

CITY OF SEDALIA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2025

CITY OF SEDALIA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2025

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 – 3
Management's Discussion and Analysis	4 – 10
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	16
Proprietary Funds:	
Statement of Net Position	17
Statement of Revenues, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19
Component Unit – Bothwell Regional Health Center:	
Statement of Cash Flows	20
Fiduciary Funds:	
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to the Financial Statements	23 – 52
Required Supplementary Information:	
Budgetary Comparison Schedule:	
General Fund	53
Transportation Fund	54
Park Fund	55
Pension Plan Schedules of Changes in Net Pension Liability and Related Ratios and Schedules of Contributions	56 – 63
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	65
Budgetary Comparison Schedules	66 – 75

TABLE OF CONTENTS (CONTINUED)

Single Audit Reports:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	76 – 77
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	78 – 80
Schedule of Expenditures of Federal Awards	81 – 82
Schedule of Findings and Questioned Costs	83 – 84
Summary Schedule of Prior Audit Findings	85

Other Information

INDEPENDENT AUDITOR'S 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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, 2024, 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 auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our 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 GAAP, 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.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government 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

GAAP 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 GAAS, 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 supplementary information listed in the table on contents (including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other 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, 2024, but does not include the basic financial statements and our auditor's 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

William F. Keefe, UC

Columbia, Missouri
August 25, 2025

CITY OF SEDALIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2025

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, 2025.

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 \$169,348,356 (net position). Of this amount, \$9,534,120 (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 \$5,639,550 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 \$20,838,087. Of this total, 41% is unassigned and available for use within the City's policies, and 59% 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 \$8,480,53, which is 47% of total General Fund expenditures.
- The City's certificates of participation decreased approximately \$4,611,000 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 approximately \$287,000 due to scheduled payments.
- The City's notes payable decreased approximately \$38,000 due to scheduled payments, which paid off the notes during the year.
- The City's revenue bonds decreased \$471,000 due to scheduled payments.
- In total the City's long-term debt decreased by approximately \$5,453,000.

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, sanitation, and airport 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 has two types of proprietary 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, sanitation, and airport operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund account for the self-insured health plan. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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 23-52.

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 53-63.

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 64-65.

Please also refer to the separately issued financial statements of 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 \$169,348,356 as of March 31, 2025.

The largest portion of the City's net position (87%) 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 are 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
	2025	2024	2025	2024	2025	2024		
Current and other assets	\$ 29,814,484	\$ 30,703,365	\$ 6,105,073	\$ 10,730,346	\$ 35,919,557	\$ 41,433,711	\$ (5,514,154)	-13.31%
Capital assets	119,339,020	126,394,392	92,826,957	81,616,154	212,165,977	208,010,546	4,155,431	2.00%
Total assets	149,153,504	157,097,757	98,932,030	92,346,500	248,085,534	249,444,257	(1,358,723)	-0.54%
Deferred outflows of resources	4,730,012	3,174,894	1,078,550	687,992	5,808,562	3,862,886	1,945,676	50.37%
Total deferred outflows	4,730,012	3,174,894	1,078,550	687,992	5,808,562	3,862,886	1,945,676	50.37%
Long-term obligations	33,137,850	34,355,639	34,374,293	37,052,736	67,512,143	71,408,375	(3,896,232)	-5.46%
Other liabilities	10,399,242	10,627,631	5,882,846	4,459,282	16,282,088	15,086,913	1,195,175	7.92%
Total liabilities	43,537,092	44,983,270	40,257,139	41,512,018	83,794,231	86,495,288	(2,701,057)	-3.12%
Deferred inflows of resources	51,719	2,073,856	699,790	1,029,193	751,509	3,103,049	(2,351,540)	-75.78%
Total deferred inflows	51,719	2,073,856	699,790	1,029,193	751,509	3,103,049	(2,351,540)	-75.78%
Net position								
Net investment in capital assets	91,545,483	96,116,259	56,465,872	42,286,442	148,011,355	138,402,701	9,608,654	6.94%
Restricted	11,802,881	12,413,580	-	-	11,802,881	12,413,580	(610,699)	-4.92%
Unrestricted	6,946,341	4,685,686	2,587,779	8,206,839	9,534,120	12,892,525	(3,358,405)	-26.05%
Total net position	\$ 110,294,705	\$ 113,215,525	\$ 59,053,651	\$ 50,493,281	\$ 169,348,356	\$ 163,708,806	\$ 5,639,550	3.44%

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 \$5,639,550 for the year ended March 31, 2025.

Governmental Activities: Governmental activities decreased net position by \$2,920,820

Business-type Activities: Business-type activities increased net position by \$8,560,370.

The following provides a summary of operations for the years ended March 31:

CITY OF SEDALIA CHANGE IN NET POSITION									
	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	% Change	
	2025	2024	2025	2024	2025	2024			
Revenues:									
Program revenues:									
Charges for services	\$ 1,700,520	\$ 2,202,674	\$ 15,445,785	\$ 15,303,018	\$ 17,146,305	\$ 17,505,692	\$ (359,387)	-2.05%	
Grants and contributions:									
Operating	3,376,652	530,291	71,476	-	3,448,128	530,291	2,917,837	550.23%	
Capital	7,032	13,309	-	-	7,032	13,309	(6,277)	-47.16%	
General revenues:									
Taxes	25,279,030	26,138,992	-	-	25,279,030	26,138,992	(859,962)	-3.29%	
Investment revenue	-	-	465,328	421,167	465,328	421,167	44,161	10.49%	
Contributions	(9,019,934)	-	9,019,934	-	-	-	-	100.00%	
Loss on disposal of capital assets	-	-	(567,817)	-	(567,817)	-	(567,817)	100.00%	
Transfers	773,332	1,249,280	(773,332)	(1,249,280)	-	-	-	100.00%	
Miscellaneous	5,217,797	4,402,135	75,915	350,535	5,293,712	4,752,670	541,042	11.38%	
Total revenues	27,334,429	34,536,681	23,737,289	14,825,440	51,071,718	49,362,121	1,709,597	3.46%	
Expenses:									
General government	4,005,611	4,815,917	-	-	4,005,611	4,815,917	(810,306)	-16.83%	
Public safety	12,992,625	11,490,173	-	-	12,992,625	11,490,173	1,502,452	13.08%	
Transportation	5,587,763	6,081,449	-	-	5,587,763	6,081,449	(493,686)	-8.12%	
Economic development	553,081	650,997	-	-	553,081	650,997	(97,916)	-15.04%	
Community development	21,622	21,402	-	-	21,622	21,402	220	1.03%	
Parks and recreation	6,345,662	5,565,347	-	-	6,345,662	5,565,347	780,315	14.02%	
Interest expense	748,885	801,720	-	-	748,885	801,720	(52,835)	-6.59%	
Wastewater	-	-	7,109,543	6,132,913	7,109,543	6,132,913	976,630	15.92%	
Water	-	-	5,452,208	4,298,443	5,452,208	4,298,443	1,153,765	26.84%	
Sanitation	-	-	1,533,295	1,815,760	1,533,295	1,815,760	(282,465)	-15.56%	
Airport	-	-	1,081,873	-	1,081,873	-	1,081,873		
Total expenses	30,255,249	29,427,005	15,176,919	12,247,116	45,432,168	41,674,121	3,758,047	9.02%	
Change in net position	(2,920,820)	5,109,676	8,560,370	2,578,324	5,639,550	7,688,000	(2,048,450)	-26.64%	
Net position, beginning	113,215,525	108,105,849	50,493,281	47,914,957	163,708,806	156,020,806	7,688,000	4.93%	
Net position, ending	\$ 110,294,705	\$ 113,215,525	\$ 59,053,651	\$ 50,493,281	\$ 169,348,356	\$ 163,708,806	\$ 5,639,550	3.44%	

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's governmental funds reported combined ending fund balances of \$20,838,087. This is a decrease of 7% from \$22,352,885. The resulting unassigned fund balance was \$8,480,053.

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 \$24,349,793; Water \$26,655,321; Sanitation (\$852,671); and Airport \$8,901,208. The funds had changes in net position from current year activities as follows: Wastewater \$353,469; Water (\$271,899); Sanitation (\$422,408); and Airport \$8,901,208.

General Fund budgetary highlights - The City spent \$178,721 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, 2025 amounts to \$212,165,977 (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
	2025	2024	2025	2024	2025	2024		
Land, rights, and improvements	\$ 6,019,567	\$ 7,182,626	\$ 3,945,675	\$ 2,706,189	\$ 9,965,242	\$ 9,888,815	\$ 76,427	0.8%
Construction in progress	2,883,828	610,980	4,656,878	5,191,219	7,540,706	5,802,199	1,738,507	30.0%
Structures, improvements, and plant equipment	46,835,185	55,938,032	30,689,647	24,398,420	77,524,832	80,336,452	(2,811,620)	-3.5%
Pumping and purification	-	-	49,016,269	45,939,989	49,016,269	45,939,989	3,076,280	6.7%
General equipment	6,554,613	6,036,939	4,518,488	3,354,849	11,073,101	9,391,788	1,681,313	17.9%
Infrastructure	56,988,330	56,548,638	-	-	56,988,330	56,548,638	439,692	0.8%
Leased equipment	57,497	77,177	-	25,488	57,497	102,665	(45,168)	-44.0%
Total capital assets	\$ 119,339,020	\$ 126,394,392	\$ 92,826,957	\$ 81,616,154	\$ 212,165,977	\$ 208,010,546	\$ 4,155,431	2.0%

Additional information on the City'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 approximately \$64.2 million of outstanding obligations. Of this amount, approximately \$58,000 represents financing leases that are expected to be repaid so long as the City appropriates funds for payment; approximately \$61,884,000 represents certificates of participation debt; approximately \$298,000 represents financed purchases; and \$1,915,000 represents revenue bonded debt backed by the revenues of the Water Department.

During the current fiscal year, the City's total debt decreased by approximately \$5,453,000.

CITY OF SEDALIA OUTSTANDING DEBT								
	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	% Change
	2025	2024	2025	2024	2025	2024		
Financing leases	\$ 58,224	\$ 77,118	\$ -	\$ 26,466	\$ 58,224	\$ 103,584	\$ (45,360)	-43.8%
Certificates of participation	27,735,313	30,201,015	34,148,225	36,293,471	61,883,538	66,494,486	(4,610,948)	-6.9%
Financed purchase	-	-	297,860	585,314	297,860	585,314	(287,454)	-49.1%
Notes payable	-	-	-	38,461	-	38,461	(38,461)	-100.0%
Revenue bonds	-	-	1,915,000	2,386,000	1,915,000	2,386,000	(471,000)	-19.7%
Total outstanding debt	\$ 27,793,537	\$ 30,278,133	\$ 36,361,085	\$ 39,329,712	\$ 64,154,622	\$ 69,607,845	\$ (5,453,223)	-7.8%

Additional information on the City'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, 2025**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bothwell Regional Health Center	Library
ASSETS					
Cash and cash equivalents	\$ 9,412,090	\$ 1,961,428	\$ 11,373,518	\$ 3,439,107	\$ 1,104,638
Restricted cash and cash equivalents	5,815,119	892,148	6,707,267	6,158,005	-
Investments	4,653,224	3,204,163	7,857,387	-	490,005
Accounts receivable	2,198,759	1,737,580	3,936,339	25,530,325	-
Taxes receivable	3,597,659	-	3,597,659	-	-
Leases receivable	443,261	618,655	1,061,916	-	-
Other receivables	19,944	6,931	26,875	4,448,612	1,817
Interfund balances	3,099,379	(3,099,379)	-	-	-
Inventory	64,068	557,941	622,009	2,609,406	-
Prepaid expenses	498,981	225,606	724,587	1,788,826	15,448
Estimated amounts due from third-party payers	-	-	-	1,033,617	-
Other current assets	12,000	-	12,000	-	-
Non-current assets:					
Capital assets:					
Non-depreciable	8,903,395	8,602,553	17,505,948	4,409,588	-
Depreciable, net	110,378,128	84,224,404	194,602,532	29,142,993	1,193,585
Right-of-use lease assets, net	57,497	-	57,497	1,639,499	-
Right-of-use SBITA assets, net	-	-	-	899,147	-
Principal of permanent endowment	-	-	-	101,614	-
Other non-current assets	-	-	-	246,865	-
Total assets	149,153,504	98,932,030	248,085,534	81,447,604	2,805,493
DEFERRED OUTFLOWS OF RESOURCES					
Pension plans	4,730,012	1,078,550	5,808,562	3,586,562	106,933
Total deferred outflows of resources	4,730,012	1,078,550	5,808,562	3,586,562	106,933
LIABILITIES					
Accounts payable and accrued liabilities	2,986,475	900,096	3,886,571	7,092,549	37,779
Compensated absences	2,102,880	341,076	2,443,956	-	27,375
Other accrued expenses	-	-	-	7,231,355	-
Customer deposits	-	718,907	718,907	-	-
Unearned revenue	2,764,680	1,094,907	3,859,587	-	-
Estimated self-insurance cost	56,322	-	56,322	1,260,997	-
Long-term liabilities:					
Net pension liability	7,833,198	841,068	8,674,266	14,484,384	25,769
Financing leases					
Amounts due within one year	19,669	-	19,669	724,156	-
Amounts due beyond one year	38,555	-	38,555	1,838,374	-
Financed purchase					
Amounts due within one year	-	297,860	297,860	-	-
Other long-term debt					
Amounts due within one year	2,469,216	2,530,000	4,999,216	1,660,296	-
Amounts due beyond one year	25,266,097	33,533,225	58,799,322	9,628,835	-
Total liabilities	43,537,092	40,257,139	83,794,231	43,920,946	90,923
DEFERRED INFLOWS OF RESOURCES					
Pension plans	51,719	699,790	751,509	550,357	10,028
Total deferred inflows of resources	51,719	699,790	751,509	550,357	10,028
NET POSITION					
Net investment in capital assets	91,545,483	56,465,872	148,011,355	22,168,159	1,193,585
Restricted for:					
Capital projects	7,036,584	-	7,036,584	-	-
Transportation	1,067,959	-	1,067,959	-	-
Parks and recreation	2,703,091	-	2,703,091	-	-
Community development	205,622	-	205,622	-	-
Public safety	324,501	-	324,501	-	-
Economic development	465,124	-	465,124	-	-
Library	-	-	-	-	1,617,890
Unrestricted	6,946,341	2,587,779	9,534,120	18,394,704	-
Total net position	\$ 110,294,705	\$ 59,053,651	\$ 169,348,356	\$ 40,562,863	\$ 2,811,475

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

CITY OF SEDALIA
STATEMENT OF ACTIVITIES
Year Ended March 31, 2025

Program/function:	Net (expense) revenue and changes in net position								
	Program revenues				Primary Government			Component Units	
	Expenses	Charges for services	Capital grants and contributions	Operating grants and contributions	Governmental activities	Business-type activities	Total	Bothwell Regional Health Center	Library
Governmental activities:									
General government	\$ 4,005,611	\$ 111,535	\$ -	\$ 3,163,268	\$ (730,808)	\$ -	\$ (730,808)		
Public safety	12,992,625	48,613	-	-	(12,944,012)	-	(12,944,012)		
Transportation	5,587,763	-	7,032	156,060	(5,424,671)	-	(5,424,671)		
Economic development	553,081	-	-	-	(553,081)	-	(553,081)		
Community development	21,622	-	-	-	(21,622)	-	(21,622)		
Parks and recreation	6,345,662	1,540,372	-	57,324	(4,747,966)	-	(4,747,966)		
Interest expense	748,885	-	-	-	(748,885)	-	(748,885)		
Total governmental activities	30,255,249	1,700,520	7,032	3,376,652	(25,171,045)	-	(25,171,045)		
Business-type activities:									
Wastewater	7,109,543	7,384,958	-	-	-	275,415	275,415		
Water	5,452,208	5,486,138	-	-	-	33,930	33,930		
Sanitation	1,533,295	1,924,371	-	-	-	391,076	391,076		
Airport	1,081,873	650,318	-	71,476	-	(360,079)	(360,079)		
Total business-type activities	15,176,919	15,445,785	-	71,476	-	340,342	340,342		
Total	<u>\$ 45,432,168</u>	<u>\$ 17,146,305</u>	<u>\$ 7,032</u>	<u>\$ 3,448,128</u>	<u>(25,171,045)</u>	<u>340,342</u>	<u>(24,830,703)</u>		
Component units:									
Bothwell Regional Health Center	\$ 159,413,369	\$ 153,178,139	\$ 970,857	\$ 1,080,743				\$ (4,183,630)	
Library	\$ 986,896	\$ -	\$ -	\$ 34,900					\$ (951,996)
General revenue:									
Taxes					25,279,030	-	25,279,030	-	840,507
Licenses and permits					824,429	-	824,429	-	-
Fines and forfeitures					167,925	-	167,925	-	8,240
Interest income					-	465,328	465,328	199,109	-
Other revenues					4,225,443	75,915	4,301,358	2,528,499	66,621
Contribution of capital assets					(9,019,934)	9,019,934	-	-	-
Loss on disposal of capital assets					-	(567,817)	(567,817)	-	-
Net transfers in (out)					773,332	(773,332)	-	-	-
Total general revenue					22,250,225	8,220,028	30,470,253	2,727,608	915,368
Change in net position					(2,920,820)	8,560,370	5,639,550	(1,456,022)	(36,628)
Net position - beginning					113,215,525	50,493,281	163,708,806	42,018,885	2,848,103
Net position - ending					<u>\$ 110,294,705</u>	<u>\$ 59,053,651</u>	<u>\$ 169,348,356</u>	<u>\$ 40,562,863</u>	<u>\$ 2,811,475</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, 2025**

	Primary Government						
	Major Funds				Non-Major Funds	Total	Component Unit - Library
	General Fund	Capital Project Fund	Transportation Fund	Park Fund			
ASSETS							
Cash and cash equivalents	\$ 5,803,355	\$ -	\$ 459,316	\$ 2,057,146	\$ 638,115	\$ 8,957,932	\$ 1,104,638
Restricted cash and cash equivalents	-	5,815,119	-	-	-	5,815,119	-
Investments	2,938,020	733,839	-	981,365	-	4,653,224	490,005
Accounts receivable	1,323,349	861,423	13,597	-	390	2,198,759	-
Taxes receivable	1,615,896	594,461	781,443	605,326	533	3,597,659	-
Leases receivable	-	-	29,105	414,156	-	443,261	-
Other receivables	17,315	2,060	-	569	-	19,944	1,817
Interfund balances	3,099,379	-	-	-	-	3,099,379	-
Inventory	64,068	-	-	-	-	64,068	-
Prepaid expenditures	308,226	-	57,084	125,775	7,896	498,981	15,448
Other assets	12,000	-	-	-	-	12,000	-
Total assets	<u>\$ 15,181,608</u>	<u>\$ 8,006,902</u>	<u>\$ 1,340,545</u>	<u>\$ 4,184,337</u>	<u>\$ 646,934</u>	<u>\$ 29,360,326</u>	<u>\$ 1,611,908</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 843,995	\$ 224,904	\$ 82,448	\$ 800,172	\$ 9,739	\$ 1,961,258	\$ 15,667
Accrued liabilities	689,912	-	91,666	143,143	14,466	939,187	22,112
Unearned revenue - grants	2,736,512	6,144	-	-	-	2,742,656	-
Unearned revenue - other	53,722	739,270	-	-	-	792,992	-
Total liabilities	<u>4,324,141</u>	<u>970,318</u>	<u>174,114</u>	<u>943,315</u>	<u>24,205</u>	<u>6,436,093</u>	<u>37,779</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	358,321	-	-	-	-	358,321	-
Unavailable revenue - grants	31,981	-	-	-	-	31,981	-
Unavailable revenue - leases	-	-	41,388	412,156	-	453,544	-
Unavailable revenue - other	1,242,300	-	-	-	-	1,242,300	-
Total deferred inflows of resources	<u>1,632,602</u>	<u>-</u>	<u>41,388</u>	<u>412,156</u>	<u>-</u>	<u>2,086,146</u>	<u>-</u>
FUND BALANCES							
Nonspendable:							
Inventory	64,068	-	-	-	-	64,068	-
Prepaid expenditures	308,226	-	57,084	125,775	-	491,085	15,448
Restricted for:							
Capital projects	-	7,036,584	-	-	-	7,036,584	-
Transportation	-	-	1,067,959	-	-	1,067,959	-
Parks and recreation	-	-	-	2,703,091	-	2,703,091	-
Community development	-	-	-	-	205,622	205,622	-
Public safety	-	-	-	-	324,501	324,501	-
Economic development	372,518	-	-	-	92,606	465,124	-
Library	-	-	-	-	-	-	1,558,681
Unassigned	8,480,053	-	-	-	-	8,480,053	-
Total fund balances	<u>9,224,865</u>	<u>7,036,584</u>	<u>1,125,043</u>	<u>2,828,866</u>	<u>622,729</u>	<u>20,838,087</u>	<u>1,574,129</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,181,608</u>	<u>\$ 8,006,902</u>	<u>\$ 1,340,545</u>	<u>\$ 4,184,337</u>	<u>\$ 646,934</u>	<u>\$ 29,360,326</u>	<u>\$ 1,611,908</u>

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, 2025

	Primary Government	Component Unit - Library
Fund balances - total governmental funds	\$ 20,838,087	\$ 1,574,129
Capital and other assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Capital assets	280,977,791	2,690,663
Less accumulated depreciation	(161,696,268)	(1,497,078)
	119,281,523	1,193,585
Right-of-use lease assets, net	57,497	-
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:		
Pension plans	4,730,012	106,933
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	2,857,114	-
Internal service fund is used by management to charge the costs of health insurance. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position:	397,836	-
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	(86,030)	-
Compensated absences	(2,102,880)	(27,375)
Net pension liability	(7,833,198)	(25,769)
Long-term debt	(27,793,537)	-
Pension plans	(51,719)	(10,028)
Deferred inflows of resources in the governmental fund statements are considered earned revenues in the government-wide financial statements	390,302	-
Net position of governmental activities	\$ 110,294,705	\$ 2,811,475

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, 2025**

	Primary Government						
	Major Funds				Non-Major Funds	Total	Component Unit - Library
	General Fund	Capital Project Fund	Transportation Fund	Park Fund			
REVENUES							
Taxes	\$ 12,660,888	\$ 3,855,290	\$ 3,781,741	\$ 4,480,920	\$ 500,191	\$ 25,279,030	\$ 840,507
Licenses and permits	824,429	-	-	-	-	824,429	-
Charges for services	111,535	-	-	1,540,372	48,613	1,700,520	-
Intergovernmental revenue	1,849,709	737,707	1,365,332	377,808	-	4,330,556	30,950
Fines and forfeitures	167,925	-	-	-	-	167,925	8,240
Contributions	-	-	-	57,324	-	57,324	3,950
Lease revenue	6,612	-	6,721	23,120	-	36,453	-
Other revenue	1,189,316	1,550,240	98,583	143,393	351,730	3,333,262	66,621
TOTAL REVENUES	16,810,414	6,143,237	5,252,377	6,622,937	900,534	35,729,499	950,268
EXPENDITURES							
Current:							
General government	5,225,685	37,012	-	-	-	5,262,697	-
Public safety	11,504,937	-	-	-	523,280	12,028,217	-
Transportation	389,969	-	3,455,011	-	-	3,844,980	-
Economic development	15,930	-	-	-	537,151	553,081	-
Community development	-	-	-	-	39,601	39,601	-
Parks and recreation	-	-	-	5,131,160	-	5,131,160	-
Library	-	-	-	-	-	-	743,084
Capital outlay	923,797	3,767,638	991,451	2,207,254	10,331	7,900,471	16,060
Debt service:							
Principal	-	2,278,452	-	-	-	2,278,452	59,997
Interest	-	978,970	-	-	-	978,970	39,998
TOTAL EXPENDITURES	18,060,318	7,062,072	4,446,462	7,338,414	1,110,363	38,017,629	859,139
Excess (deficiency) of revenues over (under) expenditures	(1,249,904)	(918,835)	805,915	(715,477)	(209,829)	(2,288,130)	91,129
OTHER FINANCING SOURCES (USES)							
Transfers in	2,268,516	1,568,242	-	1,214,913	497,255	5,548,926	-
Transfers (out)	(1,874,906)	(1,195,938)	(1,432,022)	(272,438)	(290)	(4,775,594)	-
Total other financing sources (uses)	393,610	372,304	(1,432,022)	942,475	496,965	773,332	-
Net change in fund balances	(856,294)	(546,531)	(626,107)	226,998	287,136	(1,514,798)	91,129
Fund balances, April 1	10,081,159	7,583,115	1,751,150	2,601,868	335,593	22,352,885	1,483,000
FUND BALANCES, MARCH 31	\$ 9,224,865	\$ 7,036,584	\$ 1,125,043	\$ 2,828,866	\$ 622,729	\$ 20,838,087	\$ 1,574,129

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, 2025

	Primary Government	Component Unit - Library
Net change in fund balances - total governmental funds	\$ (1,514,798)	\$ 91,129

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	6,875,848	16,060
Capital asset contribution to business-type activity	(9,019,934)	-
Depreciation and amortization	(4,912,790)	(84,160)
	<u>(7,056,876)</u>	<u>(68,100)</u>

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

	<u>830,465</u>	<u>-</u>
--	----------------	----------

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	23,941	-
Lease expense	18,894	-
Repayment of principal	2,378,447	-
Amortization of discounts/premiums	87,255	-
	<u>2,508,537</u>	<u>-</u>

Internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue (expense) of the internal service fund is reported with the governmental activities.

	63,811	-
--	--------	---

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	(21,443)	28,243
Pension plan expense	2,269,484	(87,900)
Change in net position of governmental activities	<u>\$ (2,920,820)</u>	<u>\$ (36,628)</u>

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

CITY OF SEDALIA

**STATEMENT OF NET POSITION
ALL PROPRIETARY FUND TYPES
March 31, 2025**

	Wastewater Fund	Water Fund	Sanitation Fund	Airport Fund	Total Proprietary Funds	Governmental Activities - Internal Service Fund - Health Fund
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,238,482	\$ 333,518	\$ 364,734	\$ 24,694	\$ 1,961,428	\$ 454,158
Restricted cash and cash equivalents	52	892,096	-	-	892,148	-
Investments	2,200,803	1,003,360	-	-	3,204,163	-
Accounts receivable	765,392	576,828	299,453	95,907	1,737,580	-
Leases receivable	-	334,164	-	284,491	618,655	-
Other receivables	3,454	3,477	-	-	6,931	-
Interfund balances	-	-	(3,099,379)	-	(3,099,379)	-
Inventory	-	471,085	-	86,856	557,941	-
Prepaid expenses	82,222	66,596	39,822	36,966	225,606	-
Total current assets	4,290,405	3,681,124	(2,395,370)	528,914	6,105,073	454,158
Non-current assets:						
Property, plant and equipment, net	45,011,462	37,037,270	2,057,853	8,720,372	92,826,957	-
Total non-current assets	45,011,462	37,037,270	2,057,853	8,720,372	92,826,957	-
Total assets	49,301,867	40,718,394	(337,517)	9,249,286	98,932,030	454,158
DEFERRED OUTFLOWS OF RESOURCES						
Pension plan	351,541	532,614	171,022	23,373	1,078,550	-
Total deferred outflows of resources	351,541	532,614	171,022	23,373	1,078,550	-
LIABILITIES						
Current liabilities:						
Accounts payable	528,067	324,289	14,369	33,371	900,096	-
Compensated absences	-	-	-	341,076	341,076	-
Accrued liabilities	495,623	532,939	63,764	2,581	1,094,907	-
Claims liability	-	-	-	-	-	56,322
Current portion of financed purchase	-	297,860	-	-	297,860	-
Current portion of other long-term debt	1,610,000	920,000	-	-	2,530,000	-
Customer deposits	-	718,907	-	-	718,907	-
Total current liabilities	2,633,690	2,793,995	78,133	377,028	5,882,846	56,322
Non-current liabilities:						
Other long-term debt, net	21,987,527	11,545,698	-	-	33,533,225	-
Net pension liability	392,185	236,110	188,458	24,315	841,068	-
Total non-current liabilities	22,379,712	11,781,808	188,458	24,315	34,374,293	-
Total liabilities	25,013,402	14,575,803	266,591	401,343	40,257,139	56,322
DEFERRED INFLOWS OF RESOURCES						
Pension plan	290,213	19,884	419,585	(29,892)	699,790	-
Total deferred inflows of resources	290,213	19,884	419,585	(29,892)	699,790	-
NET POSITION						
Net investment in capital assets	21,413,935	24,273,712	2,057,853	8,720,372	56,465,872	-
Unrestricted	2,935,858	2,381,609	(2,910,524)	180,836	2,587,779	397,836
TOTAL NET POSITION	\$ 24,349,793	\$ 26,655,321	\$ (852,671)	\$ 8,901,208	\$ 59,053,651	\$ 397,836

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, 2025**

	Wastewater Fund	Water Fund	Sanitation Fund	Airport Fund	Total Proprietary Funds	Governmental Activities - Internal Service Fund - Health Fund
OPERATING REVENUES						
Charges for services	\$ 7,384,958	\$ 5,486,138	\$ 1,924,371	\$ 650,318	\$ 15,445,785	\$ -
Contributions from City, employees, and other	-	-	-	-	-	1,911,526
Miscellaneous	21,918	35,307	17,568	1,122	75,915	-
Total operating revenues	7,406,876	5,521,445	1,941,939	651,440	15,521,700	1,911,526
OPERATING EXPENSES						
System facilities and operations	1,980,630	2,341,008	898,940	-	5,220,578	-
Purchased services	-	-	-	465,022	465,022	-
Salaries and wages	1,366,217	1,298,938	424,260	238,079	3,327,494	-
Depreciation and amortization	2,695,900	1,399,549	210,095	376,906	4,682,450	-
Claims expense	-	-	-	-	-	1,872,978
Total operating expenses	6,042,747	5,039,495	1,533,295	1,080,007	13,695,544	1,872,978
OPERATING INCOME (LOSS)	1,364,129	481,950	408,644	(428,567)	1,826,156	38,548
NON-OPERATING REVENUES (EXPENSES)						
Loss on disposal of capital assets	-	-	(567,817)	-	(567,817)	-
Intergovernmental revenues	-	-	-	71,476	71,476	-
Interest income	288,274	147,554	29,500	-	465,328	25,263
Interest expense	(1,066,796)	(412,713)	-	(1,866)	(1,481,375)	-
Total non-operating revenues (expenses)	(778,522)	(265,159)	(538,317)	69,610	(1,512,388)	25,263
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	585,607	216,791	(129,673)	(358,957)	313,768	63,811
Capital contributions, net	-	-	-	9,019,934	9,019,934	-
Transfers in	490,334	84,205	-	313,904	888,443	-
Transfers (out)	(722,472)	(572,895)	(292,735)	(73,673)	(1,661,775)	-
Change in net position	353,469	(271,899)	(422,408)	8,901,208	8,560,370	63,811
NET POSITION, APRIL 1	23,996,324	26,927,220	(430,263)	-	50,493,281	334,025
NET POSITION, MARCH 31	\$ 24,349,793	\$ 26,655,321	\$ (852,671)	\$ 8,901,208	\$ 59,053,651	\$ 397,836

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, 2025**

	Wastewater Fund	Water Fund	Sanitation Fund	Airport Fund	Total Proprietary Funds	Governmental Activities - Internal Service Fund - Health Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 7,628,641	\$ 5,292,215	\$ 2,019,409	\$ 269,920	\$ 15,210,185	\$ 1,911,526
Cash received from other sources	21,918	35,307	17,568	1,122	75,915	-
Cash paid to vendors	(1,527,052)	(1,906,806)	(918,476)	(552,892)	(4,905,226)	(2,041,247)
Cash paid to employees	(1,537,393)	(1,463,596)	(482,484)	74,047	(3,409,426)	-
Net cash provided (used) by operating activities	4,586,114	1,957,120	636,017	(207,803)	6,971,448	(129,721)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Net change in interfund balances	-	-	(202,946)	-	(202,946)	-
Transfers in	490,334	84,205	-	9,352,761	9,927,300	-
Transfers (out)	(722,472)	(572,895)	(292,735)	(92,596)	(1,680,698)	-
Net cash provided (used) by noncapital financing activities	(232,138)	(488,690)	(495,681)	9,260,165	8,043,656	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Grant proceeds	-	-	-	71,476	71,476	-
Purchases of capital assets	(6,063,954)	(909,637)	(390,201)	(9,097,278)	(16,461,070)	-
Payments on long-term debt	(2,814,938)	(1,633,198)	29,500	-	(4,418,636)	-
Net cash used by capital and related financing activities	(8,878,892)	(2,542,835)	(360,701)	(9,025,802)	(20,808,230)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	288,274	147,554	-	(1,866)	433,962	25,263
Investment maturities/sales	1,218,434	(11,410)	-	-	1,207,024	-
Net cash provided (used) by investing activities	1,506,708	136,144	-	(1,866)	1,640,986	25,263
Net change in cash and cash equivalents	(3,018,208)	(938,261)	(220,365)	24,694	(4,152,140)	(104,458)
Cash and cash equivalents, beginning of year	4,256,742	2,163,875	585,099	-	7,005,716	558,616
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,238,534</u>	<u>\$ 1,225,614</u>	<u>\$ 364,734</u>	<u>\$ 24,694</u>	<u>\$ 2,853,576</u>	<u>\$ 454,158</u>
Cash and cash equivalents	\$ 1,238,482	\$ 333,518	\$ 364,734	\$ 24,694	\$ 1,961,428	\$ 454,158
Restricted cash	52	892,096	-	-	892,148	-
Total cash and cash equivalents	<u>\$ 1,238,534</u>	<u>\$ 1,225,614</u>	<u>\$ 364,734</u>	<u>\$ 24,694</u>	<u>\$ 2,853,576</u>	<u>\$ 454,158</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,364,129	\$ 481,950	\$ 408,644	\$ (428,567)	\$ 1,826,156	\$ 38,548
Adjustments:						
Depreciation and amortization	2,695,900	1,399,549	210,095	376,906	4,682,450	-
(Increase) decrease in assets and deferred outflows of resources:						
Accounts receivable	235,593	119,143	95,038	(95,907)	353,867	-
Leases receivable	-	(334,164)	-	(284,491)	(618,655)	-
Other receivables	8,090	-	-	-	8,090	-
Inventory	-	(75,621)	-	(86,856)	(162,477)	-
Prepaid expenses	(35,370)	(26,727)	(12,707)	(36,966)	(111,770)	-
Pension plan	(138,203)	(200,308)	(28,674)	(23,373)	(390,558)	-
Increase (decrease) in liabilities and deferred inflows of resources:						
Accounts payable	303,270	238,280	(6,829)	33,371	568,092	(40,100)
Customer deposits	-	21,098	-	-	21,098	-
Accrued expenses	185,678	298,270	(22,710)	343,657	804,895	-
Claims liability	-	-	-	-	-	(128,169)
Net pension liability	143,778	121,739	29,831	24,315	319,663	-
Pension plan	(176,751)	(86,089)	(36,671)	(29,892)	(329,403)	-
Net cash provided by operating activities	<u>\$ 4,586,114</u>	<u>\$ 1,957,120</u>	<u>\$ 636,017</u>	<u>\$ (207,803)</u>	<u>\$ 6,971,448</u>	<u>\$ (129,721)</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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from and on behalf of patients	\$ 151,982,416
Payments to suppliers and contractors	(73,253,953)
Payments to employees	(78,749,994)
Other receipts, net	<u>4,272,344</u>
Net cash provided by operating activities	<u>4,250,813</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Noncapital grants and gifts	<u>828,743</u>
Net cash provided by noncapital financing activities	<u>828,743</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Contributions restricted for capital purposes	970,857
Proceeds for issuance of long-term debt	1,440,000
Principal paid on long-term debt	(1,697,561)
Interest paid on long-term debt	(289,706)
Principal paid on lease liabilities	(340,896)
Interest paid on lease liabilities	(72,371)
Principal paid on subscription liabilities	(288,318)
Interest paid on subscription liabilities	(51,186)
Purchases of capital assets	<u>(4,960,490)</u>
Net cash used by capital and related financing activities	<u>(5,289,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on deposits	199,109
Proceeds from the disposition of deposits	4,981,668
Purchase of deposits	<u>(5,145,334)</u>
Net cash provided by investing activities	<u>35,443</u>
Net change in cash and cash equivalents	(174,672)
Cash and cash equivalents, beginning of year	<u>3,715,393</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,540,721</u>
Cash and cash equivalents in current assets	\$ 3,439,107
Cash and cash equivalents in non-current assets	<u>101,614</u>
Total cash and cash equivalents	<u>\$ 3,540,721</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (3,293,468)
Adjustments:	
Depreciation and amortization	6,875,210
Provision for uncollectible accounts	15,188,359
Changes in:	
Patient accounts receivable	(16,322,018)
Estimated amounts due from third-party payers	(62,064)
Accounts payable and accrued expenses	(277,712)
Net pension liability	(3,795,243)
Deferred inflows of resources - pension plans	58,206
Deferred outflows of resources - pension plans	4,530,351
Estimated self-insurance liabilities	(461,403)
Other assets	<u>1,810,595</u>
Net cash provided by operating activities	<u>\$ 4,250,813</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Capital asset acquisitions included in accounts payable	\$ 40,203
Lease liabilities incurred for lease assets	\$ 1,020,531
Subscription liabilities incurred for subscription assets	\$ 60,746

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

CITY OF SEDALIA

STATEMENT OF FIDUCIARY NET POSITION

March 31, 2025

	Pension Trust Fund
ASSETS	
Accrued interest and dividends	\$ 21,555
Investments, at fair value	<u>7,554,229</u>
Total assets	<u><u>\$ 7,575,784</u></u>
NET POSITION	
LIABILITIES	
Accounts payable	<u>\$ 61</u>
Total liabilities	<u>61</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 7,575,723</u>
Total net position	<u><u>\$ 7,575,723</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, 2025

	Pension Trust Fund
ADDITIONS	
Contributions:	
Property taxes	\$ 172,557
Investment income:	
Investment income	201,199
Net appreciation in fair value of investments	275,968
Total investment income	477,167
Investment expenses	(40,762)
Net income from investing activities	436,405
Net additions	608,962
DEDUCTIONS	
Benefits	799,024
Administrative expenses	12,018
Property taxes	9,982
Miscellaneous	2,625
Total deductions	823,649
Change in net position	(214,687)
Net position, April 1	7,790,410
NET POSITION, MARCH 31	\$ 7,575,723

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

CITY OF SEDALIA

NOTES TO THE 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 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. 14th 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 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 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 enterprise fund accounts for the disposal of wastewater and industrial waste for the residents and businesses of the City.

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

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

Airport Fund – This enterprise fund accounts for operations of the airport. This activity was previously accounted for in the Transportation Fund.

Health Fund – This internal service fund is used to account for internal charges of premiums to the various City departments and for the claims and administrative expenses of the City's self-insured health plan for employees.

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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation of employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured as a result of employee retirements.

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, 2025, have been evaluated through August 18, 2025, which is the date the financial statements were available to be issued.

2. LEGAL COMPLIANCE – BUDGET

The City's policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended March 31, 2025.

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, 2025. Deposits, categorized by level of custodial risk, were as follows as of March 31, 2025:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 750,000	\$ -	\$ 750,000
Collateralized with securities pledged by the financial institution	18,158,614	-	18,158,614
	<u>\$ 18,908,614</u>	<u>\$ -</u>	<u>\$ 18,908,614</u>
Carrying value	<u>\$ 19,182,753</u>	<u>\$ 2,670</u>	<u>\$ 19,185,423</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	\$ 9,412,090	\$ 1,961,428	\$ 1,104,638	\$ 12,478,156
Restricted cash and cash equivalents	5,815,119	892,148	-	6,707,267
	<u>\$ 15,227,209</u>	<u>\$ 2,853,576</u>	<u>\$ 1,104,638</u>	<u>\$ 19,185,423</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, 2025:

	Governmental Activities	Business-type Activities	Component Unit - Library	Fiduciary Activities	Total
Certificates of deposit	\$ 4,653,224	\$ 3,204,163	\$ 490,005	\$ -	\$ 8,347,392
Common and preferred stocks	-	-	-	4,906,291	4,906,291
Convertible preferred stocks	-	-	-	40,571	40,571
Exchange traded funds	-	-	-	87,655	87,655
Corporate bonds	-	-	-	1,177,209	1,177,209
U.S government bonds	-	-	-	1,070,755	1,070,755
Money market funds	-	-	-	271,748	271,748
Total	<u>\$ 4,653,224</u>	<u>\$ 3,204,163</u>	<u>\$ 490,005</u>	<u>\$ 7,554,229</u>	<u>\$ 15,901,621</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, 2025:

	Investment Maturities (in years)			Total
	Less than 1	1-5	Over 5	
Corporate bonds	\$ 256,389	\$ 920,820	\$ -	\$ 1,177,209
U.S government bonds	335,106	437,358	298,291	1,070,755
Total	<u>\$ 591,495</u>	<u>\$ 1,358,178</u>	<u>\$ 298,291</u>	<u>\$ 2,247,964</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, 2025:

Credit Rating Level	Corporate Bonds						U.S. Government Bonds
	Total	Financial	IT Services	Manufacturing	Utility	Other	
Aaa	\$ 1,120,084	\$ -	\$ 49,329	\$ -	\$ -	\$ -	\$ 1,070,755
Aa3	98,924	-	-	98,924	-	-	-
A1	23,637	-	-	23,637	-	-	-
A2	147,335	-	-	-	47,519	99,816	-
A3	117,179	117,179	-	-	-	-	-
Ba1	153,969	104,396	-	-	49,573	-	-
Baa1	296,112	-	-	73,555	99,829	122,728	-
Baa2	76,438	-	-	-	-	76,438	-
Baa3	214,286	-	-	-	102,407	111,879	-
Total	<u>\$ 2,247,964</u>	<u>\$ 221,575</u>	<u>\$ 49,329</u>	<u>\$ 196,116</u>	<u>\$ 299,328</u>	<u>\$ 410,861</u>	<u>\$ 1,070,755</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, 2025, 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	\$ -	\$ 8,347,392	\$ -	\$ 8,347,392
Common and preferred stocks	4,906,291	-	-	4,906,291
Convertible preferred stocks	40,571	-	-	40,571
Exchange traded funds	87,655	-	-	87,655
Corporate bonds	-	1,177,209	-	1,177,209
U.S government bonds	-	1,070,755	-	1,070,755
Money market funds	271,748	-	-	271,748
Total	<u>\$ 5,306,265</u>	<u>\$ 10,595,356</u>	<u>\$ -</u>	<u>\$ 15,901,621</u>

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 2024 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 \$0.4943	Library \$0.2443	Library Temp \$0.0700
Real estate	\$ 214,900,130	\$ 214,900,130	\$ 169,669,080	\$ 169,669,080
Personal property	67,874,731	67,874,731	48,352,481	48,352,481
Railroad and utilities	13,917,089	13,917,089	12,247,255	12,247,255
	<u>\$ 296,691,950</u>	<u>\$ 296,691,950</u>	<u>\$ 230,268,816</u>	<u>\$ 230,268,816</u>
	Parks \$0.1719	Police Pension \$0.0967	Special Business District \$0.8500	
Real estate	\$ 214,900,130	\$ 214,900,130	\$ 4,839,720	
Personal property	67,874,731	67,874,731	-	
Railroad and utilities	13,917,089	13,917,089	111,072	
	<u>\$ 296,691,950</u>	<u>\$ 296,691,950</u>	<u>\$ 4,950,792</u>	

5. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025, was as follows:

	Balance April 1, 2024	Additions	Retirements	Transfers	Balance March 31, 2025
Governmental activities - primary government:					
Capital assets, not being depreciated:					
Land	\$ 7,182,626	\$ 277,770	\$ 298,497	\$ (1,142,332)	\$ 6,019,567
Construction in progress	610,980	2,473,223	-	(200,375)	2,883,828
Total capital assets, not being depreciated	7,793,606	2,750,993	298,497	(1,342,707)	8,903,395
Capital assets, being depreciated/amortized:					
Buildings	59,273,516	126,411	-	(1,011,184)	58,388,743
Improvements other than buildings	23,561,140	369,025	-	(10,792,930)	13,137,235
Vehicles and equipment	16,604,536	1,954,185	265,455	(792,115)	17,501,151
Infrastructure	180,990,671	1,862,597	-	194,000	183,047,268
Right-of-use lease assets	116,537	-	-	-	116,537
Total capital assets, being depreciated/amortized	280,546,400	4,312,218	265,455	(12,402,229)	272,190,934
Less accumulated depreciation for:					
Buildings	16,381,287	1,612,687	-	(290,428)	17,703,546
Improvements other than buildings	10,515,337	529,583	-	(4,057,673)	6,987,247
Vehicles and equipment	10,567,597	1,132,431	265,455	(488,035)	10,946,538
Infrastructure	124,440,529	1,618,409	-	-	126,058,938
Less accumulated amortization for:					
Right-of-use lease assets	39,360	19,680	-	-	59,040
Total accumulated depreciation/amortization	161,944,110	4,912,790	265,455	(4,836,136)	161,755,309
Total capital assets being depreciated/amortized, net	118,602,290	(600,572)	-	(7,566,093)	110,435,625
Total capital assets, net	\$ 126,395,896	\$ 2,150,421	\$ (298,497)	\$ (8,908,800)	\$ 119,339,020
Governmental activities - component unit - Library:					
Capital assets:					
Buildings	\$ 2,593,754	\$ 10,084	\$ -	\$ -	\$ 2,603,838
Equipment	80,849	5,976	-	-	86,825
Total capital assets	2,674,603	16,060	-	-	2,690,663
Less accumulated depreciation for:					
Buildings	1,330,237	81,894	-	-	1,412,131
Equipment	82,681	2,266	-	-	84,947
Total accumulated depreciation	1,412,918	84,160	-	-	1,497,078
Total capital assets, net	\$ 1,261,685	\$ (68,100)	\$ -	\$ -	\$ 1,193,585

	Balance April 1, 2024	Additions	Retirements	Transfers	Balance March 31, 2025
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,706,189	\$ -	\$ -	\$ 1,239,486	\$ 3,945,675
Construction in progress	5,191,219	3,904,289	-	(4,438,630)	4,656,878
Total capital assets, not being depreciated	7,897,408	3,904,289	-	(3,199,144)	8,602,553
Capital assets, being depreciated/amortized:					
Buildings	14,340,897	-	-	1,017,560	15,358,457
Improvements other than buildings	41,674,935	471,380	-	10,792,930	52,939,245
Water lines and pumping equipment	71,214,385	803,459	-	4,341,475	76,359,319
Vehicles, machinery, and equipment	9,774,526	2,389,077	999,574	792,115	11,956,144
Right-of-use lease assets	127,436	-	127,436	-	-
Total capital assets, being depreciated/amortized	137,132,179	3,663,916	1,127,010	16,944,080	156,613,165
Less accumulated depreciation for:					
Buildings	6,795,860	279,768	-	290,428	7,366,056
Improvements other than buildings	24,821,552	1,362,774	-	4,057,673	30,241,999
Water lines and pumping equipment	25,274,396	2,068,654	-	-	27,343,050
Vehicles, machinery, and equipment	6,419,677	939,333	409,389	488,035	7,437,656
Less accumulated amortization for:					
Right-of-use lease assets	101,948	25,487	127,435	-	-
Total accumulated depreciation/amortization	63,413,433	4,676,016	536,824	4,836,136	72,388,761
Total capital assets being depreciated, net	73,718,746	(1,012,100)	590,186	12,107,944	84,224,404
Total capital assets, net	\$ 81,616,154	\$ 2,892,189	\$ 590,186	\$ 8,908,800	\$ 92,826,957

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Primary government:	
General government	\$ 446,036
Public safety	987,088
Transportation	2,014,459
Community development	37,757
Parks and recreation	1,427,450
Component unit - Library	84,160
Total depreciation and amortization expense - governmental activities	<u>\$ 4,996,950</u>
Business-type activities:	
Wastewater	\$ 2,695,897
Water	1,393,119
Sanitation	210,094
Airport	376,906
Total depreciation and amortization expense - business-type activities	<u>\$ 4,676,016</u>

6. FINANCING LEASES

In December 2021, the City assumed the remaining ten years of a lease for solar panels. The lease requires annual payments ranging from \$2,069 to \$2,401, due in December of each year.

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.

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, 2025:

2026	\$	23,448
2027		23,481
2028		2,262
2029		2,296
2030		2,330
2031		8,759
Total minimum lease payments		<u>62,576</u>
Less: amount representing interest		<u>(4,352)</u>
Present value of minimum lease payments	\$	<u><u>58,224</u></u>

7. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended March 31, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due In One Year
Governmental activities:					
Certificates of participation:					
Series 2017A	\$ 882,700	\$ -	\$ 435,800	\$ 446,900	\$ 446,900
Series 2017B	3,679,136	-	367,647	3,311,489	377,316
Series 2020	23,785,000	-	1,575,000	22,210,000	1,645,000
Series 2020 - premium	1,854,179	-	87,255	1,766,924	-
Total governmental activities	30,201,015	-	2,465,702	27,735,313	2,469,216
Business-type activities:					
Certificates of participation:					
Series 2018	11,090,000	-	430,000	10,660,000	445,000
Series 2018 - discount	(115,732)	-	(6,430)	(109,302)	-
Series 2019	23,330,000	-	1,545,000	21,785,000	1,610,000
Series 2019 - premium	1,989,203	-	176,676	1,812,527	-
Financed purchase	585,314	-	287,454	297,860	297,860
Notes payable	38,461	-	38,461	-	-
Revenue bonds - Series 2020	2,386,000	-	471,000	1,915,000	475,000
Total business-type activities	39,303,246	-	2,942,161	36,361,085	2,827,860
	<u>\$ 69,504,261</u>	<u>\$ -</u>	<u>\$ 5,407,863</u>	<u>\$ 64,096,398</u>	<u>\$ 5,297,076</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, 2025
Series 2017A	\$ 3,638,100	2.55%	3/15/2026	\$ 446,900
Series 2017B	5,695,000	2.63%	9/15/2032	3,311,489
Series 2020	28,610,000	3.00-4.00%	9/15/2044	22,210,000
				<u>\$ 25,968,389</u>

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

	Principal	Interest	Total
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	1,532,876	711,432	2,244,308
2030	1,583,603	654,905	2,238,508
2031-2035	6,393,031	2,450,794	8,843,825
2036-2040	5,060,000	1,425,000	6,485,000
2041-2045	6,020,000	462,150	6,482,150
	<u>\$ 25,968,389</u>	<u>\$ 8,182,722</u>	<u>\$ 34,151,111</u>

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, 2025
Series 2018	\$ 13,065,000	2.0-3.7%	3/31/2043	\$ 10,660,000
Series 2019	28,950,000	3.0-4.0%	7/15/2035	21,785,000
				<u>\$ 32,445,000</u>

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

	Principal	Interest	Total
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	2,300,000	948,970	3,248,970
2030	2,385,000	859,883	3,244,882
2031-2035	13,415,000	3,239,141	16,654,141
2036-2040	5,680,000	912,401	6,592,401
2041-2043	2,270,000	127,838	2,397,838
	<u>\$ 32,445,000</u>	<u>\$ 9,434,968</u>	<u>\$ 41,879,968</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, 2025, the outstanding balance on the lease/purchase agreement was \$297,860. 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
2026	\$ 308,643	\$ 297,860	\$ 10,783
Less: amount representing interest	<u>(10,783)</u>		
Present value of minimum lease payments	<u>\$ 297,860</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 matured in January 2025.

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, 2025
Series 2020	\$ 4,234,000	1.58%	3/15/2029	<u>\$ 1,915,000</u>

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

	Principal	Interest	Total
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>\$ 1,915,000</u>	<u>\$ 75,761</u>	<u>\$ 1,990,762</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, 2024, of \$296,691,950, the constitutional total general obligation debt limit for "city purposes" was \$59,338,390.

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, 2025. The outstanding balance on these bonds as of March 31, 2025, was \$272,202,356.

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, 2025.

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.

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:

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, 2024, the following employees were covered by the benefit terms:

	City	Library	Water
Inactive employees or beneficiaries currently receiving benefits	183	8	28
Inactive employees entitled to but not yet receiving benefits	80	1	8
Active employees	219	6	15
Total	482	15	51

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 17.3% (City – General), 17.9% (City – Police), 22.2% (City – Fire), 24.1% (Library), and 22.5% (Water) of annual covered payroll.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 29, 2024.

Actuarial Assumptions

The total pension liability in the February 29, 2024, 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% - 6.55%, including inflation, for City – Police and 2.75% - 7.15%, including inflation, for City – Fire.

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 29, 2024, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	5.00%	2.37%
Equity	39.00%	5.37%
Fixed income	23.00%	1.47%
Real assets	33.00%	3.45%
Strategic assets	7.00%	3.46%
Cash/leverage	-7.00%	-0.26%
	100.00%	

Discount Rate

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

Changes in Net Position Liability/(Asset)

City:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2023	\$ 48,190,666	\$ 44,207,206	\$ 3,983,460
Changes for the year:			
Service cost	1,432,275	-	1,432,275
Interest	3,332,071	-	3,332,071
Difference between expected and actual experience	1,687,063	-	1,687,063
Changes in assumptions	11,945	-	11,945
Contributions - employer	-	2,522,986	(2,522,986)
Net investment income	-	2,234,248	(2,234,248)
Benefit payments, including refunds	(2,589,891)	(2,589,891)	-
Administrative expense	-	(64,480)	64,480
Other changes	-	(256,979)	256,979
Net changes	3,873,463	1,845,884	2,027,579
Balances at June 30, 2024	\$ 52,064,129	\$ 46,053,090	\$ 6,011,039

Library:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2023	\$ 1,388,585	\$ 1,405,280	\$ (16,695)
Changes for the year:			
Service cost	26,774	-	26,774
Interest	95,266	-	95,266
Difference between expected and actual experience	(18,740)	-	(18,740)
Contributions - employer	-	65,232	(65,232)
Net investment income	-	66,945	(66,945)
Benefit payments, including refunds	(83,021)	(83,021)	-
Administrative expense	-	(2,007)	2,007
Other changes	-	(69,334)	69,334
Net changes	20,279	(22,185)	42,464
Balances at June 30, 2024	\$ 1,408,864	\$ 1,383,095	\$ 25,769

Water:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2023	\$ 7,865,722	\$ 7,751,351	\$ 114,371
Changes for the year:			
Service cost	66,358	-	66,358
Interest	535,581	-	535,581
Difference between expected and actual experience	219,256	-	219,256
Contributions - employer	-	161,348	(161,348)
Net investment income	-	430,011	(430,011)
Benefit payments, including refunds	(502,884)	(502,884)	-
Administrative expense	-	(7,090)	7,090
Other changes	-	115,187	(115,187)
Net changes	318,311	196,572	121,739
Balances at June 30, 2024	\$ 8,184,033	\$ 7,947,923	\$ 236,110

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	\$ 59,075,823	\$ 52,064,129	\$ 46,226,486
Plan fiduciary net position	46,053,090	46,053,090	46,053,090
Net pension liability/(asset)	<u>\$ 13,022,733</u>	<u>\$ 6,011,039</u>	<u>\$ 173,396</u>

Library:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 1,568,536	\$ 1,408,864	\$ 1,273,844
Plan fiduciary net position	1,383,095	1,383,095	1,383,095
Net pension liability/(asset)	<u>\$ 185,441</u>	<u>\$ 25,769</u>	<u>\$ (109,251)</u>

Water:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 9,126,161	\$ 8,184,033	\$ 7,388,335
Plan fiduciary net position	7,947,923	7,947,923	7,947,923
Net pension liability/(asset)	<u>\$ 1,178,238</u>	<u>\$ 236,110</u>	<u>\$ (559,588)</u>

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, 2025, the City recognized pension expense of \$313,669 for the governmental activities, \$52,970 for the business-type activities, and \$127,350 for the component unit – Library. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

City:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 2,100,716	\$ (292,299)
Projected and actual earnings on investments	1,266,265	-
Changes in assumptions	35,824	(119,207)
Contributions subsequent to the measurement date*	1,610,106	-
Total	<u>\$ 5,012,911</u>	<u>\$ (411,506)</u>

Library:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 12,839	\$ (10,028)
Projected and actual earnings on investments	48,709	-
Changes in assumptions	-	-
Contributions subsequent to the measurement date*	45,385	-
Total	<u>\$ 106,933</u>	<u>\$ (10,028)</u>

Water:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 139,571	\$ (19,884)
Projected and actual earnings on investments	222,023	-
Changes in assumptions	-	-
Contributions subsequent to the measurement date*	171,020	-
Total	<u>\$ 532,614</u>	<u>\$ (19,884)</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, 2026.

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:			
2026	\$ 128,677	\$ (2,090)	\$ 24,028
2027	1,812,659	32,645	219,196
2028	889,522	15,295	77,575
2029	245,074	5,670	20,911
2030	(11,553)	-	-
Thereafter	(73,080)	-	-
Total	<u>\$ 2,991,299</u>	<u>\$ 51,520</u>	<u>\$ 341,710</u>

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. Effective June 1, 2022, all active employees were transferred to LAGERS. Subsequent to June 1, 2022, only inactive fire department employees or beneficiaries currently receiving benefits remain in the Fire Pension Plan.

Benefits Provided

The Fire Pension Trust Fund provides retirement, death, and disability benefits. Employees who completed twenty-two years of service, prior to June 1, 2022, are entitled to a monthly benefit of 50% of a base amount, which increases 3% per year (\$65,049 for the 2023 plan year). Any employee hired after July 1, 1989 and terminated prior to June 1, 2022, must also have attained age 55. Participants who became disabled prior to retirement or separation from service (and prior to June 1, 2022) 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 terminated 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 April 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	10
Total	55

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. Participants are 100% vested in their contributions. Included in net position are employee contributions totaling \$742,947.

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 contributions provided from the property tax levy for the year ended March 31, 2025 were \$172,557.

Net Pension Liability

The City's net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024.

Actuarial Assumptions

The total pension liability in the April 1, 2024, actuarial valuation was determined using an investment rate of return of 7%. There were no assumptions used for inflation or salary increases due to active employees being transferred to LAGERS.

For the April 1, 2024, actuarial valuation, mortality rates were based on the MP-2024 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	65%	5%
Fixed income	35%	2%
	100%	

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, 2023	\$ 10,348,535	\$ 7,445,728	\$ 2,902,807
Changes for the year:			
Service cost	-	-	-
Interest	699,519	-	699,519
Difference between expected and actual experience	17,109	-	17,109
Changes in assumptions	(72,483)	-	(72,483)
Contributions - employer	-	18,383	(18,383)
Property tax revenues	-	155,895	(155,895)
Net investment income	-	964,382	(964,382)
Benefit payments, including refunds	(710,801)	(710,801)	-
Administrative expense	-	(18,825)	18,825
Net changes	(66,656)	409,034	(475,690)
Balances at March 31, 2024	\$ 10,281,879	\$ 7,854,762	\$ 2,427,117

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	\$ 11,463,734	\$ 10,281,879	\$ 9,308,768
Plan fiduciary net position	7,854,762	7,854,762	7,854,762
Net pension liability	<u>\$ 3,608,972</u>	<u>\$ 2,427,117</u>	<u>\$ 1,454,006</u>

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

For the year ended March 31, 2025, the City recognized pension expense of \$(44,989). The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 237,849	\$ (44,664)
Projected and actual earnings on investments	-	(202,385)
Changes in assumptions	25,186	(73,070)
Total	<u>\$ 263,035</u>	<u>\$ (320,119)</u>

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

Year ending:	
2026	\$ (256,575)
2027	147,016
2028	128,392
2029	(75,917)
2030	-
Total	<u>\$ (57,084)</u>

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. COMMITMENTS AND CONTINGENCIES

A. Litigation and Claims

In the normal course of City operations, the City is currently involved in various lawsuits and claims. The likely loss resulting from the litigation and claims cannot be estimates but is not believed to be material to the City's financial statements.

B. Self-Funded Health Insurance Program

The City maintains a self-funded health insurance program with claims processed by Blue Cross and Blue Shield of Kansas City on behalf of the City. A separate Health Fund (an internal service fund) was created on January 1, 2024, to account for and finance the health insurance program.

All funds of the City from which employees' salaries are paid participate in the health insurance program and make payments to the Health Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic loss. Total contributions and transfers to the health insurance program during fiscal year 2025 were \$1,911,526. An estimate of the liability for claims outstanding at the end of the fiscal year has been reported in the Health Fund.

Changes in the Health Fund's claims liability amount for each of the last two years were:

Year	Beginning of Year	Current Year Claims and Changes in Estimates	Less Claims Payments	End of Year
2024	\$ -	\$ 279,110	\$ 463,601	\$ 184,491
2025	184,491	1,457,424	1,329,255	56,322

13. INTERFUND TRANSACTIONS

Interfund Receivable/Payable

Interfund receivable and payable balances as of March 31, 2025, resulting from an interfund loan were as follows:

	Receivable	Payable
Governmental funds:		
General Fund	\$ 3,099,379	\$ -
Proprietary funds:		
Sanitation Fund	-	3,099,379
Total	<u>\$ 3,099,379</u>	<u>\$ 3,099,379</u>

Interfund Transfers

A summary of interfund transfers for the year ended March 31, 2025, is as follows:

TRANSFERRED FROM	TRANSFERRED TO										
	Governmental Funds										
	Major Funds			Non-Major Funds					Proprietary Funds		
	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	Animal Control Center Fund	Wastewater Fund	Water Fund	Airport Fund
Governmental funds:											
Primary government - major funds:											
General Fund	\$ -	\$ 873,271	\$ 15,000	\$ 2,146	\$ 20,719	\$ 10,312	\$ -	\$ 378,919	\$ 490,334	\$ 84,205	\$ -
Capital Project Fund	-	-	939,142	1,308	10,359	6,861	43,297	-	-	-	-
Transportation Fund	606,451	500,000	-	1,308	10,359	-	-	-	-	-	313,904
Park Fund	-	194,971	-	1,308	10,359	-	-	-	-	-	-
Total primary government - major funds	606,451	1,568,242	954,142	6,070	51,796	17,173	43,297	378,919	490,334	84,205	313,904
Primary government - non-major funds:											
The Crossings CID Fund	290	-	-	-	-	-	-	-	-	-	-
Total primary government - non-major funds	290	-	-	-	-	-	-	-	-	-	-
Total governmental funds	606,741	1,568,242	954,142	6,070	51,796	17,173	43,297	378,919	490,334	84,205	313,904
Proprietary funds:											
Wastewater Fund	722,472	-	-	-	-	-	-	-	-	-	-
Water Fund	572,895	-	-	-	-	-	-	-	-	-	-
Sanitation Fund	292,735	-	-	-	-	-	-	-	-	-	-
Airport Fund	73,673	-	-	-	-	-	-	-	-	-	-
Total proprietary funds	1,661,775	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 2,268,516</u>	<u>\$ 1,568,242</u>	<u>\$ 954,142</u>	<u>\$ 6,070</u>	<u>\$ 51,796</u>	<u>\$ 17,173</u>	<u>\$ 43,297</u>	<u>\$ 378,919</u>	<u>\$ 490,334</u>	<u>\$ 84,205</u>	<u>\$ 313,904</u>

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

14. 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, 2025. The total PILOTS paid under this agreement totaled \$357,465 during the year, of which \$36,271 was retained by the City and \$321,194 was passed on to the other eligible taxing districts. The total property taxes abated under this agreement totaled \$386,217 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, 2025. The total property taxes abated under this program totaled \$122,519 during the year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended March 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 12,660,888	\$ 13,348,846	\$ 13,348,846	\$ (687,958)
Licenses and permits	824,429	951,728	951,728	(127,299)
Charges for services	111,535	238,919	238,919	(127,384)
Intergovernmental revenue	1,849,709	4,789,304	4,913,315	(3,063,606)
Fines and forfeitures	167,925	138,331	138,331	29,594
Lease revenue	6,612	-	-	6,612
Other revenue	1,189,316	968,322	1,030,976	158,340
Total revenues	16,810,414	20,435,450	20,622,115	(3,811,701)
EXPENDITURES				
General government	5,225,685	5,129,497	5,129,501	(96,184)
Public safety	11,504,937	11,622,541	11,622,042	117,105
Transportation	389,969	453,415	453,414	63,445
Economic development	15,930	15,930	15,930	-
Capital outlay	923,797	515,478	1,018,152	94,355
Total expenditures	18,060,318	17,736,861	18,239,039	178,721
Excess (deficiency) of revenues over (under) expenditures	(1,249,904)	2,698,589	2,383,076	(3,632,980)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,268,516	2,268,466	2,268,466	50
Transfers (out)	(1,874,906)	(4,274,374)	(4,274,374)	2,399,468
Total other financing sources (uses)	393,610	(2,005,908)	(2,005,908)	2,399,518
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	\$ (856,294)	\$ 692,681	\$ 377,168	\$ (1,233,462)

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
Year Ended March 31, 2025**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 3,781,741	\$ 3,745,196	\$ 3,745,196	\$ 36,545
Charges for services	-	9,936	9,936	(9,936)
Intergovernmental revenue	1,365,332	1,306,582	1,306,582	58,750
Other revenue	98,583	74,091	74,091	24,492
Total revenues	5,252,377	5,135,805	5,135,805	116,572
EXPENDITURES				
Transportation	3,455,011	2,975,239	3,363,201	(91,810)
Capital outlay	991,451	944,653	1,001,434	9,983
Total expenditures	4,446,462	3,919,892	4,364,635	(81,827)
Excess of revenues over expenditures	805,915	1,215,913	771,170	34,745
OTHER FINANCING (USES)				
Transfers (out)	(1,432,022)	(1,320,140)	(1,320,140)	(111,882)
Total other financing (uses)	(1,432,022)	(1,320,140)	(1,320,140)	(111,882)
Deficiency of revenues under expenditures and other financing (uses)	\$ (626,107)	\$ (104,227)	\$ (548,970)	\$ (77,137)

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

PARK FUND

Year Ended March 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 4,480,920	\$ 4,438,150	\$ 4,444,670	\$ 36,250
Charges for services	1,540,372	1,517,299	1,506,049	34,323
Intergovernmental revenue	377,808	-	1,357,472	(979,664)
Contributions	57,324	11,000	57,135	189
Other revenue	143,393	575,515	87,484	55,909
Total revenues	<u>6,622,937</u>	<u>6,541,964</u>	<u>7,452,810</u>	<u>(829,873)</u>
EXPENDITURES				
Parks and recreation	5,131,160	5,000,312	5,785,230	654,070
Capital outlay	<u>2,207,254</u>	<u>1,350,000</u>	<u>1,900,000</u>	<u>(307,254)</u>
Total expenditures	<u>7,338,414</u>	<u>6,350,312</u>	<u>7,685,230</u>	<u>346,816</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(715,477)</u>	<u>191,652</u>	<u>(232,420)</u>	<u>(483,057)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,214,913	1,214,913	1,214,913	-
Transfers (out)	<u>(272,438)</u>	<u>(208,728)</u>	<u>(276,843)</u>	<u>4,405</u>
Total other financing sources (uses)	<u>942,475</u>	<u>1,006,185</u>	<u>938,070</u>	<u>4,405</u>
Excess of revenues over expenditures and other financing sources (uses)	<u>\$ 226,998</u>	<u>\$ 1,197,837</u>	<u>\$ 705,650</u>	<u>\$ (478,652)</u>

CITY OF SEDALIA

LAGERS (PENSION PLAN) – CITY SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS March 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 1,432,275	\$ 1,026,778	\$ 833,992	\$ 892,587	\$ 790,187	\$ 785,279	\$ 817,636	\$ 800,053	\$ 782,987	\$ 766,176
Interest on the total pension liability	3,332,071	2,998,310	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	-	1,864,410	-	-	-	8,553,204	-	-	-	-
Difference between expected and actual experience	1,687,063	1,307,489	(167,047)	(10,287,957)	761,173	(299,985)	(486,500)	(62,084)	(778,678)	(60,682)
Assumption changes	11,945	-	-	(2,130,281)	1,621,669	-	-	-	1,149,316	-
Benefit payments	(2,589,891)	(2,626,079)	(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	3,873,463	4,570,908	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	48,190,666	43,619,758	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	52,064,129	48,190,666	43,619,758	42,268,212	52,444,495	38,966,446	29,132,026	27,979,442	26,321,787	24,359,581
Plan fiduciary net position										
Contributions - employer	\$ 2,522,986	\$ 2,467,819	\$ 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	2,234,248	1,550,943	32,050	9,971,942	437,231	1,867,412	3,249,663	2,733,145	(48,800)	450,341
Benefit payments	(2,589,891)	(2,626,079)	(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	(64,480)	(70,178)	(45,854)	(40,881)	(53,240)	(39,247)	(25,525)	(25,203)	(24,904)	(26,656)
Other	(256,979)	(9,029)	(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	1,845,884	1,313,476	(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	44,170,033	42,856,557	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	46,015,917	44,170,033	42,856,557	44,949,396	34,079,926	34,211,774	29,039,950	26,017,411	23,155,909	23,481,842
Net pension liability/(asset)	\$ 6,048,212	\$ 4,020,633	\$ 763,201	\$ (2,681,184)	\$ 18,364,569	\$ 4,754,672	\$ 92,076	\$ 1,962,031	\$ 3,165,878	\$ 877,739
Plan fiduciary net position as a percentage of the total pension liability	88.38%	91.66%	98.25%	106.34%	64.98%	87.80%	99.68%	92.99%	87.97%	96.40%
Covered payroll	\$ 11,352,241	\$ 9,985,121	\$ 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	53.28%	40.27%	10.65%	-38.12%	264.49%	73.26%	1.38%	28.08%	47.57%	13.14%

CITY OF SEDALIA

LAGERS (PENSION PLAN) - LIBRARY SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS March 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 26,774	\$ 23,171	\$ 28,636	\$ 31,816	\$ 31,289	\$ 28,699	\$ 30,363	\$ 29,263	\$ 24,660	\$ 23,977
Interest on the total pension liability	95,266	89,533	84,966	88,840	85,469	80,577	76,316	71,959	66,675	61,180
Difference between expected and actual experience	(18,740)	54,385	39,321	(4,517)	(15,183)	11,828	4,185	4,786	(14,776)	43,528
Assumption changes	-	-	-	(59,059)	-	-	-	-	38,715	-
Benefit payments	(83,021)	(90,782)	(79,403)	(55,189)	(55,460)	(54,371)	(48,273)	(44,704)	(44,588)	(61,582)
Net change in total pension liability	20,279	76,307	73,520	1,891	46,115	66,733	62,591	61,304	70,686	67,103
Total pension liability beginning	1,388,585	1,312,278	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	1,408,864	1,388,585	1,312,278	1,238,758	1,236,867	1,190,752	1,124,019	1,061,428	1,000,124	929,438
Plan fiduciary net position										
Contributions - employer	\$ 65,232	\$ 50,362	\$ 50,270	\$ 65,235	\$ 63,108	\$ 61,752	\$ 52,044	\$ 55,607	\$ 48,626	\$ 45,438
Pension plan net investment income	66,945	47,451	892	276,305	12,621	61,867	105,542	84,537	(2,114)	13,870
Benefit payments	(83,021)	(90,782)	(79,403)	(55,189)	(55,460)	(54,371)	(48,273)	(44,704)	(44,588)	(61,582)
Pension plan administrative expense	(2,007)	(2,130)	(1,546)	(1,334)	(1,747)	(1,690)	(1,195)	(1,096)	(1,094)	(1,212)
Other	(69,334)	28,002	80,520	1,526	(11,270)	12,501	10,645	10,927	(5,561)	(15,982)
Net change in plan fiduciary net position	(22,185)	32,903	50,733	286,543	7,252	80,059	118,763	105,271	(4,731)	(19,468)
Plan fiduciary net position beginning	1,405,280	1,372,377	1,321,644	1,035,101	1,027,849	947,790	829,027	723,756	728,487	747,955
Plan fiduciary net position ending	\$ 1,383,095	\$ 1,405,280	\$ 1,372,377	\$ 1,321,644	\$ 1,035,101	\$ 1,027,849	\$ 947,790	\$ 829,027	\$ 723,756	\$ 728,487
Net pension liability/(asset)	\$ 25,769	\$ (16,695)	\$ (60,099)	\$ (82,886)	\$ 201,766	\$ 162,903	\$ 176,229	\$ 232,401	\$ 276,368	\$ 200,951
Plan fiduciary net position as a percentage of the total pension liability	98.17%	101.20%	104.58%	106.69%	83.69%	86.32%	84.32%	78.10%	72.37%	78.38%
Covered payroll	\$ 272,172	\$ 193,128	\$ 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	9.47%	-8.64%	-33.01%	-33.80%	84.55%	73.74%	84.52%	102.49%	139.68%	117.49%

CITY OF SEDALIA

LAGERS (PENSION PLAN) - WATER SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS March 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 66,358	\$ 66,525	\$ 72,576	\$ 78,917	\$ 77,215	\$ 88,297	\$ 95,048	\$ 96,379	\$ 95,986	\$ 92,032
Interest on the total pension liability	535,581	531,459	513,321	573,779	558,107	503,805	490,769	484,758	447,224	429,548
Difference between expected and actual experience	219,256	(48,294)	220,686	(431,532)	64,267	598,229	(29,739)	(238,135)	(74,158)	(43,550)
Assumption changes	-	-	-	(225,883)	-	-	-	-	292,759	-
Benefit payments	(502,884)	(478,992)	(607,808)	(539,485)	(430,936)	(440,676)	(307,554)	(212,984)	(274,521)	(199,141)
Net change in total pension liability	318,311	70,698	198,775	(544,204)	268,653	749,655	248,524	130,018	487,290	278,889
Total pension liability beginning	7,865,722	7,795,024	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	8,184,033	7,865,722	7,795,024	7,596,249	8,140,453	7,871,800	7,122,145	6,873,621	6,743,603	6,256,313
Plan fiduciary net position										
Contributions - employer	\$ 161,348	\$ 128,582	\$ 124,353	\$ 137,073	\$ 120,591	\$ 141,273	\$ 190,833	\$ 185,053	\$ 195,838	\$ 202,067
Pension plan net investment income	430,011	262,421	5,308	1,815,922	103,047	516,355	809,919	659,620	(13,473)	115,738
Benefit payments	(502,884)	(478,992)	(607,808)	(539,485)	(430,936)	(440,676)	(307,554)	(212,984)	(274,521)	(199,141)
Pension plan administrative expense	(7,090)	(7,152)	(5,412)	(4,824)	(6,450)	(5,550)	(4,182)	(4,129)	(4,037)	(4,567)
Other	115,187	(246,986)	99,094	(281,367)	64,991	279,758	28,511	(28,911)	9,248	119,878
Net change in plan fiduciary net position	196,572	(342,127)	(384,465)	1,127,319	(148,757)	491,160	717,527	598,649	(86,945)	233,975
Plan fiduciary net position beginning	7,751,351	8,093,478	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	\$ 7,947,923	\$ 7,751,351	\$ 8,093,478	\$ 8,477,943	\$ 7,350,624	\$ 7,499,381	\$ 7,008,221	\$ 6,290,694	\$ 5,692,045	\$ 5,778,990
Net pension liability/(asset)	\$ 236,110	\$ 114,371	\$ (298,454)	\$ (881,694)	\$ 789,829	\$ 372,419	\$ 113,924	\$ 582,927	\$ 1,051,558	\$ 477,323
Plan fiduciary net position as a percentage of the total pension liability	97.11%	98.55%	103.83%	111.61%	90.30%	95.27%	98.40%	91.52%	84.41%	92.37%
Covered payroll	\$ 755,524	\$ 535,941	\$ 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	31.25%	21.34%	-45.03%	-128.37%	100.13%	50.33%	12.04%	61.55%	108.88%	51.39%

CITY OF SEDALIA

LAGERS (PENSION PLAN) - CITY SCHEDULE OF CONTRIBUTIONS March 31, 2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 2,242,151	\$ 1,930,118	\$ 1,734,642	\$ 1,172,012	\$ 1,150,720
Contributions in relation to the actuarially determined contribution	2,181,821	1,930,118	1,732,116	1,165,335	1,150,720
Contribution deficiency (excess)	\$ 60,330	\$ -	\$ 2,526	\$ 6,677	\$ -
Covered payroll	\$ 12,220,054	\$ 11,131,211	\$ 9,998,300	\$ 7,135,632	\$ 7,304,056
Contributions as a percentage of covered payroll	17.85%	17.34%	17.32%	16.33%	15.75%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,092,953	\$ 1,096,890	\$ 1,125,662	\$ 1,132,767	\$ 1,098,082
Contributions in relation to the actuarially determined contribution	1,092,953	1,096,889	1,113,607	1,132,766	1,098,082
Contribution deficiency (excess)	\$ -	\$ 1	\$ 12,055	\$ 1	\$ -
Covered payroll	\$ 6,950,144	\$ 6,829,058	\$ 6,950,588	\$ 7,337,516	\$ 6,975,638
Contributions as a percentage of covered payroll	15.73%	16.06%	16.02%	15.44%	15.74%

CITY OF SEDALIA

LAGERS (PENSION PLAN) – LIBRARY SCHEDULE OF CONTRIBUTIONS March 31, 2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 65,219	\$ 59,325	\$ 48,229	\$ 53,418	\$ 65,318
Contributions in relation to the actuarially determined contribution	65,218	59,325	48,229	53,418	65,318
Contribution deficiency (excess)	\$ 1	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 259,835	\$ 236,358	\$ 196,851	\$ 209,483	\$ 246,484
Contributions as a percentage of covered payroll	25.10%	25.10%	24.50%	25.50%	26.50%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 62,494	\$ 60,959	\$ 55,356	\$ 60,515	\$ 47,394
Contributions in relation to the actuarially determined contribution	62,494	60,959	52,076	55,510	47,394
Contribution deficiency (excess)	\$ -	\$ -	\$ 3,280	\$ 5,005	\$ -
Covered payroll	\$ 238,526	\$ 235,363	\$ 205,023	\$ 227,501	\$ 202,537
Contributions as a percentage of covered payroll	26.20%	25.90%	25.40%	24.40%	23.40%

CITY OF SEDALIA

LAGERS (PENSION PLAN) - WATER SCHEDULE OF CONTRIBUTIONS

March 31, 2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 341,119	\$ 205,807	\$ 163,858	\$ 165,375	\$ 168,923
Contributions in relation to the actuarially determined contribution	217,628	150,680	122,894	129,637	128,529
Contribution deficiency (excess)	<u>\$ 123,491</u>	<u>\$ 55,127</u>	<u>\$ 40,964</u>	<u>\$ 35,738</u>	<u>\$ 40,394</u>
Covered payroll	\$ 1,012,222	\$ 735,025	\$ 630,223	\$ 700,740	\$ 734,449
Contributions as a percentage of covered payroll	21.50%	20.50%	19.50%	18.50%	17.50%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 121,726	\$ 161,121	\$ 186,393	\$ 183,875	\$ 206,086
Contributions in relation to the actuarially determined contribution	121,726	161,121	186,392	183,875	206,086
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 737,732	\$ 947,773	\$ 991,450	\$ 938,135	\$ 1,000,420
Contributions as a percentage of covered payroll	16.50%	17.00%	18.80%	19.60%	20.60%

CITY OF SEDALIA

FIRE PENSION FUND

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

March 31, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ -	\$ 37,000	\$ 189,053	\$ 189,377	\$ 180,182	\$ 160,454	\$ 148,232	\$ 138,608	\$ 138,948	\$ 133,713
Interest on the total pension liability	699,519	686,268	793,089	779,113	753,900	761,117	750,063	741,030	703,414	671,001
Difference between expected and actual experience	17,109	300,274	(70,714)	19,231	106,307	(82,067)	22,165	(10,253)	(340,276)	291,541
Assumption changes	(72,483)	(4,534)	16,808	(37,046)	54,086	(23,976)	89,091	(100,970)	696,590	-
Benefit payments	(710,801)	(874,612)	(788,636)	(712,758)	(774,207)	(1,102,512)	(625,207)	(672,768)	(649,155)	(627,757)
Plan amendment	-	-	(1,470,570)	-	-	-	-	-	-	-
Net change in total pension liability	(66,656)	144,396	(1,330,970)	237,917	320,268	(286,984)	384,344	95,647	549,521	468,498
Total pension liability beginning	10,348,535	10,204,139	11,535,109	11,297,192	10,976,924	11,263,908	10,879,564	10,783,917	10,234,396	9,765,898
Total pension liability ending	<u>\$ 10,281,879</u>	<u>\$ 10,348,535</u>	<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>	<u>\$ 10,234,396</u>
Plan fiduciary net position										
Contributions - employer	\$ 18,383	\$ 61,753	\$ 288,965	\$ 295,401	\$ 282,680	\$ 245,427	\$ 328,018	\$ 220,408	\$ 197,176	\$ 239,610
Contributions - property tax revenues	155,895	162,223	147,571	147,927	145,891	122,386	122,127	133,018	134,275	127,619
Pension plan net investment income	964,382	(396,809)	470,077	2,508,493	(458,203)	402,513	499,240	605,999	(141,491)	483,075
Benefit payments	(710,801)	(874,612)	(788,636)	(712,758)	(774,207)	(1,102,512)	(625,207)	(672,768)	(649,155)	(627,757)
Pension plan administrative expense	(18,825)	(21,363)	(66,500)	(55,524)	(55,673)	(57,757)	(34,704)	(33,340)	(32,548)	(29,183)
Net change in plan fiduciary net position	409,034	(1,068,808)	51,477	2,183,539	(859,512)	(389,943)	289,474	253,317	(491,743)	193,364
Plan fiduciary net position beginning	7,445,728	8,514,536	8,463,059	6,279,520	7,139,032	7,528,975	7,239,501	6,986,184	7,477,927	7,284,563
Plan fiduciary net position ending	<u>\$ 7,854,762</u>	<u>\$ 7,445,728</u>	<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>	<u>\$ 7,477,927</u>
Net pension liability	<u>\$ 2,427,117</u>	<u>\$ 2,902,807</u>	<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>	<u>\$ 2,756,469</u>
Plan fiduciary net position as a percentage of the total pension liability	76.39%	71.95%	83.44%	73.37%	55.58%	65.04%	66.84%	66.54%	64.78%	73.07%
Covered payroll	N/A	N/A	\$ 2,391,280	\$ 2,440,689	\$ 2,311,800	\$ 2,076,144	\$ 2,020,044	\$ 1,906,721	\$ 1,745,386	\$ 1,694,537
Net pension liability as a percentage of covered payroll	N/A	N/A	70.66%	125.87%	217.05%	184.86%	184.89%	190.91%	217.59%	162.67%

CITY OF SEDALIA

FIRE PENSION FUND SCHEDULE OF CONTRIBUTIONS March 31, 2025

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 196,719	\$ 212,675	\$ 460,030	\$ 461,365	\$ 417,212
Contributions in relation to the actuarially determined contribution	174,278	223,975	436,536	443,328	428,571
Contribution deficiency (excess)	<u>\$ 22,441</u>	<u>\$ (11,300)</u>	<u>\$ 23,494</u>	<u>\$ 18,037</u>	<u>\$ (11,359)</u>
Covered payroll	N/A	N/A	\$ 2,391,280	\$ 2,440,689	\$ 2,311,800
Contributions as a percentage of covered payroll	N/A	N/A	18.26%	18.16%	18.54%
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 385,272	\$ 362,295	\$ 439,494	\$ 358,679	\$ 331,814
Contributions in relation to the actuarially determined contribution	367,813	450,145	353,426	331,451	367,229
Contribution deficiency (excess)	<u>\$ 17,459</u>	<u>\$ (87,850)</u>	<u>\$ 86,068</u>	<u>\$ 27,228</u>	<u>\$ (35,415)</u>
Covered payroll	\$ 2,076,144	\$ 2,020,044	\$ 1,906,721	\$ 1,745,386	\$ 1,694,537
Contributions as a percentage of covered payroll	17.72%	22.28%	18.54%	18.99%	21.67%

SUPPLEMENTARY INFORMATION

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT FUND
Year Ended March 31, 2025**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 3,855,290	\$ 4,160,723	\$ 4,160,723	\$ (305,433)
Intergovernmental revenue	737,707	4,407,681	4,437,681	(3,699,974)
Other revenue	1,550,240	1,523,993	1,523,993	26,247
Total revenues	6,143,237	10,092,397	10,122,397	(3,979,160)
EXPENDITURES				
General government	37,012	141,240	141,240	104,228
Capital outlay	3,767,638	30,949,613	31,634,613	27,866,975
Debt service	3,257,422	3,257,422	3,257,422	-
Total expenditures	7,062,072	34,348,275	35,033,275	27,971,203
Excess (deficiency) of revenues over (under) expenditures	(918,835)	(24,255,878)	(24,910,878)	23,992,043
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	17,000,000	17,000,000	(17,000,000)
Transfers in	1,568,242	3,562,652	3,562,652	(1,994,410)
Transfers (out)	(1,195,938)	(1,278,975)	(1,278,975)	83,037
Total other financing sources (uses)	372,304	19,283,677	19,283,677	(18,911,373)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ (546,531)	\$ (4,972,201)	\$ (5,627,201)	\$ 5,080,670

CITY OF SEDALIA

COMBINING BALANCE SHEET

NON-MAJOR FUNDS

March 31, 2025

	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	Animal Control Center Fund	Total
ASSETS										
Cash and cash equivalents	\$ 205,726	\$ 15,355	\$ 47,976	\$ 2,701	\$ 45,944	\$ -	\$ -	\$ 310,290	\$ 10,123	\$ 638,115
Accounts receivable	-	-	-	-	-	-	-	-	390	390
Taxes receivable	-	-	-	-	533	-	-	-	-	533
Prepaid expenditures	-	-	-	-	-	-	-	-	7,896	7,896
TOTAL ASSETS	<u>\$ 205,726</u>	<u>\$ 15,355</u>	<u>\$ 47,976</u>	<u>\$ 2,701</u>	<u>\$ 46,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,290</u>	<u>\$ 18,409</u>	<u>\$ 646,934</u>
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 104	\$ -	\$ 4,548	\$ -	\$ -	\$ -	\$ -	\$ 1,144	\$ 3,943	\$ 9,739
Accrued liabilities	-	-	-	-	-	-	-	-	14,466	14,466
Total liabilities	<u>104</u>	<u>-</u>	<u>4,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,144</u>	<u>18,409</u>	<u>24,205</u>
FUND BALANCES										
Restricted for:										
Community development	205,622	-	-	-	-	-	-	-	-	205,622
Public safety	-	15,355	-	-	-	-	-	309,146	-	324,501
Economic development	-	-	43,428	2,701	46,477	-	-	-	-	92,606
Total fund balances	<u>205,622</u>	<u>15,355</u>	<u>43,428</u>	<u>2,701</u>	<u>46,477</u>	<u>-</u>	<u>-</u>	<u>309,146</u>	<u>-</u>	<u>622,729</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 205,726</u>	<u>\$ 15,355</u>	<u>\$ 47,976</u>	<u>\$ 2,701</u>	<u>\$ 46,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,290</u>	<u>\$ 18,409</u>	<u>\$ 646,934</u>

CITY OF SEDALIA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR FUNDS

Year Ended March 31, 2025

	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	Animal Control Center Fund	Total
REVENUES										
Taxes	\$ 45,785	\$ -	\$ 294,977	\$ 29,031	\$ 130,398	\$ -	\$ -	\$ -	\$ -	\$ 500,191
Charges for services	-	9,350	-	-	-	-	-	-	39,263	48,613
Other revenue	11,467	836	4,496	-	-	-	-	247,942	86,989	351,730
TOTAL REVENUES	57,252	10,186	299,473	29,031	130,398	-	-	247,942	126,252	900,534
EXPENDITURES										
Current:										
Community development	39,601	-	-	-	-	-	-	-	-	39,601
Public safety	-	18,939	-	-	-	-	-	9,501	494,840	523,280
Economic development	-	-	269,214	28,741	178,726	17,173	43,297	-	-	537,151
Capital outlay	-	-	-	-	-	-	-	-	10,331	10,331
Total expenditures	39,601	18,939	269,214	28,741	178,726	17,173	43,297	9,501	505,171	1,110,363
Excess (deficiency) of revenues over (under) expenditures	17,651	(8,753)	30,259	290	(48,328)	(17,173)	(43,297)	238,441	(378,919)	(209,829)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	6,070	-	51,796	17,173	43,297	-	378,919	497,255
Transfers (out)	-	-	-	(290)	-	-	-	-	-	(290)
Total other financing sources (uses)	-	-	6,070	(290)	51,796	17,173	43,297	-	378,919	496,965
Net change in fund balances	17,651	(8,753)	36,329	-	3,468	-	-	238,441	-	287,136
FUND BALANCES, APRIL 1	187,971	24,108	7,099	2,701	43,009	-	-	70,705	-	335,593
FUND BALANCES, MARCH 31	<u>\$ 205,622</u>	<u>\$ 15,355</u>	<u>\$ 43,428</u>	<u>\$ 2,701</u>	<u>\$ 46,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,146</u>	<u>\$ -</u>	<u>\$ 622,729</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

SPECIAL BUSINESS DISTRICT FUND

Year Ended March 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 45,785	\$ 41,616	\$ 41,616	\$ 4,169
Other revenue	11,467	8,665	8,665	2,802
Total revenues	<u>57,252</u>	<u>50,281</u>	<u>50,281</u>	<u>6,971</u>
EXPENDITURES				
Community development	39,601	79,600	79,600	39,999
Capital outlay	-	41,280	41,280	41,280
Total expenditures	<u>39,601</u>	<u>120,880</u>	<u>120,880</u>	<u>81,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,651</u>	<u>\$ (70,599)</u>	<u>\$ (70,599)</u>	<u>\$ 88,250</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

FIRE ACADEMY FUND

Year Ended March 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Charges for services	\$ 9,350	\$ 20,400	\$ 9,350	\$ -
Other revenue	836	855	855	(19)
Total revenues	10,186	21,255	10,205	(19)
EXPENDITURES				
Public safety	18,939	25,841	25,841	6,902
Total expenditures	18,939	25,841	25,841	6,902
Deficiency of revenues under expenditures	<u>\$ (8,753)</u>	<u>\$ (4,586)</u>	<u>\$ (15,636)</u>	<u>\$ 6,883</u>

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
MIDTOWN SPECIAL ALLOCATION FUND
Year Ended March 31, 2025**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 294,977	\$ 273,622	\$ 273,622	\$ 21,355
Other revenue	4,496	3,137	3,137	1,359
Total revenues	<u>299,473</u>	<u>276,759</u>	<u>276,759</u>	<u>22,714</u>
EXPENDITURES				
Economic development	269,214	9,183	9,183	(260,031)
Capital outlay	-	281,807	281,807	281,807
Total expenditures	<u>269,214</u>	<u>290,990</u>	<u>290,990</u>	<u>21,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,259</u>	<u>(14,231)</u>	<u>(14,231)</u>	<u>44,490</u>
OTHER FINANCING SOURCES				
Transfers in	<u>6,070</u>	<u>9,438</u>	<u>9,438</u>	<u>(3,368)</u>
Total other financing sources	<u>6,070</u>	<u>9,438</u>	<u>9,438</u>	<u>(3,368)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ 36,329</u>	<u>\$ (4,793)</u>	<u>\$ (4,793)</u>	<u>\$ 41,122</u>

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
THE CROSSINGS CID FUND
Year Ended March 31, 2025**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 29,031	\$ -	\$ -	\$ 29,031
Total revenues	29,031	-	-	29,031
EXPENDITURES				
Economic development	28,741	-	30,000	1,259
Total expenditures	28,741	-	30,000	1,259
Excess (deficiency) of revenues over (under) expenditures	290	-	(30,000)	30,290
OTHER FINANCING (USES)				
Transfers (out)	(290)	(240)	(240)	(50)
Total other financing (uses)	(290)	(240)	(240)	(50)
Deficiency of revenues under expenditures and other financing (uses)	\$ -	\$ (240)	\$ (30,240)	\$ 30,240

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
GALAXY WEST CID FUND
Year Ended March 31, 2025**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 130,398	\$ 25,000	\$ 25,000	\$ 105,398
Total revenues	130,398	25,000	25,000	105,398
EXPENDITURES				
Economic development	178,726	-	191,089	12,363
Total expenditures	178,726	-	191,089	12,363
Excess (deficiency) of revenues over (under) expenditures	(48,328)	25,000	(166,089)	117,761
OTHER FINANCING SOURCES				
Transfers in	51,796	60,000	60,000	(8,204)
Total other financing sources	51,796	60,000	60,000	(8,204)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ 3,468	\$ 85,000	\$ (106,089)	\$ 109,557

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
MFA SALES TAX SHARING FUND
Year Ended March 31, 2025**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
EXPENDITURES				
Economic development	\$ 17,173	\$ -	\$ 20,000	\$ 2,827
Total expenditures	17,173	-	20,000	2,827
OTHER FINANCING SOURCES				
Transfers in	17,173	37,512	17,152	21
Total other financing sources	17,173	37,512	17,152	21
Excess (deficiency) of other financing sources over (under) expenditures	\$ -	\$ 37,512	\$ (2,848)	\$ 2,848

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
LAMY'S SALES TAX SHARING FUND
Year Ended March 31, 2025**

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

CITY OF SEDALIA
BUDGETARY COMPARISON SCHEDULE
OPIOID SETTLEMENT FUND
Year Ended March 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Other revenue	\$ 247,942	\$ -	\$ 100,000	\$ 147,942
Total revenues	247,942	-	100,000	147,942
EXPENDITURES:				
Public safety	9,501	-	-	(9,501)
Total expenditures	9,501	-	-	(9,501)
Excess of revenues over expenditures	\$ 238,441	\$ -	\$ 100,000	\$ 138,441

CITY OF SEDALIA
BUDGETARY COMPARISON SCHEDULE
ANIMAL CONTROL CENTER FUND
Year Ended March 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Charges for services	\$ 39,263	\$ -	\$ -	\$ 39,263
Other revenue	86,989	-	-	86,989
Total revenues	126,252	-	-	126,252
EXPENDITURES:				
Public safety	494,840	476,653	497,619	2,779
Capital outlay	10,331	-	30,000	19,669
Total expenditures	505,171	476,653	527,619	22,448
Deficiency of revenues under expenditures	(378,919)	(476,653)	(527,619)	148,700
OTHER FINANCING SOURCES				
Transfers in	378,919	-	-	378,919
Total other financing sources	378,919	-	-	378,919
Deficiency of revenues and other financing sources under expenditures	\$ -	\$ (476,653)	\$ (527,619)	\$ 527,619

SINGLE AUDIT REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sedalia (the City), as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 25, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002.

City's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William F. Keefe, LLC

Columbia, Missouri
August 25, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sedalia's (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 City's major federal programs for the year ended March 31, 2025. The City'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 City 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 March 31, 2025.

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, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our 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 City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, 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 City's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

William F. Keefe UC

Columbia, Missouri
August 25, 2025

CITY OF SEDALIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2025

	Assistance Listing Number	Pass Through Number	Expenditures
U.S. Department of Treasury:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,465,004
Passed through the Missouri Department of Economic Development:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP 4542-34418096	789,964
Passed through the Missouri Department of Natural Resources:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	587111D06756	657,402
Passed through the Missouri Department of Public Safety:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP4542-CIIEG38	74,726
Total U.S. Department of Treasury			<u>2,987,096</u>
U.S. Department of Transportation:			
Passed through the Missouri Department of Transportation:			
		20-020A-2	
Airport Improvement Program	20.106	24-020A	76,045
Highway Planning and Construction	20.205	TAP-5700(512)	79,719
		24-M5HVE-03-007	
		24-PT-02-021	
		24-PT-02-042	
		25-ENF-03-068	
Hazardous Moving Violations (Highway Safety Cluster)	20.600	25-PT-02-071	45,876
DWI Enforcement (Highway Safety Cluster)	20.607	24-154-AL-043	5,618
Safe Streets and Roads for All	20.939	693JJ32340385	148,195
Total U.S. Department of Transportation			<u>355,453</u>
U.S. Department of Homeland Security:			
Passed through the Federal Emergency Management Agency:			
Assistance to Firefighters Grant	97.044	EMW-2022-FG-08118	91,824
Passed through the Missouri Department of Public Safety:			
		EMW-2022-SS-00094-52	
Homeland Security Grant Program	97.067	EMW-2024-SS-05013-28	11,066
Local Violent Crime Prevention Program	97.U01	2025-LVCP-17	24,797
Total U.S. Department of Homeland Security			<u>127,687</u>
U.S. Department of Justice:			
Passed through the Bureau of Justice Assistance:			
		FY23 Regular Fund	
Bulletproof Vest Partnership Program	16.607	FY24 Regular Fund	6,041
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03538-JAGX	14,274
Total U.S. Department of Justice			<u>20,315</u>
U.S. Department of the Interior, National Park Service:			
Passed through the Missouri Department of Natural Resources:			
Historic Preservation Fund Grant	15.904	P22AP01483-00	50,512
Total U.S. Department of the Interior, National Park Service			<u>50,512</u>
Total expenditures of federal awards			<u>\$ 3,541,063</u>

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes only the current year federal grant activity of the City and is presented on the accrual basis of accounting. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in the preparation of, the basic financial statements, although such differences are not material.

2. INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF SEDALIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2025**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. Significant deficiencies relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." These are not considered material weaknesses.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs is reported in the "Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance."
5. The auditor's report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal programs.
6. The audit did not disclose any audit findings that the auditor is required to report under 2 CFR Section 200.516(a) of the Uniform Guidance.
7. The programs tested as major federal programs include:

	Assistance Listing Number
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
9. The City did not qualify as a low-risk auditee for the year ended March 31, 2025.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2025-001: Preparation of Financial Statements

Condition: Management is responsible for establishing and maintaining internal control, which includes internal control over the selection and application of accounting principles, adjustment of the underlying general ledger, and preparation of the financial statements. In our capacity as external auditors, we cannot also be considered to be part of an entity's system of internal control. If management does not have the means to accomplish its responsibilities other than by having the auditors handle some or all these responsibilities, the City is deemed to have a significant deficiency under auditing standards. During the fiscal year 2025 audit, the auditors prepared the financial statements, including the note disclosures, and proposed adjustments to the underlying general ledger.

Cause: The City's personnel, though trained in accounting and reporting standards, do not necessarily keep current with governmental accounting standards related to financial statement preparation.

Effect: The auditors prepared the financial statements, including the note disclosures, and submitted them to management for review and approval. The auditors also proposed adjustments to the underlying general ledger.

Recommendation: Because we feel the process of us, as auditors, preparing the financial statements at the conclusion of the audit, followed by management review and acceptance, is an efficient and cost-effective process overall, we are not recommending the City make other arrangements. We do, however, recommend the City ensure all significant adjustments are made to the financial statements prior to the financial statement audit going forward.

City's Response: Going forward, the Finance Director will continue to ensure all significant adjustments are made to the financial statements prior to the financial statement audit.

Finding 2025-002: Segregation of Duties

Condition: Management is responsible for establishing and maintaining internal control, which includes maintaining segregation of duties. When one individual is responsible for the preparation, review, approval, and/or posting of transactions, there is an increased risk that error or inappropriate entries could be recorded without detection, which could affect the reliability of financial reporting.

Cause: The City's current segregation of duties procedures do not address manual journal entries and although those procedures address other transactions, they were not consistently maintained during the year.

Effect: Manual journal entries were reviewed, approved, and posted by the same individual (the Finance Director). One (noted) instance of an accounts payable entry was prepared and approved by the same individual (the Accounting Technician); however, the City's procedures require such entries to be approved by the Accounting Manager.

Recommendation: We recommend the City strengthen segregation of duties by ensuring that no one individual has responsibility for the preparation, review, approval, and/or posting of transactions.

City's Response: Going forward, the City will review the current segregation of duties procedures and implement additional controls to ensure that no one individual has responsibility for the preparation, review, approval, and/or posting of transactions.

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

None.

CITY OF SEDALIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended March 31, 2025

There were no prior audit findings.

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, 2024

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity or Other Identifying Number</u>	<u>Passed through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Homeland Security Passed through State of Missouri Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-07-MO-4490-PW- 00694(0) / PA-07-MO- 4490-PW-00759(0) / PA-07-MO-4490-PW- 00779(0) / PA-07-MO- 4490-PW-00805(0)	\$ -	\$ 917,353
U.S. Department of Health and Human Services Passed through the Curators of the University of Missouri Medical Student Education	93.680	C00084599-1	-	970,857
			<u>\$ -</u>	<u>\$ 1,888,210</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, 2024

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, 2024. 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, 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% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Expenditures Incurred in Previous Fiscal Year

The total expenses reported on the Schedule related to the Disaster Grants – Public Assistance program (ALN 97.036) were incurred in a previous fiscal year but reported on the current year Schedule as the Project Worksheet was approved during the year ended May 31, 2024.

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2024, 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 September 5, 2024, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle.

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 opinion 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Kansas City, Missouri
September 5, 2024

Report on Compliance for the Major Federal Program, Report on Internal Control Over Compliance and Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Trustees
Bothwell Regional Health Center
Sedalia, Missouri

Report on Compliance for the Major Federal Program

Opinion on the 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 the Health Center's major federal program for the year ended May 31, 2024. The Health Center's major federal program is 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 its major federal program for the year ended May 31, 2024.

Basis for Opinion on the 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 the 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 program.

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 the 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Health Center's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Health Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The Health Center is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Health Center's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Health Center’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Health Center’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The Health Center is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. The Health Center’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of the Health Center, as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Health Center's basic financial statements. We have issued our report thereon dated September 5, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Kansas City, Missouri
February 28, 2025**

Bothwell Regional Health Center
A Component Unit of the City of Sedalia, Missouri
Schedule of Findings and Questioned Costs
Year Ended May 31, 2024

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:
- Material weaknesses(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

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

Assistance Listing Number	Name of Federal Program or Cluster
93.680	Medical Student Education

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

**Bothwell Regional Health Center
A Component Unit of the City of Sedalia, Missouri
Schedule of Findings and Questioned Costs
Year Ended May 31, 2024**

(Continued)

Section II – Financial Statement Findings

No matters are reportable.

**Bothwell Regional Health Center
A Component Unit of the City of Sedalia, Missouri
Schedule of Findings and Questioned Costs
Year Ended May 31, 2024**

(Continued)

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2024-001	U.S. Department of Health and Human Services, passed through the Curators of the University of Missouri ALN 93.680 - Medical Student Education PTE Federal Award No: C00084599-1 Criteria or Specific Requirement: Suspension and Debarment and Significant Deficiency In accordance with 2 CFR 200.214, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR Section 180.215. Per 2 CFR 200.303, the non-Federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control design to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Condition: Suspension and debarment checks were not completed for the vendors that received federal funds. Cause: Bothwell Regional Health Center did not have suspension and debarment controls in place prior to purchases with the vendors. Effect or Potential Effect: Federal funds could be paid to entities that are suspended or debarred. Questioned Costs: None noted. Context: Only one vendor was subject to the suspension and debarment requirement in 2024 and was selected for testing. The Health Center purchased \$961,978 in goods/services from this vendor in 2024. During our testing, we noted the vendor utilized by the Health Center was not evaluated for suspension and debarment. Upon subsequent check, the vendor was not suspended or debarred. Identification of Prior Year Finding: N/A Recommendation: Policies and procedures should be modified to ensure that suspension and debarment checks are performed on vendors and subrecipients alike prior to making purchases with federal funds. When newly established programs include vendors, we also recommend the contracts include suspension and debarment language. View of Responsible Official and Planned Corrective Actions: Management agrees with the finding and management will implement a control process to ensure that suspension and debarment checks are performed on vendors/contracts funded with grants in 2025.

Bothwell Regional Health Center
A Component Unit of the City of Sedalia, Missouri
Summary Schedule of Prior Audit Findings
Year Ended May 31, 2024

Reference Number	Summary of Finding	Status
2023-001	Department of Health and Human Services Direct Program: COVID-19 Provider Relief Fund - 93.498 Criteria or Specific Requirement – Reporting (Pub L. No 116-136, 134 Stat. 563 and Pub L No. 116-139, 134 Stat. 622 and 623). The Provider Relief Fund (PRF) was established in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, P.L. 116-136) to reimburse, through grants and other mechanisms, eligible health care providers for increased expenses or lost revenue attributable to Coronavirus Disease (COVID-19). Entities that received more than \$10,000 (either one time or in the aggregate) are required to report the use of their funds, including the lost revenue reimbursement and documentation of how the lost revenue was calculated. Condition – The Health Center did not properly report revenues by quarter in the period 4 HHS Provider Relief Fund (PRF) portal. Questioned Costs – None Context – Upon testing the period 4 report, six out of the eight quarters of actual revenues within 2021 and 2022 included in the portal did not tie to the Health Center's internal financial statements. Effect – The Health Center submitted revenues that were incorrect for the last two quarters of 2021 and all four quarters for 2022. This error in reporting did not lead to a change in the amount of lost revenues available to be used by the Health Center (all quarters reported zero lost revenues). Cause – The guidance provided by HHS to providers across the country as to how to report their COVID-19-related expenses and lost revenues is, at times, difficult to comprehend and apply. The Health Center's review processes over the portal submission failed to detect the errors. Identification as a Repeat Finding – Not applicable. Recommendation – The Health Center should continue to refine its understanding of the guidance related to this type of reporting and work with their external advisors to identify areas for improvement prior to submission to the Provider Relief Fund Reporting portal. Current Status and Planned Corrective Action – The Health Center agrees with this finding, however, does note that this did not in any way impact the amount of lost revenues available to be used under Provider Relief Fund program guidance. See separate auditee document for planned corrective action.	Resolved