Public safety	87,317	-	87,317	-	-
Economic development	525,649	-	525,649	-	-
Net pension asset	-	576,477	576,477	-	60,099
Library	-	-	-	-	1,350,343
Unrestricted	2,528,699	7,027,020	9,555,719	23,897,437	-
Total net position	<u>\$ 103,397,371</u>	<u>\$ 48,395,971</u>	<u>\$ 151,793,342</u>	<u>\$ 48,210,505</u>	<u>\$ 2,757,119</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended March 31, 2023**

Program/function:	Program revenues				Net (expense) revenue and changes in net position			Component Units	
	Expenses	Charges for services	Capital grants and contributions	Operating grants and contributions	Primary Government		Total	Bothwell Regional Health Center	Library
					Governmental activities	Business-type activities			
Governmental activities:									
General government	\$ 4,289,079	\$ 162,479	\$ -	\$ 67,027	\$ (4,059,573)	\$ -	\$ (4,059,573)		
Public safety	9,679,629	15,500	-	71,150	(9,592,979)	-	(9,592,979)		
Transportation	6,799,939	626,822	590,576	8,504	(5,574,037)	-	(5,574,037)		
Economic development	441,242	-	-	-	(441,242)	-	(441,242)		
Community development	67,490	-	-	-	(67,490)	-	(67,490)		
Parks and recreation	5,395,397	1,343,614	-	19,120	(4,032,663)	-	(4,032,663)		
Interest expense	792,152	-	-	-	(792,152)	-	(792,152)		
Total governmental activities	<u>27,464,928</u>	<u>2,148,415</u>	<u>590,576</u>	<u>165,801</u>	<u>(24,560,136)</u>	<u>-</u>	<u>(24,560,136)</u>		
Business-type activities:									
Wastewater	3,411,408	5,074,183	-	-	-	1,662,775	1,662,775		
Water	6,081,037	6,585,170	-	-	-	504,133	504,133		
Sanitation	1,246,871	1,947,857	-	-	-	700,986	700,986		
Total business-type activities	<u>10,739,316</u>	<u>13,607,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,867,894</u>	<u>2,867,894</u>		
Total	<u>\$ 38,204,244</u>	<u>\$ 15,755,625</u>	<u>\$ 590,576</u>	<u>\$ 165,801</u>	<u>(24,560,136)</u>	<u>2,867,894</u>	<u>(21,692,242)</u>		
Component units:									
Bothwell Regional Health Center	<u>\$ 150,476,098</u>	<u>\$ 140,865,976</u>	<u>\$ 36,333</u>	<u>\$ 4,808,802</u>				<u>\$ (4,764,987)</u>	
Library	<u>\$ 657,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,244</u>					<u>\$ (634,748)</u>
General revenue:									
Taxes					26,117,768	-	26,117,768	-	780,901
Licenses and permits					1,044,209	-	1,044,209	-	-
Fines and forfeitures					138,331	-	138,331	-	8,907
Interest income					-	151,711	151,711	107,631	-
Other revenues					3,252,772	36,579	3,289,351	1,080,251	17,045
Net transfers in (out)					1,451,256	(1,453,938)	(2,682)	-	2,682
Total general revenue					<u>32,004,336</u>	<u>(1,265,648)</u>	<u>30,738,688</u>	<u>1,187,882</u>	<u>809,535</u>
Change in net position					7,444,200	1,602,246	9,046,446	(3,577,105)	174,787
Net position - beginning (as restated)					<u>95,953,171</u>	<u>46,793,725</u>	<u>142,746,896</u>	<u>51,787,610</u>	<u>2,582,332</u>
Net position - ending					<u>\$ 103,397,371</u>	<u>\$ 48,395,971</u>	<u>\$ 151,793,342</u>	<u>\$ 48,210,505</u>	<u>\$ 2,757,119</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**  
**BALANCE SHEET**  
**ALL GOVERNMENTAL FUND TYPES**  
**March 31, 2023**

	Primary Government						
	Major Funds				Non-Major Funds	Total	Component Unit - Library
	General Fund	Capital Project Fund	Transportation Fund	Park Fund			
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,146,375	\$ -	\$ 618,832	\$ 1,615	\$ 303,926	\$ 6,070,748	\$ 869,673
Restricted cash and cash equivalents	-	5,615,306	-	-	-	5,615,306	-
Investments	6,131,671	-	-	2,157,727	-	8,289,398	480,371
Accounts receivable	1,278,219	96,919	47,455	-	-	1,422,593	-
Taxes receivable	1,978,474	553,280	708,117	568,121	396	3,808,388	-
Leases receivable	2,112	-	24,695	44,210	-	71,017	-
Other receivables	62,354	-	-	7,510	-	69,864	3,627
Interfund balances	2,570,571	-	-	(162,900)	-	2,407,671	-
Inventory	58,497	-	82,415	-	-	140,912	-
Prepaid expenditures	194,118	-	70,358	66,937	-	331,413	10,704
Other assets	12,000	-	-	-	-	12,000	-
<b>Total assets</b>	<b>\$ 17,434,391</b>	<b>\$ 6,265,505</b>	<b>\$ 1,551,872</b>	<b>\$ 2,683,220</b>	<b>\$ 304,322</b>	<b>\$ 28,239,310</b>	<b>\$ 1,364,375</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 455,701	\$ 147,644	\$ 40,794	\$ 61,742	\$ 4,748	\$ 710,629	\$ 8,098
Accrued liabilities	490,338	-	61,506	101,884	-	653,728	15,443
Unearned revenue - grants	4,406,476	-	32,000	-	-	4,438,476	-
Unearned revenue - other	86,755	-	-	-	-	86,755	-
<b>Total liabilities</b>	<b>5,439,270</b>	<b>147,644</b>	<b>134,300</b>	<b>163,626</b>	<b>4,748</b>	<b>5,889,588</b>	<b>23,541</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	322,701	-	-	-	-	322,701	-
Unavailable revenue - grants	4,000	-	-	-	-	4,000	-
Unavailable revenue - leases	2,154	-	24,257	43,311	-	69,722	-
Unavailable revenue - other	1,275,312	91,350	-	-	-	1,366,662	-
<b>Total deferred inflows of resources</b>	<b>1,604,167</b>	<b>91,350</b>	<b>24,257</b>	<b>43,311</b>	<b>-</b>	<b>1,763,085</b>	<b>-</b>
<b>FUND BALANCES</b>							
<b>Nonspendable:</b>							
Inventory	58,497	-	82,415	-	-	140,912	-
Prepaid expenditures	194,118	-	70,358	66,937	-	331,413	10,704
<b>Restricted for:</b>							
Capital projects	-	6,026,511	-	-	-	6,026,511	-
Transportation	-	-	1,240,542	-	-	1,240,542	-
Parks and recreation	-	-	-	2,409,346	-	2,409,346	-
Community development	-	-	-	-	160,114	160,114	-
Public safety	-	-	-	-	87,317	87,317	-
Economic development	-	-	-	-	52,143	52,143	-
Library	-	-	-	-	-	-	1,330,130
<b>Committed for:</b>							
Economic development	473,506	-	-	-	-	473,506	-
Unassigned	9,664,833	-	-	-	-	9,664,833	-
<b>Total fund balances</b>	<b>10,390,954</b>	<b>6,026,511</b>	<b>1,393,315</b>	<b>2,476,283</b>	<b>299,574</b>	<b>20,586,637</b>	<b>1,340,834</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 17,434,391</b>	<b>\$ 6,265,505</b>	<b>\$ 1,551,872</b>	<b>\$ 2,683,220</b>	<b>\$ 304,322</b>	<b>\$ 28,239,310</b>	<b>\$ 1,364,375</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**March 31, 2023**

	Primary Government	Component Unit - Library
Fund balances - total governmental funds	\$ 20,586,637	\$ 1,340,834
Capital and other assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Capital assets	283,347,451	2,674,603
Less accumulated depreciation	(160,293,508)	(1,327,926)
	123,053,943	1,346,677
Right-of-use lease assets, net	78,718	-
Other long term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds:		
Net pension asset	-	60,099
Pension plans	1,961,084	61,609
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,812,118	-
Other long term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest	(102,438)	-
Compensated absences	(1,948,549)	(12,171)
Net pension liability	(2,324,128)	-
Long-term debt	(32,713,468)	-
Pension plans	(7,006,546)	(39,929)
Net position of governmental activities	\$ 103,397,371	\$ 2,757,119

The notes to the financial statements are an integral part of these statements.



CITY OF SEDALIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 Year Ended March 31, 2023

	Primary Government						
	Major Funds				Non-Major Funds	Total	Component Unit - Library
	General Fund	Capital Project Fund	Transportation Fund	Park Fund			
REVENUES							
Taxes	\$ 13,001,627	\$ 3,893,691	\$ 3,559,908	\$ 4,225,029	\$ 438,935	\$ 25,119,190	\$ 780,901
Licenses and permits	1,044,209	-	-	-	-	1,044,209	-
Charges for services	162,479	-	626,822	1,343,614	15,500	2,148,415	-
Intergovernmental revenue	63,195	593,268	1,074,372	-	5,000	1,735,835	22,744
Fines and forfeitures	138,331	-	-	-	-	138,331	8,907
Contributions	-	-	-	19,120	-	19,120	500
Lease revenue	2,154	-	2,538	24,899	-	29,591	-
Other revenue	630,522	1,963,496	37,300	13,742	90,995	2,736,055	17,045
TOTAL REVENUES	15,042,517	6,450,455	5,300,940	5,626,404	550,430	32,970,746	830,097
EXPENDITURES							
Current:							
General government	5,604,549	648,775	-	-	-	6,253,324	-
Public safety	10,039,615	-	-	-	10,388	10,050,003	-
Transportation	345,525	-	4,410,115	-	-	4,755,640	-
Economic development	22,750	-	-	-	418,492	441,242	-
Community development	-	-	-	-	30,278	30,278	-
Parks and recreation	-	-	-	5,121,223	-	5,121,223	-
Library	-	-	-	-	-	-	601,513
Capital outlay	-	3,597,628	-	-	-	3,597,628	-
Debt service:							
Principal	-	2,191,924	-	-	-	2,191,924	60,116
Interest	-	1,078,794	-	-	-	1,078,794	40,079
TOTAL EXPENDITURES	16,012,439	7,517,121	4,410,115	5,121,223	459,158	33,520,056	701,708
Excess (deficiency) of revenues over (under) expenditures	(969,922)	(1,066,666)	890,825	505,181	91,272	(549,310)	128,389
OTHER FINANCING SOURCES (USES)							
Transfers in	1,976,220	1,625,506	-	15,000	195,592	3,812,318	2,682
Transfers (out)	(65,944)	(109,810)	(1,040,129)	(883,267)	(261,912)	(2,361,062)	-
Total other financing sources (uses)	1,910,276	1,515,696	(1,040,129)	(868,267)	(66,320)	1,451,256	2,682
Net change in fund balances	940,354	449,030	(149,304)	(363,086)	24,952	901,946	131,071
Fund balances, April 1 (as restated)	9,450,600	5,577,481	1,542,619	2,839,369	274,622	19,684,691	1,209,763
FUND BALANCES, MARCH 31	\$ 10,390,954	\$ 6,026,511	\$ 1,393,315	\$ 2,476,283	\$ 299,574	\$ 20,586,637	\$ 1,340,834

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended March 31, 2023**

	Primary Government	Component Unit - Library
Net change in fund balances - total governmental funds	\$ 901,946	\$ 131,071

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays were greater than the depreciation in the current period.

Capital outlay capitalized as assets	3,597,629	-
Capitalization of right-of-use lease assets	98,398	-
Depreciation and amortization	(4,350,467)	(86,540)
	(654,440)	(86,540)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

	487,126	-
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The issuance of long-term debt (i.e. bonds, leases, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest expenditures are reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.

Change in accrued interest	7,533	-
Issuance of financing leases	(98,398)	-
Lease expense	21,253	-
Repayment of principal	2,284,347	-
Amortization of discounts/premiums	87,255	-
	2,301,990	-

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

Change in compensated absences	(60,824)	(4,574)
Pension plan expense	4,468,402	134,830
Change in net position of governmental activities	\$ 7,444,200	\$ 174,787

**CITY OF SEDALIA**

**STATEMENT OF NET POSITION  
ALL PROPRIETARY FUND TYPES  
March 31, 2023**

	Wastewater Fund	Water Fund	Sanitation Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,174,611	\$ 2,022,910	\$ 731,425	\$ 4,928,946
Restricted cash and cash equivalents	1,686,097	919,830	-	2,605,927
Investments	3,163,553	-	-	3,163,553
Accounts receivable	789,807	529,726	351,573	1,671,106
Other receivables	19,802	-	-	19,802
Interfund balances	-	-	(2,570,571)	(2,570,571)
Inventory	-	350,601	-	350,601
Prepaid expenses	40,969	31,657	25,827	98,453
Total current assets	<u>7,874,839</u>	<u>3,854,724</u>	<u>(1,461,746)</u>	<u>10,267,817</u>
Non-current assets:				
Property, plant and equipment, net	42,884,207	38,438,703	1,656,130	82,979,040
Right-of-use lease assets, net	50,975	-	168,766	219,741
Net pension asset	148,473	298,454	129,550	576,477
Total non-current assets	<u>43,083,655</u>	<u>38,737,157</u>	<u>1,954,446</u>	<u>83,775,258</u>
Total assets	<u>50,958,494</u>	<u>42,591,881</u>	<u>492,700</u>	<u>94,043,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan	160,916	296,125	105,304	562,345
Total deferred outflows of resources	<u>160,916</u>	<u>296,125</u>	<u>105,304</u>	<u>562,345</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	221,338	83,782	32,855	337,975
Accrued liabilities	307,001	214,523	134,036	655,560
Current portion of financing leases	25,448	-	191,966	217,414
Current portion of financed purchase	-	277,412	-	277,412
Current portion of other long-term debt	1,485,000	926,444	-	2,411,444
Customer deposits	-	671,756	-	671,756
Total current liabilities	<u>2,038,787</u>	<u>2,173,917</u>	<u>358,857</u>	<u>4,571,561</u>
Non-current liabilities:				
Long-term financing leases, net	26,545	-	-	26,545
Long-term financed purchase, net	-	585,314	-	585,314
Other long-term debt, net	25,495,879	13,392,299	-	38,888,178
Net pension liability	233,778	-	172,921	406,699
Total non-current liabilities	<u>25,756,202</u>	<u>13,977,613</u>	<u>172,921</u>	<u>39,906,736</u>
Total liabilities	<u>27,794,989</u>	<u>16,151,530</u>	<u>531,778</u>	<u>44,478,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan	693,716	420,944	616,492	1,731,152
Total deferred inflows of resources	<u>693,716</u>	<u>420,944</u>	<u>616,492</u>	<u>1,731,152</u>
<b>NET POSITION</b>				
Net investment in capital assets	15,902,310	23,257,234	1,632,930	40,792,474
Restricted for net pension asset	148,473	298,454	129,550	576,477
Unrestricted	6,579,922	2,759,844	(2,312,746)	7,027,020
<b>TOTAL NET POSITION</b>	<u>\$ 22,630,705</u>	<u>\$ 26,315,532</u>	<u>\$ (550,266)</u>	<u>\$ 48,395,971</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
ALL PROPRIETARY FUND TYPES  
Year Ended March 31, 2023**

	Wastewater Fund	Water Fund	Sanitation Fund	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 6,585,170	\$ 5,074,183	\$ 1,947,857	\$ 13,607,210
Miscellaneous	11,309	18,553	6,717	36,579
Total operating revenues	<u>6,596,479</u>	<u>5,092,736</u>	<u>1,954,574</u>	<u>13,643,789</u>
<b>OPERATING EXPENSES</b>				
Purchased power	1,619,460	1,565,525	114,002	3,298,987
Purchased services	160,732	-	-	160,732
Salaries and wages	790,194	632,480	630,363	2,053,037
Depreciation and amortization	2,513,419	734,488	447,435	3,695,342
Total operating expenses	<u>5,083,805</u>	<u>2,932,493</u>	<u>1,191,800</u>	<u>9,208,098</u>
<b>OPERATING INCOME</b>	<u>1,512,674</u>	<u>2,160,243</u>	<u>762,774</u>	<u>4,435,691</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	151,207	504	-	151,711
Interest expense	(997,232)	(478,915)	(55,071)	(1,531,218)
Total non-operating (expenses)	<u>(846,025)</u>	<u>(478,411)</u>	<u>(55,071)</u>	<u>(1,379,507)</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>666,649</u>	<u>1,681,832</u>	<u>707,703</u>	<u>3,056,184</u>
Transfers (out)	<u>(685,172)</u>	<u>(528,292)</u>	<u>(240,474)</u>	<u>(1,453,938)</u>
Change in net position	(18,523)	1,153,540	467,229	1,602,246
Net position, April 1 (as restated)	<u>22,649,228</u>	<u>25,161,992</u>	<u>(1,017,495)</u>	<u>46,793,725</u>
<b>NET POSITION, MARCH 31</b>	<u>\$ 22,630,705</u>	<u>\$ 26,315,532</u>	<u>\$ (550,266)</u>	<u>\$ 48,395,971</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
Year Ended March 31, 2023**

	Wastewater Fund	Water Fund	Sanitation Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 6,484,828	\$ 5,204,029	\$ 1,905,024	\$ 13,593,881
Cash received from other sources	-	18,553	6,717	25,270
Cash paid to vendors	(1,737,832)	(1,566,224)	(153,890)	(3,457,946)
Cash paid to employees	(958,216)	(946,923)	(732,400)	(2,637,539)
Net cash provided by operating activities	<u>3,788,780</u>	<u>2,709,435</u>	<u>1,025,451</u>	<u>7,523,666</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Net change in interfund balances	1,776,637	-	984,047	2,760,684
Transfers (out)	(685,172)	(528,292)	(240,474)	(1,453,938)
Net cash provided (used) by noncapital financing activities	<u>1,091,465</u>	<u>(528,292)</u>	<u>743,573</u>	<u>1,306,746</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(2,592,341)	(1,292,487)	(179,965)	(4,064,793)
Payments on long-term debt	(2,401,253)	(1,651,867)	(857,634)	(4,910,754)
Net cash used by capital and related financing activities	<u>(4,993,594)</u>	<u>(2,944,354)</u>	<u>(1,037,599)</u>	<u>(8,975,547)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	151,207	504	-	151,711
Investment maturities/sales	(2,918,553)	-	-	(2,918,553)
Net cash provided (used) by investing activities	<u>(2,767,346)</u>	<u>504</u>	<u>-</u>	<u>(2,766,842)</u>
Net change in cash and cash equivalents	(2,880,695)	(762,707)	731,425	(2,911,977)
Cash and cash equivalents, beginning of year (as restated)	6,741,403	3,705,447	-	10,446,850
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><b>\$ 3,860,708</b></u>	<u><b>\$ 2,942,740</b></u>	<u><b>\$ 731,425</b></u>	<u><b>\$ 7,534,873</b></u>
Cash and cash equivalents	\$ 2,174,611	\$ 2,022,910	\$ 731,425	\$ 4,928,946
Restricted cash	1,686,097	919,830	-	2,605,927
Total cash and cash equivalents	<u><b>\$ 3,860,708</b></u>	<u><b>\$ 2,942,740</b></u>	<u><b>\$ 731,425</b></u>	<u><b>\$ 7,534,873</b></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 1,512,674	\$ 2,160,243	\$ 762,774	\$ 4,435,691
Adjustments:				
Depreciation and amortization	2,513,419	734,488	447,435	3,695,342
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	(93,483)	47,367	(42,833)	(88,949)
Other receivables	(18,170)	-	-	(18,170)
Inventory	-	(52,177)	-	(52,177)
Prepaid expenses	(1,854)	(2,221)	(1,941)	(6,016)
Net pension asset	37,367	583,240	28,889	649,496
Pension plan	4,950	6,715	3,827	15,492
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	65,493	25,957	(37,946)	53,504
Customer deposits	-	82,467	-	82,467
Accrued expenses	(21,279)	27,742	27,862	34,325
Pension plan	(210,337)	(904,386)	(162,616)	(1,277,339)
Net cash provided by operating activities	<u><b>\$ 3,788,780</b></u>	<u><b>\$ 2,709,435</b></u>	<u><b>\$ 1,025,451</b></u>	<u><b>\$ 7,523,666</b></u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**STATEMENT OF CASH FLOWS  
COMPONENT UNIT - BOTHWELL REGIONAL HEALTH CENTER  
Year Ended May 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from and on behalf of patients	\$ 131,632,522
Payments to suppliers and contractors	(75,574,482)
Payments to employees	(68,502,079)
Other receipts, net	<u>527,153</u>
Net cash used by operating activities	<u>(11,916,886)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Noncapital grants and gifts	<u>4,808,802</u>
Net cash provided by noncapital financing activities	<u>4,808,802</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Contributions restricted for capital purposes	36,333
Proceeds for issuance of long-term debt	8,050,000
Principal paid on long-term debt	(1,404,548)
Interest paid on long-term debt	(248,400)
Purchases of capital assets	(8,928,534)
Proceeds from the sale of capital assets	<u>600</u>
Net cash used by capital and related financing activities	<u>(2,494,549)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on deposits	107,631
Proceeds from the disposition of deposits	9,803,986
Purchase of deposits	<u>(9,844,475)</u>
Net cash provided by investing activities	<u>67,142</u>
Net change in cash and cash equivalents	(9,535,491)
Cash and cash equivalents, beginning of year	<u>18,648,431</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 9,112,940</u></u>
Cash and cash equivalents in current assets	\$ 9,004,052
Cash and cash equivalents in non-current assets	<u>108,888</u>
Total cash and cash equivalents	<u><u>\$ 9,112,940</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (8,281,471)
Adjustments:	
Depreciation and amortization	6,151,556
Gain on sale of capital assets	(600)
Provision for uncollectible accounts	16,324,766
Changes in:	
Patient accounts receivable	(16,622,243)
Estimated amounts due from third-party payers	(8,935,977)
Accounts payable and accrued expenses	670,923
Net pension liability	8,633,818
Deferred inflows of resources - pension plans	(6,215,635)
Deferred outflows of resources - pension plans	(2,352,036)
Estimated self-insurance liabilities	(233,009)
Other assets	<u>(1,056,978)</u>
Net cash used by operating activities	<u><u>\$ (11,916,886)</u></u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**STATEMENT OF FIDUCIARY NET POSITION**

**March 31, 2023**

	Pension Trust Fund
<b>ASSETS</b>	
Accrued interest and dividends	\$ 18,253
Investments, at fair value	<u>7,427,903</u>
Total assets	<u><u>\$ 7,446,156</u></u>
<b>NET POSITION</b>	
NET POSITION	
Restricted for pension benefits	<u>\$ 7,446,156</u>
Total net position	<u><u>\$ 7,446,156</u></u>

The notes to the financial statements are an integral part of these statements.

**CITY OF SEDALIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSTION  
Year Ended March 31, 2023**

	<u>Pension Trust Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Property taxes	\$ 164,557
Employer	60,007
Total contributions	<u>224,564</u>
Investment income:	
Investment income	185,758
Net depreciation in fair value of investments	<u>(548,127)</u>
Total investment income	(362,369)
Investment expenses	<u>(39,378)</u>
Net income from investing activities	<u>(401,747)</u>
Net additions	<u>(177,183)</u>
<b>DEDUCTIONS</b>	
Benefits	874,612
Disability insurance	6,370
Administrative expenses	11,799
Property taxes	9,596
Miscellaneous	6,509
Total deductions	<u>908,886</u>
Change in net position	(1,086,069)
Net position, April 1	<u>8,532,225</u>
<b>NET POSITION, MARCH 31</b>	<u><u>\$ 7,446,156</u></u>

The notes to the financial statements are an integral part of these statements.



# CITY OF SEDALIA

## 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* (GASB 34).

#### *A. Reporting Entity*

The City of Sedalia (the City) operates under the Mayor-Council form of government with the Council consisting of the Mayor and eight Council members who are elected on a nonpartisan basis. The City provides a variety of government services to residents including public safety (police and fire), streets, culture, recreation, public improvements, planning, and general administrative services. The City also provides health care, water, sewer, and sanitation services to its residents.

The City, for financial reporting purposes, includes all of the funds relevant to the operations of the City. The financial statements presented herein do not include entities which have been formed under applicable state laws or separate and distinct units of government apart from those that have been determined not to be component units as defined by GASB Statement No. 61, *The Financial Reporting Entity* (GASB 61).

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.

Based on the aforementioned criteria, the City has two discretely presented component units – the Bothwell Regional Health Center and the Sedalia Public Library (the Library) – and the City is not a component unit of any other governmental entity. Information relating to the Bothwell Regional Health Center may be obtained by writing to 601 E. 14<sup>th</sup> Street, Sedalia, Missouri 65301. The Library does not issue separate financial statements.

#### *B. Fund Accounting*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or

segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund 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.

The City reports the following major governmental funds:

General Fund – This fund is the main operating fund of the City, and it accounts for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to be accounted for in other funds are accounted for in this fund. General operating expenditures, fixed charges and capital improvements that are not paid through other funds are paid from the General Fund.

Capital Project Fund – This capital project fund accounts for the acquisition of capital assets and the construction of capital projects not being financed by the City's other funds.

Transportation Fund – This special revenue fund accounts for street and airport operations.

Park Fund – This special revenue fund accounts for park operations and capital improvements.

The City reports the following major proprietary funds:

Wastewater Fund – This fund accounts for the disposal of wastewater and industrial waste for the residents and businesses of the City.

Water Fund – This fund accounts for the provision of water services to residents and businesses of the City.

Sanitation Fund – This fund accounts for the disposal of solid waste for the residents and businesses of the City.

The City reports the following fiduciary fund:

Pension Trust Fund – This fund is used to account for the assets of the City's Fire Retirement Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### *C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60-days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due.

Taxes, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating income and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Interfund balances and transfers are not carried forward to the government-wide presentation. Such eliminations have taken place in the process of incorporating fund data into the government-wide financial statements.

### *D. Budgets*

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental funds. All annual appropriations lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. All encumbrances lapse at year-end.

### *E. Cash and Cash Equivalents*

For purposes of the statement of cash flows, the City considers all certificates of deposit and investments with original maturities of three months or less to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds under generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

*F. Investments*

Investments consist of bank certificates of deposit and money market accounts. Investments are stated at cost, which approximates fair value.

On the fiduciary fund statement of fiduciary net position, investments consist of securities traded on national and/or international exchanges and are stated at fair value.

*G. Accounts Receivable*

Accounts receivable result primarily from the City providing utilities and other services to its residents. Accounts receivable are reported net of an estimated allowance for uncollectible accounts.

*H. Interfund Balances*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The resulting receivables and payables are classified as “interfund balances” on the governmental funds balance sheet and the proprietary fund statement of net position.

*I. Inventory*

Inventory, which consists of materials and supplies, is stated at cost using the first-in, first-out method.

*J. Capital Assets*

Capital assets are reported in the applicable governmental or business-type activities’ columns on the government-wide statement of net position and in the proprietary fund statement of net position.

Capital assets for governmental activities are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized. Capital assets for governmental activities are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 – 50 years
Improvements	10 – 20 years
Equipment	3 – 30 years
Infrastructure	5 – 50 years

Capital assets for business-type activities and proprietary funds are stated at cost. Contributions of capital assets received from federal, state or local sources are recorded as assets and are stated at fair value upon receipt. Additions, improvements and expenses that significantly extend the useful life of an asset are capitalized. Depreciation has been provided over the estimated useful lives using the straight-line method beginning when the asset is placed in service, with zero expected salvage value. The estimated useful lives are as follows:

Buildings	40 – 50 years
Improvements	20 – 50 years
Equipment	3 – 20 years
Utility System	25 – 75 years
Infrastructure	5 – 50 years

### *K. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

### *L. Compensated Absences*

The City's personnel policy provides its employees with vacation and sick leave in varying amounts. In the event of termination, employees are paid for varying amounts of accrued vacation and sick leave. Compensated absences are accrued in the applicable governmental or business-type activities' columns on the government-wide statement of net position and in the proprietary fund statement of net position when earned.

### *M. Long-Term Obligations*

General long-term obligations consist of the non-current portion of bonds and leases payable and other long-term liabilities. General long-term obligations are not reported as liabilities in governmental funds but are reported in the governmental activities' column on the government-wide statement of net position. In the government-wide and proprietary fund statements of net position, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

### *N. 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 (ordinance or resolution) 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 a formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the formal action 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.

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of amounts that do not meet the definition of “net investment in capital assets” or “restricted.”

#### *O. Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *P. Pensions*

The City participates in two pension plans: the Missouri Local Government Employees Retirement System (LAGERS) and the Firemen’s Pension Trust Fund (the Fire Pension Fund). For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

#### *Q. Subsequent Events*

Events that have occurred subsequent to March 31, 2023, have been evaluated through September 15, 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 U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended March 31, 2023.

The City Council follows various procedures in establishing the budgetary data reflected in the financial statements.

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 obligations of the U.S. Treasury, federal agencies and instrumentalities, certificates of deposit, and repurchase agreements. Custodial credit risk for deposits is the risk that, in event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy for custodial credit risk is set by statute. Statutes require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities, which are of the same type as authorized for investment by the City, are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.
- Other short-term obligations of the United States.

The City maintains a cash and investment pool which is available for use by all funds for the purpose of increasing income through investment activities. Interest is allocated to the various funds based on average cash or investment balances. Each fund's portion of this pool is displayed on the statement of financial position as cash and cash equivalents or restricted cash in each fund's column.

The City's deposits are categorized to give an indication of the level of custodial risk assumed as of March 31, 2023. Deposits, categorized by level of custodial risk, were as follows as of March 31, 2023:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 500,000	\$ -	\$ 500,000
Collateralized with securities pledged by the financial institution	13,191,924	-	13,191,924
	<u>\$ 13,691,924</u>	<u>\$ -</u>	<u>\$ 13,691,924</u>
Carrying value	<u>\$ 20,087,200</u>	<u>\$ 3,400</u>	<u>\$ 20,090,600</u>

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

	Governmental Activities	Business-type Activities	Component Unit - Library	Total
Cash and cash equivalents	\$ 6,070,748	\$ 4,928,946	\$ 869,673	\$ 11,869,367
Restricted cash and cash equivalents	5,615,306	2,605,927	-	8,221,233
	<u>\$ 11,686,054</u>	<u>\$ 7,534,873</u>	<u>\$ 869,673</u>	<u>\$ 20,090,600</u>

## Investments

Missouri State Statutes and City ordinances authorize the City's investments. The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities (excluding collateralized mortgage obligations, real estate mortgage investment conduits, or other principal or interest only obligations), obligations of any state or political subdivision of any state (pension funds), money market funds registered under the Investment Company Act of 1940, repurchase agreements, insured or collateralized certificates of deposit and money market funds.

The fiduciary funds' investments are authorized by Missouri State Statutes and include, in addition to the previously mentioned investments, marketable equity securities.

The following summarizes the City's investments by type as of March 31, 2023:

	Governmental Activities	Business-type Activities	Component Unit - Library	Fiduciary Activities	Total
Certificates of deposit	\$ 8,289,398	\$ 3,163,553	\$ 2,157,727	\$ -	\$ 13,610,678
Common and preferred stocks	-	-	-	4,511,182	4,511,182
Convertible preferred stocks	-	-	-	81,104	81,104
Exchange traded funds	-	-	-	272,098	272,098
Corporate bonds	-	-	-	1,015,452	1,015,452
U.S government bonds	-	-	-	1,107,411	1,107,411
Real estate investment trusts	-	-	-	68,634	68,634
Money market funds	-	-	-	371,894	371,894
Total	<u>\$ 8,289,398</u>	<u>\$ 3,163,553</u>	<u>\$ 2,157,727</u>	<u>\$ 7,427,775</u>	<u>\$ 21,038,453</u>

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy addressing interest rate risk.

The following summarizes the debt securities' maturities by investment type as of March 31, 2023:

	Investment Maturities (in years)			Total
	Less than 1	1-5	Over 5	
Corporate bonds	\$ 124,468	\$ 800,066	\$ 90,918	\$ 1,015,452
U.S government bonds	346,407	702,604	58,400	1,107,411
Total	<u>\$ 470,875</u>	<u>\$ 1,502,670</u>	<u>\$ 149,318</u>	<u>\$ 2,122,863</u>

*Credit risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the City.



The following summarizes the debt securities' investments by credit rating category as of March 31, 2023:

Credit Rating Level	Corporate Bonds						U.S. Government Bonds
	Total	Financial	IT Services	Manufacturing	Utility	Other	
Aaa	\$ 1,264,980	\$ -	\$ 157,569	\$ -	\$ -	\$ -	\$ 1,107,411
Aa3	94,072	-	-	94,072	-	-	-
A1	156,361	133,698	-	22,663	-	-	-
A2	44,303	-	-	-	44,303	-	-
A3	101,770	62,590	-	-	39,180	-	-
Baa	534,595	-	175,522	70,631	96,098	119,126	-
Total	<u>\$ 2,196,081</u>	<u>\$ 196,288</u>	<u>\$ 333,091</u>	<u>\$ 187,366</u>	<u>\$ 179,581</u>	<u>\$ 119,126</u>	<u>\$ 1,107,411</u>

*Fair value disclosures:* The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value hierarchy is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets.
- Level 2 Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Observable inputs may include interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuations derived from valuation techniques in which significant inputs are unobservable. Valuation is based on methodologies that are unobservable and significant to the fair value measure. These may be generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The City's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of valuation methodologies used for assets recorded at fair value.

*Corporate bonds:* Certain corporate bonds are valued at the closing price reported in the inactive market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

*U.S government bonds:* Valued at the closing price reported in the market in which the individual security is traded.

*Other:* Valued at quoted market prices available on an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following summarizes the City’s assets measured at fair value as of March 31, 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

Investment Type	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 13,610,678	\$ -	\$ 13,610,678
Common and preferred stocks	4,511,182	-	-	4,511,182
Convertible preferred stocks	81,104	-	-	81,104
Exchange traded funds	272,098	-	-	272,098
Corporate bonds	-	1,015,452	-	1,015,452
U.S government bonds	-	1,107,411	-	1,107,411
Real estate investment trusts	68,634	-	-	68,634
Money market funds	371,894	-	-	371,894
Total	\$ 5,304,912	\$ 15,733,541	\$ -	\$ 21,038,453

#### 4. PROPERTY TAX

Property tax revenue is recognized independent of receivable recognition. A receivable is recognizable as of the lien date when the City has an enforceable legal claim while revenue is recognized in the period for which the taxes are levied. Delinquent taxes expected to be received later than 60-days after the close of the fiscal year are classified as deferred inflows of resources – unavailable revenue in the governmental funds balance sheet because they do not meet the criteria of being available as described in Note 1.

The City’s property tax is levied by the City on September 1 on the value of all real and personal property located in the City as of the prior January 1, the lien date. Taxes are billed by September 1 and are considered delinquent after December 31.

For the 2022 calendar year, the City’s assessed valuation and tax levies per \$100 assessed valuation of those properties are as follows:

Assessed Valuation	Tax Levies (per \$100 assessed valuation)			
	Fire Pension \$0.0500	General Revenue \$0.4813	Library \$0.2344	Library Temp \$0.0681
Real estate	\$ 207,484,650	\$ 207,484,650	\$ 164,382,660	\$ 164,382,660
Personal property	64,548,725	64,548,725	45,566,690	45,566,690
Railroad and utilities	13,223,391	13,223,391	11,599,538	11,599,538
	<u>\$ 285,256,766</u>	<u>\$ 285,256,766</u>	<u>\$ 221,548,888</u>	<u>\$ 221,548,888</u>
			Special Business District \$0.8500	
Real estate	\$ 207,484,650	\$ 207,484,650	\$ 4,856,570	
Personal property	64,548,725	64,548,725	-	
Railroad and utilities	13,223,391	13,223,391	80	
	<u>\$ 285,256,766</u>	<u>\$ 285,256,766</u>	<u>\$ 4,856,650</u>	

## 5. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2023, was as follows:

	Balance April 1, 2022	Additions	Retirements	Transfers	Balance March 31, 2023
Governmental activities - primary government:					
Capital assets, not being depreciated:					
Land	\$ 7,122,427	\$ 41,875	\$ 1,744	\$ -	\$ 7,162,558
Construction in progress	25,801,365	1,275,840	-	(1,159,343)	25,917,862
Total capital assets, not being depreciated	<u>32,923,792</u>	<u>1,317,715</u>	<u>1,744</u>	<u>(1,159,343)</u>	<u>33,080,420</u>
Capital assets, being depreciated/amortized:					
Buildings	32,799,044	507,086	-	-	33,306,130
Improvements other than buildings	22,485,856	21,500	-	90,945	22,598,301
Vehicles and equipment	13,531,066	1,759,500	218,158	-	15,072,408
Infrastructure	178,266,321	-	-	1,068,398	179,334,719
Right-of-use lease assets	-	98,398	-	-	98,398
Total capital assets, being depreciated/amortized	<u>247,082,287</u>	<u>2,386,484</u>	<u>218,158</u>	<u>1,159,343</u>	<u>250,409,956</u>
Less accumulated depreciation for:					
Buildings	14,394,275	980,491	-	-	15,374,766
Improvements other than buildings	11,485,282	774,811	-	-	12,260,093
Vehicles and equipment	9,544,304	800,308	211,730	-	10,132,882
Infrastructure	120,795,117	1,775,177	-	-	122,570,294
Less accumulated amortization for:					
Right-of-use lease assets	-	19,680	-	-	19,680
Total accumulated depreciation/amortization	<u>156,218,978</u>	<u>4,350,467</u>	<u>211,730</u>	<u>-</u>	<u>160,357,715</u>
Total capital assets being depreciated/amortized, net	<u>90,863,309</u>	<u>(1,963,983)</u>	<u>(6,428)</u>	<u>1,159,343</u>	<u>90,052,241</u>
Total capital assets, net	<u>\$ 123,787,101</u>	<u>\$ (646,268)</u>	<u>\$ (8,172)</u>	<u>\$ -</u>	<u>\$ 123,132,661</u>
Governmental activities - component unit - Library:					
Capital assets:					
Buildings	\$ 2,593,754	\$ -	\$ -	\$ -	\$ 2,593,754
Equipment	80,849	-	-	-	80,849
Total capital assets	<u>2,674,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,674,603</u>
Less accumulated depreciation for:					
Buildings	1,165,523	82,534	-	-	1,248,057
Equipment	75,863	4,006	-	-	79,869
Total accumulated depreciation	<u>1,241,386</u>	<u>86,540</u>	<u>-</u>	<u>-</u>	<u>1,327,926</u>
Total capital assets, net	<u>\$ 1,433,217</u>	<u>\$ (86,540)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,346,677</u>

	Balance April 1, 2022 (as restated)	Additions	Retirements	Transfers	Balance March 31, 2023
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,704,921	\$ 1,268	\$ -	\$ -	\$ 2,706,189
Construction in progress	15,609,018	3,376,895	-	(1,982,547)	17,003,366
Total capital assets, not being depreciated	<u>18,313,939</u>	<u>3,378,163</u>	<u>-</u>	<u>(1,982,547)</u>	<u>19,709,555</u>
Capital assets, being depreciated/amortized:					
Buildings	13,330,417	-	17,755	1,028,235	14,340,897
Improvements other than buildings	41,279,602	-	2,901	82,458	41,359,159
Water lines and pumping equipment	57,753,876	-	-	871,854	58,625,730
Vehicles, machinery, and equipment	8,507,889	267,294	79,152	-	8,696,031
Right-of-use lease assets	1,566,247	-	-	-	1,566,247
Total capital assets, being depreciated/amortized	<u>122,438,031</u>	<u>267,294</u>	<u>99,808</u>	<u>1,982,547</u>	<u>124,588,064</u>
Less accumulated depreciation for:					
Buildings	6,233,086	280,140	-	-	6,513,226
Improvements other than buildings	21,956,116	1,428,301	-	-	23,384,417
Water lines and pumping equipment	22,173,170	1,576,384	99,808	-	23,649,746
Vehicles, machinery, and equipment	5,930,999	273,944	-	-	6,204,943
Less accumulated amortization for:					
Right-of-use lease assets	1,033,257	313,249	-	-	1,346,506
Total accumulated depreciation/amortization	<u>57,326,628</u>	<u>3,872,018</u>	<u>99,808</u>	<u>-</u>	<u>61,098,838</u>
Total capital assets being depreciated, net	<u>65,111,403</u>	<u>(3,604,724)</u>	<u>-</u>	<u>1,982,547</u>	<u>63,489,226</u>
Total capital assets, net	<u>\$ 83,425,342</u>	<u>\$ (226,561)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,198,781</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

Primary government:

General government	\$ 419,104
Public safety	756,575
Transportation	2,457,152
Community development	35,886
Parks and recreation	681,750
Component unit - Library	86,540
Total depreciation and amortization expense - governmental activities	<u>\$ 4,437,007</u>

Business-type activities:

Wastewater	\$ 2,690,095
Water	734,488
Sanitation	447,435
Total depreciation and amortization expense - business-type activities	<u>\$ 3,872,018</u>

## 6. FINANCING LEASES

### Governmental Activities

In June 2022, the City entered into a five-year lease agreement for the rental of a wheel loader for the Street Department. The lease requires annual payments of \$21,253, due in July each year.

### Business-type Activities

In August 2018, the City entered into a five-year lease agreement for the rental of 14,200 garbage and recycling carts for the Sanitation Department. The lease requires payments of \$144,144 per year, with payments due monthly.

In December 2018, the City entered into a five-year lease agreement for the rental of three trash trucks for the Sanitation Department. The lease requires payments of \$165,060 per year, with payments due monthly.

In July 2020, the City entered into a five-year lease agreement for the rental of a wheel loader for the Wastewater Department. The lease requires annual payments of \$27,525, due in July of each year.

See Note 5 for addition information regarding the right-of-use assets related to these financing leases.

The following is a schedule of the future minimum lease payments under the financing leases and the present value of the minimum lease payments as of March 31, 2023.

	Governmental Activities	Business-Type Activities
2024	\$ 21,253	\$ 221,649
2025	21,253	27,603
2026	21,253	-
2027	21,252	-
Total minimum lease payments	85,011	249,252
Less: amount representing interest	(7,866)	(5,293)
Present value of minimum lease payments	<u>\$ 77,145</u>	<u>\$ 243,959</u>

## 7. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended March 31, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due In One Year
Governmental activities:					
Certificates of participation:					
Series 2017A	\$ 1,722,000	\$ -	\$ 414,400	\$ 1,307,600	\$ 424,900
Series 2017B	4,386,407	-	349,046	4,037,361	358,225
Series 2020	26,810,000	-	1,490,000	25,320,000	1,535,000
Series 2020 - premium	2,028,689	-	87,255	1,941,434	-
Notes payable	60,829	-	30,901	29,928	29,928
Total governmental activities	35,007,925	-	2,371,602	32,636,323	2,348,053
Business-type activities:					
Certificates of participation:					
Series 2018	11,910,000	-	405,000	11,505,000	415,000
Series 2018 - discount	(128,592)	-	(6,430)	(122,162)	-
Series 2019	26,240,000	-	1,425,000	24,815,000	1,485,000
Series 2019 - premium	2,342,555	-	176,676	2,165,879	-
Financed purchase	1,130,447	-	267,721	862,726	277,412
Notes payable	125,556	-	42,651	82,905	44,444
Revenue bonds - Series 2020	3,317,000	-	464,000	2,853,000	467,000
Total business-type activities	44,936,966	-	2,774,618	42,162,348	2,688,856
	<u>\$ 79,944,891</u>	<u>\$ -</u>	<u>\$ 5,146,220</u>	<u>\$ 74,798,671</u>	<u>\$ 5,036,909</u>

### Governmental Activities

#### *Certificates of Participation*

In March 2017, the City issued \$3,638,100 of Series 2017A certificates of participation to advance refund the Series 2007 certificates of participation.

In September 2017, the City issued \$5,695,000 of Series 2017B certificates of participation to acquire, construct, furnish and equip, improve, and renovate various buildings and facilities.

In June 2020, the City issued \$28,610,000 of Series 2020 certificates of participation to advance refund the Series 2012A certificates of participation and to fund various improvements. The City issued these certificates of participation at a premium, which will be amortized over the life of the certificates of participation.

The following summarizes the certificates of participation:

	Original Amount	Interest Rate	Maturity Date	Balance March 31, 2023
Series 2017A	\$ 3,638,100	2.55%	3/15/2016	\$ 1,307,600
Series 2017B	5,695,000	2.63%	9/15/2032	4,037,361
Series 2020	28,610,000	3.00-4.00%	9/15/2044	25,320,000
				<u>\$ 30,664,961</u>

Future principal and interest payments on the certificates of participation for the years ending March 31, are as follows:

	Principal	Interest	Total
2024	\$ 2,318,125	\$ 1,053,751	\$ 3,371,876
2025	2,378,447	978,970	3,357,417
2026	2,469,216	893,788	3,363,004
2027	1,432,239	818,669	2,250,908
2028	1,477,424	765,984	2,243,408
2029-2033	7,744,510	2,979,831	10,724,341
2034-2038	4,680,000	1,814,400	6,494,400
2039-2043	5,650,000	834,075	6,484,075
2044-2045	2,515,000	75,975	2,590,975
	<u>\$ 30,664,961</u>	<u>\$ 10,215,443</u>	<u>\$ 40,880,404</u>

#### *Notes Payable*

In April 2007, the City entered into a note payable agreement with the Missouri Department of Natural Resources and the State Environmental Improvement Energy Resources Authority to finance the construction and installation of energy conservation measures. In May 2010, the City received proceeds totaling \$489,424 on the note payable. The agreement is non-interest bearing and requires semi-annual principal payments.

Future principal payments on the note payable for the years ending March 31, are as follows:

2024	<u>\$ 29,931</u>
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#### Business-type Activities

##### *Certificates of Participation*

In March 2018, the City issued \$13,065,000 of Series 2018 certificates of participation to acquire, construct, improve, and install the waterworks system. The City issued these certificates of participation at a discount, which will be amortized over the life of the certificates of participation.

In June 2019, the City issued \$28,950,000 of Series 2019 certificates of participation to advance refund the Series 2010A and Series 2010B certificates of participation and to fund various improvements. The City issued these certificates of participation at a premium, which will be amortized over the life of the certificates of participation.



The following summarizes the certificates of participation:

	Original Amount	Interest Rate	Maturity Date	Balance March 31, 2022
Series 2018	\$ 13,065,000	2.0-3.7%	3/31/2043	\$ 11,910,000
Series 2019	28,950,000	3.0-4.0%	7/15/2035	26,240,000
				<u>\$ 38,150,000</u>

Future principal and interest payments on the certificates of participation for the years ending March 31, are as follows:

	Principal	Interest	Total
2024	\$ 1,900,000	\$ 1,345,270	\$ 3,245,270
2025	1,975,000	1,271,995	3,246,995
2026	2,055,000	1,195,770	3,250,770
2027	2,130,000	1,116,570	3,246,570
2028	2,210,000	1,034,395	3,244,395
2029-2033	12,420,000	3,814,050	16,234,050
2034-2038	9,975,000	1,368,156	11,343,156
2039-2043	3,655,000	345,926	4,000,926
	<u>\$ 36,320,000</u>	<u>\$ 11,492,133</u>	<u>\$ 47,812,133</u>

#### *Financed Purchase*

In January 2011, the City entered into a lease/purchase agreement with McKinstry Essention, Inc. Proceeds were used to fund water improvements. As of March 31, 2023, the outstanding balance on the lease/purchase agreement was \$862,726. The lease/purchase agreement bears interest at 3.620% and is scheduled to mature in January 2026.

The lease/purchase agreement qualifies as a financed purchase for accounting purposes because ownership transfers at the end of lease/purchase agreement term. Therefore, the lease/purchase agreement has been recorded as debt at the present value of the future minimum payments.

Future principal and interest payments on the financed purchase for the years ending March 31, are as follows:

	Total	Principal	Interest
2024	\$ 308,643	\$ 277,412	\$ 31,231
2025	308,642	287,454	21,188
2026	308,643	297,860	10,783
Total minimum lease payments	925,928	<u>\$ 862,726</u>	<u>\$ 63,202</u>
Less: amount representing interest	<u>(63,202)</u>		
Present value of minimum lease payments	<u>\$ 862,726</u>		

### Notes Payable

In May 2019, the City entered into a note payable agreement with a developer to finance the upsizing of the water line to provide for future development. The agreement bears interest at 4.125% and requires annual principal and interest payments.

Future principal and interest payments on the note payable for the years ending March 31, are as follows:

	Principal	Interest	Total
2024	\$ 44,444	\$ 2,586	\$ 47,030
2025	38,461	731	39,192
	<u>\$ 82,905</u>	<u>\$ 3,317</u>	<u>\$ 86,222</u>

### Revenue Bonds

In June 2020, the City issued \$4,234,000 of Series 2020 revenue bonds to advance refund the Series 2012 revenue bonds.

The following summarizes the revenue bonds:

	Original Amount	Interest Rate	Maturity Date	Balance March 31, 2023
Series 2020	\$ 4,234,000	1.58%	3/15/2029	<u>\$ 2,853,000</u>

Future principal and interest payments on the revenue bonds for the years ending March 31, are as follows:

	Principal	Interest	Total
2024	\$ 467,000	\$ 45,077	\$ 512,077
2025	471,000	37,699	508,699
2026	475,000	30,257	505,257
2027	479,000	22,752	501,752
2028	482,000	15,184	497,184
2029	479,000	7,568	486,568
	<u>\$ 2,853,000</u>	<u>\$ 158,537</u>	<u>\$ 3,011,537</u>

### Legal Debt Margin

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 \$285,256,766, the constitutional total general obligation debt limit for "city purposes" was \$57,051,343.

## 8. CONDUIT DEBT

The City has issued industrial revenue bonds to provide funds to assist companies within the City to acquire and construct facilities for manufacturing and industrial development purposes. The City has issued and sold these bonds to financial institutions. The companies are required to make regular principal and interest payments to the financial institutions over the maturity of the bonds. The original issuance amount of these revenue bonds totaled \$400,650,000 as of March 31, 2023. The outstanding balance on these bonds as of March 31, 2023, was \$282,610,508.

The City has no liability for repayment of these revenue bonds; accordingly, they have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds.

## 9. INTERGOVERNMENTAL REVENUE

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. 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 General Fund or other applicable funds. 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 March 31, 2023.

## 10. PENSION PLANS

The following information is presented in accordance with GASB 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*.

### Missouri Local Government Employees Retirement System

#### *General Information about the Pension Plan*

##### 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 employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 for a general employee and age 55 for a police, fire, or public safety employee 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 if a general employee or age 50 if a police, fire, or public safety employee and receive a reduced allowance.

The benefit provisions adopted by the City are as follows:

	2022
	<u>Valuation</u>
Benefit multiplier	2% for life
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, 2022, the following employees were covered by the benefit terms:

	<u>City</u>	<u>Library</u>	<u>Water</u>
Inactive employees or beneficiaries currently receiving benefits	171	8	29
Inactive employees entitled to but not yet receiving benefits	97	0	5
Active employees	<u>68</u>	<u>5</u>	<u>16</u>
Total	<u><u>336</u></u>	<u><u>13</u></u>	<u><u>50</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 15.3% (City – General), 16.8% (City – Police), 25.1% (Library), and 20.5% (Water) of annual covered payroll.

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

The City's net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2022.

### Actuarial Assumptions

The total pension liability in the February 28, 2022, 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

\*2.75% to 6.55%, including inflation, for City – Police.

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

The actuarial assumptions used in the February 28, 2022, 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.

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%
	<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)**

City:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2021	\$ 42,268,212	\$ 44,949,396	\$ (2,681,184)
Changes for the year:			
Service cost	833,992	-	833,992
Interest	2,910,870	-	2,910,870
Difference between expected and actual experience	(167,047)	-	(167,047)
Contributions - employer	-	1,744,707	(1,744,707)
Net investment income	-	32,050	(32,050)
Benefit payments, including refunds	(2,226,269)	(2,226,269)	-
Administrative expense	-	(45,854)	45,854
Other changes	-	(1,597,473)	1,597,473
Net changes	1,351,546	(2,092,839)	3,444,385
Balances at June 30, 2022	\$ 43,619,758	\$ 42,856,557	\$ 763,201

Library:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2021	\$ 1,238,758	\$ 1,321,644	\$ (82,886)
Changes for the year:			
Service cost	28,636	-	28,636
Interest	84,966	-	84,966
Difference between expected and actual experience	39,321	-	39,321
Contributions - employer	-	50,270	(50,270)
Net investment income	-	892	(892)
Benefit payments, including refunds	(79,403)	(79,403)	-
Administrative expense	-	(1,546)	1,546
Other changes	-	80,520	(80,520)
Net changes	73,520	50,733	22,787
Balances at June 30, 2022	\$ 1,312,278	\$ 1,372,377	\$ (60,099)

Water:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2021	\$ 7,596,249	\$ 8,477,943	\$ (881,694)
Changes for the year:			
Service cost	72,576	-	72,576
Interest	513,321	-	513,321
Difference between expected and actual experience	220,686	-	220,686
Contributions - employer	-	124,353	(124,353)
Net investment income	-	5,308	(5,308)
Benefit payments, including refunds	(607,808)	(607,808)	-
Administrative expense	-	(5,412)	5,412
Other changes	-	99,094	(99,094)
Net changes	198,775	(384,465)	583,240
Balances at June 30, 2022	\$ 7,795,024	\$ 8,093,478	\$ (298,454)

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

The table on the following page 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.

City:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 49,454,498	\$ 43,619,758	\$ 38,797,475
Plan fiduciary net position	42,856,557	42,856,557	42,856,557
Net pension liability/(asset)	\$ 6,597,941	\$ 763,201	\$ (4,059,082)

Library:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 1,453,373	\$ 1,312,278	\$ 1,191,962
Plan fiduciary net position	1,372,377	1,372,377	1,372,377
Net pension liability/(asset)	\$ 80,996	\$ (60,099)	\$ (180,415)

Water:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 8,702,031	\$ 7,795,024	\$ 7,028,680
Plan fiduciary net position	8,093,478	8,093,478	8,093,478
Net pension liability/(asset)	\$ 608,553	\$ (298,454)	\$ (1,064,798)

## 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***

For the year ended March 31, 2023, the City recognized pension expense of (\$1,189,955) for the governmental activities, (\$191,550), for the business-type activities, and (\$86,581) for the component unit – Library. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

City:	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 49,454,498	\$ 43,619,758	\$ 38,797,475
Plan fiduciary net position	42,856,557	42,856,557	42,856,557
Net pension liability/(asset)	<u>\$ 6,597,941</u>	<u>\$ 763,201</u>	<u>\$ (4,059,082)</u>

Library:	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 1,453,373	\$ 1,312,278	\$ 1,191,962
Plan fiduciary net position	1,372,377	1,372,377	1,372,377
Net pension liability/(asset)	<u>\$ 80,996</u>	<u>\$ (60,099)</u>	<u>\$ (180,415)</u>

Water:	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 8,702,031	\$ 7,795,024	\$ 7,028,680
Plan fiduciary net position	8,093,478	8,093,478	8,093,478
Net pension liability/(asset)	<u>\$ 608,553</u>	<u>\$ (298,454)</u>	<u>\$ (1,064,798)</u>

\*The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability/(asset) for the year ending March 31, 2024.



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

	City	Library	Water
Year ending:			
2023	\$ (3,375,877)	\$ (13,796)	\$ (136,486)
2024	(2,897,251)	1,916	(63,131)
2025	(1,077,488)	(21,512)	(132,793)
2026	621,319	18,666	114,949
2027	(12,175)	-	-
Thereafter	(7,887)	-	-
Total	\$ (6,749,359)	\$ (14,726)	\$ (217,461)

## **Firemen’s Pension Trust Fund**

### ***General Information about the Pension Plan***

#### Plan Description

The Firemen’s Pension Trust Fund (the Fire Pension Fund) is administered by the Fire Pension Fund Board of Trustees. The single-employer, defined benefit pension plan was established by City ordinance in accordance with City charter and state statutes.

#### Benefits Provided

The Fire Pension Trust Fund provides retirement, death, and disability benefits. All employees of the fire department earning \$100 or more per calendar year are covered under the plan. Reserve and voluntary firemen are not eligible to participate in the plan. Employees of the fire department become eligible for the plan immediately upon employment and are fully vested after ten years of full-time service. Employees completing twenty-two years of service are entitled to a monthly benefit of 50% of a base amount, which increases 3% per year (\$63,155 for the 2022 plan year). Any employee hired after July 1, 1989, must also attain age 55. Participants who become disabled prior to retirement or separation from service are entitled to the greater of his or her accrued benefit payable as a monthly benefit commencing at his or her normal retirement date, or his or her employee contribution benefit. Death benefits are paid at the greater of 75% of the participant’s accrued benefit payable commencing at date of death, or 100% of the participant’s employee contribution benefit payable as a lump sum. If a participant terminates employment prior to their normal retirement date, the participant is entitled to the greater of his or her employee contribution benefit credited with interest, or a deferred payable for life on his or her normal retirement date equal to his or her vested accrued benefits.

#### Employees Covered by Benefit Terms

As of March 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	6
Active employees	42
Total	94

## Contributions

As required by City ordinance, each member historically contributed 7.5% of a base compensation amount, which was matched by the City. Effective April 1, 2012, employee contributions to the plan were discontinued, and all contributions to the plan are now being made by the City. Participants are 100% vested in their contributions. Included in net position are employee contributions totaling \$742,947.

The City makes contributions to the plan based on the recommendation of the independent actuary. In addition, contributions to the plan are made by the City from a \$0.0500 per \$100 assessed valuation property tax levy established by City ordinance. Total City-paid contributions for the year ended March 31, 2023, were \$60,007. Total contributions provided from the property tax levy were \$164,557.

## ***Net Pension Liability***

The City's net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022.

## Actuarial Assumptions

The total pension liability in the April 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0%
Salary increase	3%
Investment rate of return	7%

For the April 1, 2022, actuarial valuation, mortality rates were based on the MP-2020 Public Safety tables.

An experience study was completed in November 2017 for the period of 2010 through 2017. Recommendations from this study have been implemented.

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>
Equity	65%	5%
Fixed income	35%	2%
	<u>100%</u>	

## Discount Rate

The discount rate used to measure the total pension liability is 7%. 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 make 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 payments to determine the total pension liability.

## *Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at April 1, 2021	\$ 11,535,109	\$ 8,463,059	\$ 3,072,050
Changes for the year:			
Service cost	189,053	-	189,053
Interest	793,089	-	793,089
Difference between expected and actual experience	(70,714)	-	(70,714)
Changes in assumptions	16,808	-	16,808
Contributions - employer	-	288,965	(288,965)
Property tax revenues	-	147,571	(147,571)
Net investment income	-	470,077	(470,077)
Benefit payments, including refunds	(788,636)	(788,636)	-
Administrative expense	-	(66,500)	66,500
Plan amendment	(1,470,570)	-	(1,470,570)
Net changes	(1,330,970)	51,477	(1,382,447)
Balances at March 31, 2022	\$ 10,204,139	\$ 8,514,536	\$ 1,689,603

## Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7%, as well as what the City's net pension liability would be using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate.

	Current Single Discount		
	1% Decrease (6%)	Rate Assumption (7%)	1% Increase (8%)
Total pension liability	\$ 11,431,767	\$ 10,204,139	\$ 9,201,714
Plan fiduciary net position	8,514,536	8,514,536	8,514,536
Net pension liability	\$ 2,917,231	\$ 1,689,603	\$ 687,178

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

For the year ended March 31, 2023, the City recognized pension expense of (\$1,218,534). 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>
Differences between:		
Expected and actual experience	\$ 75,799	\$ (92,427)
Projected and actual earnings on investments	-	(797,988)
Changes in assumptions	62,542	(45,314)
Contributions subsequent to the measurement date*	<u>60,007</u>	<u>-</u>
Total	<u>\$ 198,348</u>	<u>\$ (935,729)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending March 31, 2024.

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

Year ending:	
2023	\$ (189,683)
2024	(208,678)
2025	(394,095)
2026	9,496
2027	(9,128)
Thereafter	<u>(5,300)</u>
Total	<u>\$ (797,388)</u>

### ***Subsequent Event***

As of the date of this report, the City was still in the process of moving the Fire Pension fund to LAGERS.

## **11. DEFERRED COMPENSATION PLAN**

The City's employees participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible employees of the City, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. Because the plan assets are held in trust exclusively for plan participants and beneficiaries and not subject to the City's creditors, the deferred compensation plan is not reported in the City's basic financial statements.

The assets of the plan are held in trust and held exclusively for plan participants and beneficiaries.

## 12. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended March 31, 2023, is as follows:

TRANSFERRED FROM	TRANSFERRED TO								Total
	Governmental Funds								
	Major Funds			Non-Major Funds				Component Unit	
General Fund	Capital Project Fund	Park Fund	Midtown Special Allocation Fund	Galaxy West CID Fund	MFA Sales Tax Sharing Fund	Lamy's Sales Tax Sharing Fund	Library Fund		
Governmental funds:									
Primary government - major funds:									
General Fund	\$ -	\$ -	\$ 15,000	\$ 1,829	\$ 33,938	\$ 12,495	\$ -	\$ 2,682	\$ 65,944
Capital Project Fund	-	-	-	-	16,969	6,247	86,594	-	109,810
Transportation Fund	521,370	500,000	-	1,792	16,967	-	-	-	1,040,129
Park Fund	-	864,506	-	1,792	16,969	-	-	-	883,267
Total primary government - major funds	521,370	1,364,506	15,000	5,413	84,843	18,742	86,594	2,682	2,099,150
Primary government - non-major funds:									
Midtown Special Allocation Fund	-	261,000	-	-	-	-	-	-	261,000
The Crossings CID Fund	912	-	-	-	-	-	-	-	912
Total primary government - non-major funds	912	261,000	-	-	-	-	-	-	261,912
Total governmental funds	522,282	1,625,506	15,000	5,413	84,843	18,742	86,594	2,682	2,361,062
Proprietary funds:									
Wastewater Fund	685,172	-	-	-	-	-	-	-	685,172
Water Fund	528,292	-	-	-	-	-	-	-	528,292
Sanitation Fund	240,474	-	-	-	-	-	-	-	240,474
Total proprietary funds	1,453,938	-	-	-	-	-	-	-	1,453,938
Total	\$ 1,976,220	\$ 1,625,506	\$ 15,000	\$ 5,413	\$ 84,843	\$ 18,742	\$ 86,594	\$ 2,682	\$ 3,815,000

The purpose of these transfers was to subsidize the operations and support the fund balance of the fund receiving the transfer.

## 13. TAX ABATEMENTS

In Missouri, State Statutes provide several economic development tools that State and local governments can offer as incentives for businesses to locate, build and/or expand a physically present operation in a target area. The City utilizes tax abatement incentive tools as made available through State Statutes. Each agreement was negotiated under state law and has been described by type within this disclosure. The City has grouped the abatements in total by abatement type. The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

### *Property Tax Abatement under Chapter 100, RSMo*

In Missouri, a municipality can issue industrial development revenue bonds (Revenue Bonds) pursuant to Chapter 100 of the RSMo. Under the Act, the municipality may issue Revenue Bonds to finance the cost of the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such municipality, buildings, fixtures and machinery. There are two primary reasons to issue Revenue Bonds under the Act. First, if the Revenue Bonds are tax-exempt, it is possible to issue the Revenue Bonds at lower interest rates than those obtained through conventional financing. Second, even if the Revenue Bonds are not tax-exempt, ad valorem taxes levied on the Revenue Bonds financed project may be abated so long as the Revenue Bonds are outstanding.

In a typical Chapter 100 transaction, the municipality holds fee title to the project once the Revenue Bonds are issued and leases the project to the private company. Because the municipality is the legal owner of the project while the Revenue Bonds are outstanding, the project is exempt from taxes.

Payments in lieu of taxes (PILOTS) may be imposed on the project to achieve an effective tax abatement that is less than the abatement established by statute. PILOTS are paid on an annual basis and allocated to the eligible taxing districts according to their proportionate share of ad valorem property taxes. Section 100.800 of the RSMo does provide for the recapture of abated taxes, sometimes referred to as “claw back” provisions, in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

Under the Chapter 100 Revenue Bonds, the City had one tax abatement project during the year ended March 31, 2023. The total PILOTS paid under this agreement totaled \$668,599 during this year, of which \$88,645 was retained by the City and \$579,954 was passed on to the other eligible taxing districts. The total property taxes abated under this agreement totaled \$473,468 during the year.

***Property Tax Abatement under Sections 135.950 to 135.973, RSMo (Enhanced Enterprise Zones)***

Enhanced Enterprise Zones (EEZs) are specific geographic areas designated by local government and certified by the Missouri Department of Economic Development. The Zone designation is based on certain demographic criteria, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development. Eligible businesses located within the EEZ target receive at minimum a local property tax abatement of 50% for ten years.

Under the Enhanced Enterprise Zone Program, the City had several abatements during the year ended March 31, 2023. The total property taxes abated under this program totaled \$436,020 during the year.

#### 14. RESTATEMENTS

During the year ended March 31, 2023, the City implemented GASB Statement No. 87, *Leases*, which improved the accounting and financial reporting for leases by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases. These changes were incorporated in the City's financial statements as of and for the year ended March 31, 2023, which required restatements to net position and fund balance.

Also during the year ended March 31, 2023, the City determined certain prior year balances were incorrect and needed to be restated.

As a result, net position and fund balance as of March 31, 2023, were restated as follows:

	Net position/ fund balance, as previously reported	Effect of restatements	Net position/ fund balance, as restated
Governmental activities	\$ 95,906,139	\$ 47,032	\$ 95,953,171
Business-type activities	47,217,551	(423,826)	46,793,725
Governmental funds:			
Major funds:			
Capital Project Fund	5,898,990	(321,509)	5,577,481
Non-major funds			
MFA Sales Tax Sharing Fund	(45,834)	47,030	1,196
Proprietary funds:			
Wastewater Fund	22,992,100	(342,872)	22,649,228
Water Fund	25,209,020	(47,028)	25,161,992
Sanitation Fund	(983,569)	(33,926)	(1,017,495)

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**Year Ended March 31, 2023**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 13,001,627	\$ 11,830,814	\$ 12,120,813	\$ 880,814
Licenses and permits	1,044,209	685,974	800,324	243,885
Charges for services	162,479	208,050	173,843	(11,364)
Intergovernmental revenue	63,195	2,328,754	2,317,760	(2,254,565)
Fines and forfeitures	138,331	147,114	133,807	4,524
Lease revenue	2,154	-	-	2,154
Other revenue	630,522	292,728	378,231	252,291
Total revenues	<u>15,042,517</u>	<u>15,493,434</u>	<u>15,924,778</u>	<u>(882,261)</u>
<b>EXPENDITURES</b>				
General government	5,604,549	4,444,489	5,237,117	(367,432)
Public safety	10,039,615	9,783,632	10,143,572	103,957
Transportation	345,525	362,263	368,604	23,079
Economic development	22,750	-	-	22,750
Capital outlay	-	1,031,356	940,169	940,169
Total expenditures	<u>16,012,439</u>	<u>15,621,740</u>	<u>16,689,462</u>	<u>722,523</u>
Deficiency of revenues under expenditures	<u>(969,922)</u>	<u>(128,306)</u>	<u>(764,684)</u>	<u>(205,238)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,976,220	2,854,990	1,975,308	912
Transfers (out)	<u>(65,944)</u>	<u>(1,436,815)</u>	<u>1,063,185</u>	<u>(1,129,129)</u>
Total other financing sources	<u>1,910,276</u>	<u>1,418,175</u>	<u>3,038,493</u>	<u>(1,128,217)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 940,354</u>	<u>\$ 1,289,869</u>	<u>\$ 2,273,809</u>	<u>\$ (1,333,455)</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION FUND  
Year Ended March 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 3,559,908	\$ 3,421,842	\$ 3,507,842	\$ 52,066
Charges for services	626,822	418,450	483,450	143,372
Intergovernmental revenue	1,074,372	943,291	1,043,291	31,081
Lease revenue	2,538	-	-	2,538
Other revenue	37,300	183,165	146,301	(109,001)
Total revenues	<u>5,300,940</u>	<u>4,966,748</u>	<u>5,180,884</u>	<u>120,056</u>
<b>EXPENDITURES</b>				
Transportation	4,410,115	3,611,554	3,388,877	(1,021,238)
Capital outlay	-	1,450,014	1,451,014	1,451,014
Total expenditures	<u>4,410,115</u>	<u>5,061,568</u>	<u>4,839,891</u>	<u>429,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>890,825</u>	<u>(94,820)</u>	<u>340,993</u>	<u>549,832</u>
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	<u>(1,040,129)</u>	<u>(500,000)</u>	<u>(1,021,370)</u>	<u>(18,759)</u>
Total other financing (uses)	<u>(1,040,129)</u>	<u>(500,000)</u>	<u>(1,021,370)</u>	<u>(18,759)</u>
Deficiency of revenues under expenditures and other financing (uses)	<u>\$ (149,304)</u>	<u>\$ (594,820)</u>	<u>\$ (680,377)</u>	<u>\$ 531,073</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE**

**PARK FUND**

**Year Ended March 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 4,225,029	\$ 3,958,798	4,122,798	\$ 102,231
Charges for services	1,343,614	1,528,900	1,525,900	(182,286)
Contributions	19,120	140,000	140,000	(120,880)
Lease revenue	24,899	-	-	24,899
Other revenue	13,742	35,814	38,814	(25,072)
Total revenues	<u>5,626,404</u>	<u>5,663,512</u>	<u>5,827,512</u>	<u>(201,108)</u>
<b>EXPENDITURES</b>				
Parks and recreation	5,121,223	4,317,046	4,496,792	(624,431)
Capital outlay	-	700,100	724,000	724,000
Total expenditures	<u>5,121,223</u>	<u>5,017,146</u>	<u>5,220,792</u>	<u>99,569</u>
Excess of revenues over expenditures	<u>505,181</u>	<u>646,366</u>	<u>606,720</u>	<u>(101,539)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,000	753,138	15,000	-
Transfers (out)	(883,267)	(126,590)	(864,728)	(18,539)
Total other financing sources (uses)	<u>(868,267)</u>	<u>626,548</u>	<u>(849,728)</u>	<u>(18,539)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (363,086)</u>	<u>\$ 1,272,914</u>	<u>\$ (243,008)</u>	<u>\$ (120,078)</u>

## CITY OF SEDALIA

### LAGERS (PENSION PLAN) – CITY SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS March 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 833,992	\$ 892,587	\$ 790,187	\$ 785,279	\$ 817,636	\$ 800,053	\$ 782,987	\$ 766,176
Interest on the total pension liability	2,910,870	3,544,509	2,779,562	2,093,815	2,015,117	1,901,844	1,760,068	1,661,198
Benefit changes	-	-	-	8,553,204	-	-	-	-
Difference between expected and actual experience	(167,047)	(10,287,957)	761,173	(299,985)	(486,500)	(62,084)	(778,678)	(60,682)
Assumption changes	-	(2,130,281)	1,621,669	-	-	-	1,149,316	-
Benefit payments	(2,226,269)	(2,195,141)	(2,067,874)	(1,297,893)	(1,193,669)	(982,158)	(951,487)	(1,068,909)
Plan amendment	-	-	9,593,332	-	-	-	-	-
Net change in total pension liability	1,351,546	(10,176,283)	13,478,049	9,834,420	1,152,584	1,657,655	1,962,206	1,297,783
Total pension liability beginning	42,268,212	52,444,495	38,966,446	29,132,026	27,979,442	26,321,787	24,359,581	23,061,798
Total pension liability ending	<u>\$ 43,619,758</u>	<u>\$ 42,268,212</u>	<u>\$ 52,444,495</u>	<u>\$ 38,966,446</u>	<u>\$ 29,132,026</u>	<u>\$ 27,979,442</u>	<u>\$ 26,321,787</u>	<u>\$ 24,359,581</u>
Plan fiduciary net position								
Contributions - employer	\$ 1,744,707	\$ 1,708,617	\$ 1,651,346	\$ 4,432,048	\$ 1,108,950	\$ 1,098,718	\$ 1,091,690	\$ 1,081,010
Contributions - employee	-	-	55,163	-	-	-	-	-
Pension plan net investment income	32,050	9,971,942	437,231	1,867,412	3,249,663	2,733,145	(48,800)	450,341
Benefit payments	(2,226,269)	(2,195,141)	(2,067,874)	(1,297,893)	(1,193,669)	(982,158)	(951,487)	(1,068,909)
Pension plan administrative expense	(45,854)	(40,881)	(53,240)	(39,247)	(25,525)	(25,203)	(24,904)	(26,656)
Other	(1,597,473)	1,424,933	(154,474)	209,504	(116,880)	37,000	(392,432)	(156,418)
Net change in plan fiduciary net position	(2,092,839)	10,869,470	(131,848)	5,171,824	3,022,539	2,861,502	(325,933)	279,368
Plan fiduciary net position beginning	44,949,396	34,079,926	34,211,774	29,039,950	26,017,411	23,155,909	23,481,842	23,202,474
Plan fiduciary net position ending	<u>\$ 42,856,557</u>	<u>\$ 44,949,396</u>	<u>\$ 34,079,926</u>	<u>\$ 34,211,774</u>	<u>\$ 29,039,950</u>	<u>\$ 26,017,411</u>	<u>\$ 23,155,909</u>	<u>\$ 23,481,842</u>
Net pension liability/(asset)	<u>\$ 763,201</u>	<u>\$ (2,681,184)</u>	<u>\$ 18,364,569</u>	<u>\$ 4,754,672</u>	<u>\$ 92,076</u>	<u>\$ 1,962,031</u>	<u>\$ 3,165,878</u>	<u>\$ 877,739</u>
Plan fiduciary net position as a percentage of the total pension liability	98.25%	106.34%	64.98%	87.80%	99.68%	92.99%	87.97%	96.40%
Covered payroll	\$ 7,165,912	\$ 7,032,650	\$ 6,943,389	\$ 6,489,988	\$ 6,649,944	\$ 6,986,316	\$ 6,655,067	\$ 6,680,131
Net pension liability/(asset) as a percentage of covered payroll	10.65%	-38.12%	264.49%	73.26%	1.38%	28.08%	47.57%	13.14%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF SEDALIA**

**LAGERS (PENSION PLAN) - LIBRARY**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**March 31, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 28,636	\$ 31,816	\$ 31,289	\$ 28,699	\$ 30,363	\$ 29,263	\$ 24,660	\$ 23,977
Interest on the total pension liability	84,966	88,840	85,469	80,577	76,316	71,959	66,675	61,180
Difference between expected and actual experience	39,321	(4,517)	(15,183)	11,828	4,185	4,786	(14,776)	43,528
Assumption changes	-	(59,059)	-	-	-	-	38,715	-
Benefit payments	(79,403)	(55,189)	(55,460)	(54,371)	(48,273)	(44,704)	(44,588)	(61,582)
Net change in total pension liability	73,520	1,891	46,115	66,733	62,591	61,304	70,686	67,103
Total pension liability beginning	1,238,758	1,236,867	1,190,752	1,124,019	1,061,428	1,000,124	929,438	862,335
Total pension liability ending	<u>\$ 1,312,278</u>	<u>\$ 1,238,758</u>	<u>\$ 1,236,867</u>	<u>\$ 1,190,752</u>	<u>\$ 1,124,019</u>	<u>\$ 1,061,428</u>	<u>\$ 1,000,124</u>	<u>\$ 929,438</u>
Plan fiduciary net position								
Contributions - employer	\$ 50,270	\$ 65,235	\$ 63,108	\$ 61,752	\$ 52,044	\$ 55,607	\$ 48,626	\$ 45,438
Pension plan net investment income	892	276,305	12,621	61,867	105,542	84,537	(2,114)	13,870
Benefit payments	(79,403)	(55,189)	(55,460)	(54,371)	(48,273)	(44,704)	(44,588)	(61,582)
Pension plan administrative expense	(1,546)	(1,334)	(1,747)	(1,690)	(1,195)	(1,096)	(1,094)	(1,212)
Other	80,520	1,526	(11,270)	12,501	10,645	10,927	(5,561)	(15,982)
Net change in plan fiduciary net position	50,733	286,543	7,252	80,059	118,763	105,271	(4,731)	(19,468)
Plan fiduciary net position beginning	1,321,644	1,035,101	1,027,849	947,790	829,027	723,756	728,487	747,955
Plan fiduciary net position ending	<u>\$ 1,372,377</u>	<u>\$ 1,321,644</u>	<u>\$ 1,035,101</u>	<u>\$ 1,027,849</u>	<u>\$ 947,790</u>	<u>\$ 829,027</u>	<u>\$ 723,756</u>	<u>\$ 728,487</u>
Net pension liability/(asset)	<u>\$ (60,099)</u>	<u>\$ (82,886)</u>	<u>\$ 201,766</u>	<u>\$ 162,903</u>	<u>\$ 176,229</u>	<u>\$ 232,401</u>	<u>\$ 276,368</u>	<u>\$ 200,951</u>
Plan fiduciary net position as a percentage of the total pension liability	104.58%	106.69%	83.69%	86.32%	84.32%	78.10%	72.37%	78.38%
Covered payroll	\$ 182,070	\$ 245,249	\$ 238,626	\$ 220,923	\$ 208,499	\$ 226,764	\$ 197,851	\$ 171,030
Net pension liability/(asset) as a percentage of covered payroll	-33.01%	-33.80%	84.55%	73.74%	84.52%	102.49%	139.68%	117.49%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.*

## CITY OF SEDALIA

### LAGERS (PENSION PLAN) - WATER SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS March 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 72,576	\$ 78,917	\$ 77,215	\$ 88,297	\$ 95,048	\$ 96,379	\$ 95,986	\$ 92,032
Interest on the total pension liability	513,321	573,779	558,107	503,805	490,769	484,758	447,224	429,548
Difference between expected and actual experience	220,686	(431,532)	64,267	598,229	(29,739)	(238,135)	(74,158)	(43,550)
Assumption changes	-	(225,883)	-	-	-	-	292,759	-
Benefit payments	(607,808)	(539,485)	(430,936)	(440,676)	(307,554)	(212,984)	(274,521)	(199,141)
Net change in total pension liability	198,775	(544,204)	268,653	749,655	248,524	130,018	487,290	278,889
Total pension liability beginning	7,596,249	8,140,453	7,871,800	7,122,145	6,873,621	6,743,603	6,256,313	5,977,424
Total pension liability ending	<u>\$ 7,795,024</u>	<u>\$ 7,596,249</u>	<u>\$ 8,140,453</u>	<u>\$ 7,871,800</u>	<u>\$ 7,122,145</u>	<u>\$ 6,873,621</u>	<u>\$ 6,743,603</u>	<u>\$ 6,256,313</u>
Plan fiduciary net position								
Contributions - employer	\$ 124,353	\$ 137,073	\$ 120,591	\$ 141,273	\$ 190,833	\$ 185,053	\$ 195,838	\$ 202,067
Pension plan net investment income	5,308	1,815,922	103,047	516,355	809,919	659,620	(13,473)	115,738
Benefit payments	(607,808)	(539,485)	(430,936)	(440,676)	(307,554)	(212,984)	(274,521)	(199,141)
Pension plan administrative expense	(5,412)	(4,824)	(6,450)	(5,550)	(4,182)	(4,129)	(4,037)	(4,567)
Other	99,094	(281,367)	64,991	279,758	28,511	(28,911)	9,248	119,878
Net change in plan fiduciary net position	(384,465)	1,127,319	(148,757)	491,160	717,527	598,649	(86,945)	233,975
Plan fiduciary net position beginning	8,477,943	7,350,624	7,499,381	7,008,221	6,290,694	5,692,045	5,778,990	5,545,015
Plan fiduciary net position ending	<u>\$ 8,093,478</u>	<u>\$ 8,477,943</u>	<u>\$ 7,350,624</u>	<u>\$ 7,499,381</u>	<u>\$ 7,008,221</u>	<u>\$ 6,290,694</u>	<u>\$ 5,692,045</u>	<u>\$ 5,778,990</u>
Net pension liability/(asset)	<u>\$ (298,454)</u>	<u>\$ (881,694)</u>	<u>\$ 789,829</u>	<u>\$ 372,419</u>	<u>\$ 113,924</u>	<u>\$ 582,927</u>	<u>\$ 1,051,558</u>	<u>\$ 477,323</u>
Plan fiduciary net position as a percentage of the total pension liability	103.83%	111.61%	90.30%	95.27%	98.40%	91.52%	84.41%	92.37%
Covered payroll	\$ 662,816	\$ 686,830	\$ 788,808	\$ 739,997	\$ 946,395	\$ 947,070	\$ 965,777	\$ 928,744
Net pension liability/(asset) as a percentage of covered payroll	-45.03%	-128.37%	100.13%	50.33%	12.04%	61.55%	108.88%	51.39%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.*

**CITY OF SEDALIA**

**LAGERS (PENSION PLAN) - CITY  
SCHEDULE OF CONTRIBUTIONS  
March 31, 2023**

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 1,734,642	\$ 1,172,012	\$ 1,150,720	\$ 1,092,953	\$ 1,096,890
Contributions in relation to the actuarially determined contribution	1,732,116	1,165,335	1,150,720	1,092,953	1,096,889
Contribution deficiency (excess)	\$ 2,526	\$ 6,677	\$ -	\$ -	\$ 1
Covered payroll	\$ 9,998,300	\$ 7,135,632	\$ 7,304,056	\$ 6,950,144	\$ 6,829,058
Contributions as a percentage of covered payroll	17.32%	16.33%	15.75%	15.73%	16.06%
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,125,662	\$ 1,132,767	\$ 1,098,082	\$ 1,071,353	\$ 1,048,392
Contributions in relation to the actuarially determined contribution	1,113,607	1,132,766	1,098,082	1,062,010	960,183
Contribution deficiency (excess)	\$ 12,055	\$ 1	\$ -	\$ 9,343	\$ 88,209
Covered payroll	\$ 6,950,588	\$ 7,337,516	\$ 6,975,638	\$ 6,609,995	\$ 6,278,066
Contributions as a percentage of covered payroll	16.02%	15.44%	15.74%	16.07%	15.29%

**CITY OF SEDALIA**

**LAGERS (PENSION PLAN) – LIBRARY  
SCHEDULE OF CONTRIBUTIONS  
March 31, 2023**

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 48,229	\$ 53,418	\$ 65,318	\$ 62,494	\$ 60,959
Contributions in relation to the actuarially determined contribution	48,229	53,418	65,318	62,494	60,959
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 196,851	\$ 209,483	\$ 246,484	\$ 238,526	\$ 235,363
Contributions as a percentage of covered payroll	24.50%	25.50%	26.50%	26.20%	25.90%
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 55,356	\$ 60,515	\$ 47,394	\$ 47,028	\$ 40,238
Contributions in relation to the actuarially determined contribution	52,076	55,510	47,394	45,119	40,238
Contribution deficiency (excess)	\$ 3,280	\$ 5,005	\$ -	\$ 1,909	\$ -
Covered payroll	\$ 205,023	\$ 227,501	\$ 202,537	\$ 173,534	\$ 160,952
Contributions as a percentage of covered payroll	25.40%	24.40%	23.40%	26.00%	25.00%



**CITY OF SEDALIA**

**LAGERS (PENSION PLAN) - WATER  
SCHEDULE OF CONTRIBUTIONS**

**March 31, 2023**

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 153,585	\$ 165,375	\$ 168,923	\$ 121,726	\$ 161,121
Contributions in relation to the actuarially determined contribution	122,894	129,637	128,529	121,726	161,121
Contribution deficiency (excess)	\$ 30,691	\$ 35,738	\$ 40,394	\$ -	\$ -
Covered payroll	\$ 630,223	\$ 700,740	\$ 734,449	\$ 737,732	\$ 947,773
Contributions as a percentage of covered payroll	19.50%	18.50%	17.50%	16.50%	17.00%
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 186,393	\$ 183,875	\$ 206,086	\$ 207,755	\$ 203,453
Contributions in relation to the actuarially determined contribution	186,392	183,875	206,086	203,138	184,958
Contribution deficiency (excess)	\$ 1	\$ -	\$ -	\$ 4,617	\$ 18,495
Covered payroll	\$ 991,450	\$ 938,135	\$ 1,000,420	\$ 923,356	\$ 880,749
Contributions as a percentage of covered payroll	18.80%	19.60%	20.60%	22.00%	21.00%

**CITY OF SEDALIA**

**FIRE PENSION FUND**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

**March 31, 2023**

	2022	2021	2020	2019	2018	2017	2016
Total pension liability							
Service cost	\$ 189,053	\$ 189,377	\$ 180,182	\$ 160,454	\$ 148,232	\$ 138,608	\$ 138,948
Interest on the total pension liability	793,089	779,113	753,900	761,117	750,063	741,030	703,414
Difference between expected and actual experience	(70,714)	19,231	106,307	(82,067)	22,165	(10,253)	(340,276)
Assumption changes	16,808	(37,046)	54,086	(23,976)	89,091	(100,970)	696,590
Benefit payments	(788,636)	(712,758)	(774,207)	(1,102,512)	(625,207)	(672,768)	(649,155)
Plan amendment	(1,470,570)	-	-	-	-	-	-
Net change in total pension liability	(1,330,970)	237,917	320,268	(286,984)	384,344	95,647	549,521
Total pension liability beginning	11,535,109	11,297,192	10,976,924	11,263,908	10,879,564	10,783,917	10,234,396
Total pension liability ending	<u>\$ 10,204,139</u>	<u>\$ 11,535,109</u>	<u>\$ 11,297,192</u>	<u>\$ 10,976,924</u>	<u>\$ 11,263,908</u>	<u>\$ 10,879,564</u>	<u>\$ 10,783,917</u>
Plan fiduciary net position							
Contributions - employer	\$ 288,965	\$ 295,401	\$ 282,680	\$ 245,427	\$ 328,018	\$ 220,408	\$ 197,176
Contributions - property tax revenues	147,571	147,927	145,891	122,386	122,127	133,018	134,275
Pension plan net investment income	470,077	2,508,493	(458,203)	402,513	499,240	605,999	(141,491)
Benefit payments	(788,636)	(712,758)	(774,207)	(1,102,512)	(625,207)	(672,768)	(649,155)
Pension plan administrative expense	(66,500)	(55,524)	(55,673)	(57,757)	(34,704)	(33,340)	(32,548)
Net change in plan fiduciary net position	51,477	2,183,539	(859,512)	(389,943)	289,474	253,317	(491,743)
Plan fiduciary net position beginning	8,463,059	6,279,520	7,139,032	7,528,975	7,239,501	6,986,184	7,477,927
Plan fiduciary net position ending	<u>\$ 8,514,536</u>	<u>\$ 8,463,059</u>	<u>\$ 6,279,520</u>	<u>\$ 7,139,032</u>	<u>\$ 7,528,975</u>	<u>\$ 7,239,501</u>	<u>\$ 6,986,184</u>
Net pension liability	<u>\$ 1,689,603</u>	<u>\$ 3,072,050</u>	<u>\$ 5,017,672</u>	<u>\$ 3,837,892</u>	<u>\$ 3,734,933</u>	<u>\$ 3,640,063</u>	<u>\$ 3,797,733</u>
Plan fiduciary net position as a percentage of the total pension liability	83.44%	73.37%	55.58%	65.04%	66.84%	66.54%	64.78%
Covered payroll	\$ 2,391,280	\$ 2,440,689	\$ 2,311,800	\$ 2,076,144	\$ 2,020,044	\$ 1,906,721	\$ 1,745,386
Net pension liability as a percentage of covered payroll	70.66%	125.87%	217.05%	184.86%	184.89%	190.91%	217.59%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.*

**CITY OF SEDALIA**

**FIRE PENSION FUND  
SCHEDULE OF CONTRIBUTIONS  
March 31, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 460,030	\$ 461,365	\$ 417,212	\$ 385,272
Contributions in relation to the actuarially determined contribution	436,536	443,328	428,571	367,813
Contribution deficiency (excess)	<u>\$ 23,494</u>	<u>\$ 18,037</u>	<u>\$ (11,359)</u>	<u>\$ 17,459</u>
Covered payroll	\$ 2,391,280	\$ 2,440,689	\$ 2,311,800	\$ 2,076,144
Contributions as a percentage of covered payroll	18.26%	18.16%	18.54%	17.72%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 362,295	\$ 439,494	\$ 358,679	\$ 331,814
Contributions in relation to the actuarially determined contribution	450,145	353,426	331,451	367,229
Contribution deficiency (excess)	<u>\$ (87,850)</u>	<u>\$ 86,068</u>	<u>\$ 27,228</u>	<u>\$ (35,415)</u>
Covered payroll	\$ 2,020,044	\$ 1,906,721	\$ 1,745,386	\$ 1,694,537
Contributions as a percentage of covered payroll	22.28%	18.54%	18.99%	21.67%

## **SUPPLEMENTARY INFORMATION**

**CITY OF SEDALIA**

**COMBINING BALANCE SHEET**

**NON-MAJOR FUNDS**

**March 31, 2023**

	Special Revenue Funds								
	Special Business District Fund	Fire Academy Fund	Midtown Special Allocation Fund	The Crossings CID Fund	Galaxy West CID Fund	MFA Sales Tax Sharing Fund	Lamy's Sales Tax Sharing Fund	Opioid Settlement Fund	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ 160,314	\$ 16,167	\$ 9,534	\$ 2,701	\$ 44,060	\$ -	\$ -	\$ 71,150	\$ 303,926
Taxes receivable	-	-	-	-	396	-	-	-	396
Other assets	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 160,314</b>	<b>\$ 16,167</b>	<b>\$ 9,534</b>	<b>\$ 2,701</b>	<b>\$ 44,456</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,150</b>	<b>\$ 304,322</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ 200	\$ -	\$ 4,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,748
Total liabilities	200	-	4,548	-	-	-	-	-	4,748
<b>FUND BALANCES</b>									
Restricted for:									
Community development	160,114	-	-	-	-	-	-	-	160,114
Public safety	-	16,167	-	-	-	-	-	71,150	87,317
Economic development	-	-	4,986	2,701	44,456	-	-	-	52,143
Total fund balances	160,114	16,167	4,986	2,701	44,456	-	-	71,150	299,574
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 160,314</b>	<b>\$ 16,167</b>	<b>\$ 9,534</b>	<b>\$ 2,701</b>	<b>\$ 44,456</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,150</b>	<b>\$ 304,322</b>

**CITY OF SEDALIA**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**NON-MAJOR FUNDS**

**Year Ended March 31, 2023**

	Special Revenue Funds								Total
	Special Business District Fund	Fire Academy Fund	Midtown Special Allocation Fund	The Crossings CID Fund	Galaxy West CID Fund	MFA Sales Tax Sharing Fund	Lamy's Sales Tax Sharing Fund	Opioid Settlement Fund	
<b>REVENUES</b>									
Taxes	\$ 40,908	\$ -	\$ 263,277	\$ 26,770	\$ 107,980	\$ -	\$ -	\$ -	\$ 438,935
Charges for services	-	15,500	-	-	-	-	-	-	15,500
Intergovernmental revenue	5,000	-	-	-	-	-	-	-	5,000
Other revenue	13,895	403	5,547	-	-	-	-	71,150	90,995
<b>TOTAL REVENUES</b>	<b>59,803</b>	<b>15,903</b>	<b>268,824</b>	<b>26,770</b>	<b>107,980</b>	<b>-</b>	<b>-</b>	<b>71,150</b>	<b>550,430</b>
<b>EXPENDITURES</b>									
Current:									
Community development	30,278	-	-	-	-	-	-	-	30,278
Public safety	-	10,388	-	-	-	-	-	-	10,388
Economic development	-	-	48,444	87,558	219,255	19,938	43,297	-	418,492
Total expenditures	30,278	10,388	48,444	87,558	219,255	19,938	43,297	-	459,158
Excess (deficiency) of revenues over (under) expenditures	29,525	5,515	220,380	(60,788)	(111,275)	(19,938)	(43,297)	71,150	91,272
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	5,413	-	84,843	18,742	86,594	-	195,592
Transfers (out)	-	-	(261,000)	(912)	-	-	-	-	(261,912)
Total other financing sources (uses)	-	-	(255,587)	(912)	84,843	18,742	86,594	-	(66,320)
Net change in fund balances	29,525	5,515	(35,207)	(61,700)	(26,432)	(1,196)	43,297	71,150	24,952
Fund balances, April 1 (as restated)	130,589	10,652	40,193	64,401	70,888	1,196	(43,297)	-	274,622
<b>FUND BALANCES, MARCH 31</b>	<b>\$ 160,114</b>	<b>\$ 16,167</b>	<b>\$ 4,986</b>	<b>\$ 2,701</b>	<b>\$ 44,456</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,150</b>	<b>\$ 299,574</b>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL BUSINESS DISTRICT FUND  
Year Ended March 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 40,908	\$ 42,638	\$ 41,590	\$ (682)
Intergovernmental revenue	5,000	-	-	5,000
Other revenue	13,895	-	1,048	12,847
Total revenues	<u>59,803</u>	<u>42,638</u>	<u>42,638</u>	<u>17,165</u>
<b>EXPENDITURES</b>				
Community development	30,278	86,100	86,100	55,822
Capital outlay	-	40,000	40,000	40,000
Total expenditures	<u>30,278</u>	<u>126,100</u>	<u>126,100</u>	<u>95,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 29,525</u>	<u>\$ (83,462)</u>	<u>\$ (83,462)</u>	<u>\$ 112,987</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE**

**FIRE ACADEMY FUND**

**Year Ended March 31, 2023**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 15,500	\$ 22,500	\$ 22,500	\$ (7,000)
Other revenue	403	38	38	365
Total revenues	<u>15,903</u>	<u>22,538</u>	<u>22,538</u>	<u>(6,635)</u>
<b>EXPENDITURES</b>				
Public safety	<u>10,388</u>	<u>22,074</u>	<u>26,074</u>	<u>15,686</u>
Total expenditures	<u>10,388</u>	<u>22,074</u>	<u>26,074</u>	<u>15,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,515</u>	<u>\$ 464</u>	<u>\$ (3,536)</u>	<u>\$ 9,051</u>



**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
MIDTOWN SPECIAL ALLOCATION FUND  
Year Ended March 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 263,277	\$ 237,280	\$ 237,280	\$ 25,997
Other revenue	5,547	1,707	1,707	3,840
Total revenues	<u>268,824</u>	<u>238,987</u>	<u>238,987</u>	<u>29,837</u>
<b>EXPENDITURES</b>				
Economic development	48,444	2,607	9,107	(39,337)
Capital outlay	-	-	42,000	42,000
Total expenditures	<u>48,444</u>	<u>2,607</u>	<u>51,107</u>	<u>2,663</u>
Excess of revenues over expenditures	<u>220,380</u>	<u>236,380</u>	<u>187,880</u>	<u>32,500</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,413	-	-	5,413
Transfers (out)	(261,000)	(262,793)	(262,793)	1,793
Total other financing (uses)	<u>(255,587)</u>	<u>(262,793)</u>	<u>(262,793)</u>	<u>7,206</u>
Deficiency of revenues under expenditures and other financing (uses)	<u>\$ (35,207)</u>	<u>\$ (26,413)</u>	<u>\$ (74,913)</u>	<u>\$ 39,706</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
THE CROSSINGS CID FUND  
Year Ended March 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 26,770	\$ -	\$ -	\$ 26,770
Total revenues	<u>26,770</u>	<u>-</u>	<u>-</u>	<u>26,770</u>
EXPENDITURES				
Economic development	87,558			(87,558)
Total expenditures	<u>87,558</u>	<u>-</u>	<u>-</u>	<u>(87,558)</u>
Deficiency of revenues under expenditures	<u>(60,788)</u>	<u>-</u>	<u>-</u>	<u>(60,788)</u>
OTHER FINANCING (USES)				
Transfers (out)	(912)			(912)
Total other financing (uses)	<u>(912)</u>	<u>-</u>	<u>-</u>	<u>(912)</u>
Deficiency of revenues under expenditures and other financing (uses)	<u>\$ (61,700)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,700)</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
GALAXY WEST CID FUND  
Year Ended March 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 107,980	\$ 22,207	\$ 22,207	\$ 85,773
Total revenues	<u>107,980</u>	<u>22,207</u>	<u>22,207</u>	<u>85,773</u>
<b>EXPENDITURES</b>				
Economic development	219,255	-	312,305	93,050
Total expenditures	<u>219,255</u>	<u>-</u>	<u>312,305</u>	<u>93,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,275)</u>	<u>22,207</u>	<u>(290,098)</u>	<u>178,823</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	84,843	-	-	84,843
Total other financing (uses)	<u>84,843</u>	<u>-</u>	<u>-</u>	<u>84,843</u>
Excess (deficiency) of revenues and other financing (uses) over (under) expenditures	<u>\$ (26,432)</u>	<u>\$ 22,207</u>	<u>\$ (290,098)</u>	<u>\$ 263,666</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
MFA SALES TAX SHARING FUND  
Year Ended March 31, 2023**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable/ (Unfavorable)
EXPENDITURES				
Economic development	\$ 19,938	\$ -	\$ 22,000	\$ 2,062
Total expenditures	<u>19,938</u>	<u>-</u>	<u>22,000</u>	<u>2,062</u>
OTHER FINANCING SOURCES				
Transfers in	<u>18,742</u>	<u>-</u>	<u>-</u>	<u>18,742</u>
Total other financing sources	<u>18,742</u>	<u>-</u>	<u>-</u>	<u>18,742</u>
Deficiency of other financing sources under expenditures	<u>\$ (1,196)</u>	<u>\$ -</u>	<u>\$ (22,000)</u>	<u>\$ 20,804</u>

**CITY OF SEDALIA**

**BUDGETARY COMPARISON SCHEDULE  
LAMY'S SALES TAX SHARING FUND  
Year Ended March 31, 2023**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable/ (Unfavorable)
EXPENDITURES				
Economic development	\$ 43,297	\$ -	\$ -	\$ (43,297)
Total expenditures	<u>43,297</u>	<u>-</u>	<u>-</u>	<u>(43,297)</u>
OTHER FINANCING SOURCES				
Transfers in	86,594	-	-	86,594
Total other financing sources	<u>86,594</u>	<u>-</u>	<u>-</u>	<u>86,594</u>
Excess of other financing sources over expenditures	<u>\$ 43,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,297</u>

**CITY OF SEDALIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**OPIOID SETTLEMENT FUND**  
**Year Ended March 31, 2023**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Favorable/ (Unfavorable)
REVENUES				
Other revenue	\$ 71,150	\$ -	\$ -	\$ 71,150
Total revenues	<u>71,150</u>	<u>-</u>	<u>-</u>	<u>71,150</u>
Excess revenues	<u>\$ 71,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,150</u>

## **OTHER INFORMATION**

**Bothwell Regional Health Center**  
**A Component Unit of the City of Sedalia, Missouri**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2022**

<b>Federal Grantor/ Pass-Through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity or Other Identifying Number</b>	<b>Passed through to Subrecipients</b>	<b>Total Federal Expenditures</b>
U.S. Department of Health and Human Services COVID-19 Provider Relief Fund	93.498	N/A	\$ -	\$ 13,242,752
U.S. Department of Health and Human Services COVID-19 Uninsured Program	93.461	N/A	-	1,187,956
			<u>\$ -</u>	<u>\$ 14,430,708</u>

The accompanying notes are an integral part of this schedule



**Bothwell Regional Health Center**  
**A Component Unit of the City of Sedalia, Missouri**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2022**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Bothwell Regional Health Center (the Health Center) under programs of the federal government for the year ended May 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health Center, it is not intended to and does not present the financial position, changes in net position or cash flows of the Health Center.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or the awards' terms and conditions and FAQs issued by the U.S. Department of Health and Human Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3: Indirect Cost Rate**

The Health Center has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **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**

### **Independent Auditor's Report**

Board of Trustees  
Bothwell Regional Health Center  
Sedalia, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Bothwell Regional Health Center (the "Health Center"), collectively a component unit of the City of Sedalia, Missouri (the City), as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Health Center's basic financial statements, and have issued our report thereon dated August 24, 2022.

#### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Health Center's internal control over financial reporting (internal control) as a basis for designing 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 Health Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health Center'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 Health Center'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 or significant deficiencies may exist that were not identified.

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

As part of obtaining reasonable assurance about whether the Health Center's financial statements are free of 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 the financial statements. 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

Kansas City, Missouri  
August 24, 2022

## Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

### Independent Auditor's Report

Board of Trustees  
Bothwell Regional Health Center  
Sedalia, Missouri

#### Report on Compliance for Each Major Federal Program

##### *Opinion on Each Major Federal Program*

We have audited Bothwell Regional Health Center's (the "Health Center"), collectively a component unit of the City of Sedalia, Missouri (the City), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health Center's major federal programs for the year ended May 31, 2022. The Health Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Health Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2022.

##### *Basis for Opinion on Each Major Federal Program*

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

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

### ***Auditor's Responsibilities 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 Health Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as 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 Health Center's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment 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 Health Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Health Center'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 Health Center'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

**FORVIS,LLP**

Kansas City, Missouri  
August 24, 2022

**Bothwell Regional Health Center**  
**A Component Unit of the City of Sedalia, Missouri**  
**Schedule of Findings and Questioned Costs**  
**Year Ended May 31, 2022**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  
 Unmodified     Qualified     Adverse     Disclaimer
  
2. Internal control over financial reporting:  
 Significant deficiency(ies) identified?     Yes     None reported  
 Material weakness(es) identified?     Yes     No
  
3. Noncompliance material to the financial statements noted?     Yes     No

*Federal Awards*

4. Internal control over major federal awards programs:  
 Significant deficiency(ies) identified?     Yes     None reported  
 Material weakness(es) identified?     Yes     No
  
5. Type of auditor’s report issued on compliance for major federal program(s):  
 Unmodified     Qualified     Adverse     Disclaimer
  
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?     Yes     No
  
7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
93.498	COVID-19 Provider Relief Fund
93.461	COVID-19 Uninsured Program

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
  
9. Auditee qualified as a low-risk auditee?     Yes     No

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

**Bothwell Regional Health Center**  
**A Component Unit of the City of Sedalia, Missouri**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended May 31, 2021**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.