

CITY OF SEDALIA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2022

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MARCH 31, 2022

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 12
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Funds:	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Net Position	20
Statement of Cash Flows	21
Component Unit – Bothwell Regional Health Center:	
Statement of Cash Flows	22
Fiduciary Funds:	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
Notes to Financial Statements	25 – 55
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	56
Transportation Fund	57
Park Fund	58
Pension Plans Schedules of Changes in Net Pension Liability and Related Ratios and Schedules of Contributions	59 – 66
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	68
Budgetary Comparison Schedules	69 – 75

TABLE OF CONTENTS (CONTINUED)

Single Audit Reports:

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	76 – 77
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by 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

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of March 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the Bothwell Regional Health Center, one of the City's discretely presented component units. Those statements were audited as of and for the year ended May 31, 2021, by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Bothwell Regional Health Center, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison schedules, and the pension plans schedules as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining non-major governmental fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining non-major governmental fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

William F. Keefe UC

Columbia, Missouri
October 10, 2022

**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**

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, 2022.

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 \$143,123,690 (net position). Of this amount, \$862,516 (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 decreased by \$5,336,276 during the year from its restated beginning net position.

As of the close of the current fiscal year, the City of Sedalia's governmental funds reported combined ending fund balances of \$19,959,170. Of this total, 44% is unassigned and available for use within the City's policies, and 56% is restricted to capital projects and special revenue purposes.

At the end of the fiscal year, unassigned fund balance for the General Fund was \$8,930,592, which is 63% of the total General Fund expenditures.

The City's revenue bonds payable decreased \$460,000 due to scheduled payments.

The City's certificates of participation debt decreased \$4,211,602 due to scheduled payments and other retirements through refinancing.

The City's capital lease debt decreased \$629,871 due to scheduled payments.

The City's note payable debt decreased \$71,829 due to scheduled payments.

In total the City's long-term debt decreased by \$5,373,302 due to scheduled payments.

CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, transportation, cultural, parks and recreation and community development. The business-type activities of the City include water, wastewater, and sanitation operations. The government-wide financial statements can be found on pages 13-14 of this report.

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.

CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022

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 15-18.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Wastewater, Water, and Sanitation Funds since they are considered to be major funds of the City. The basic proprietary funds financial statements can be found on pages 19-21.

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 23-24.

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 25-55.

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 59-66.

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 67-75.

Schedules of revenues, expenditures and changes in fund balance with comparisons to budgeted amounts are presented for each major governmental fund on pages 56-58.

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

**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**

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 \$143,123,690 as of March 31, 2022.

The largest portion of the City's net position (89%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, and construction in progress), less applicable allowances for depreciation, less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves could not be used to liquidate these liabilities while still providing services with such assets.

The following provides a summary of net position as of March 31, 2022 and 2021:

Net Position								
	March 31, 2022			March 31, 2021			Increase (Decrease)	% Change
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total		
Current assets	\$ 19,223,255	\$ 8,544,929	\$ 27,768,184	\$ 19,169,120	\$ 60,518,149	\$ 79,687,269	\$ (51,919,085)	(65.2%)
Restricted assets	5,633,092	4,701,588	10,334,680	16,698,271	16,126,816	32,825,087	(22,490,407)	(68.5%)
Capital assets	123,465,592	82,549,478	206,015,070	113,420,216	117,127,519	230,547,735	(24,532,665)	(10.6%)
Other assets	2,510,841	1,225,973	3,736,814	-	955,960	955,960	2,780,854	290.9%
Total Assets	<u>150,832,780</u>	<u>97,021,968</u>	<u>247,854,748</u>	<u>149,287,607</u>	<u>194,728,444</u>	<u>344,016,051</u>	<u>(96,161,303)</u>	<u>(28.0%)</u>
Deferred Outflows	2,425,230	577,837	3,003,067	5,241,378	5,579,541	10,820,919	(7,817,852)	(72.2%)
Current liabilities	5,569,877	4,428,327	9,998,204	3,563,214	32,079,799	35,643,013	(25,644,809)	(71.9%)
Long-term liabilities	38,158,156	42,538,724	80,696,880	48,538,360	65,103,933	113,642,293	(32,945,413)	(29.0%)
Total Liabilities	<u>43,728,033</u>	<u>46,967,051</u>	<u>90,695,084</u>	<u>52,101,574</u>	<u>97,183,732</u>	<u>149,285,306</u>	<u>(58,590,222)</u>	<u>(39.2%)</u>
Deferred Inflows	13,623,838	3,415,203	17,039,041	3,793,210	3,223,238	7,016,448	10,022,593	142.8%
Net Position:								
Net investment in capital assets	88,379,486	39,421,465	127,800,951	78,109,016	63,768,430	141,877,446	(14,076,495)	(9.9%)
Restricted for debt service	-	-	-	492,752	104,817	597,569	(597,569)	(100.0%)
Restricted for other purposes	13,234,250	1,225,973	14,460,223	24,964,656	9,462,828	34,427,484	(19,967,261)	(58.0%)
Nonexpendable endowments	-	-	-	-	101,614	101,614	(101,614)	(100.0%)
Unrestricted	(5,707,597)	6,570,113	862,516	(4,932,223)	26,463,326	21,531,103	(20,668,587)	(96.0%)
Total Net Position	<u>\$ 95,906,139</u>	<u>\$ 47,217,551</u>	<u>\$ 143,123,690</u>	<u>\$ 98,634,201</u>	<u>\$ 99,901,015</u>	<u>\$ 198,535,216</u>	<u>\$ (55,411,526)</u>	<u>(27.9%)</u>

As of March 31, 2022, 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 a decrease in net position of \$5,336,276 for the year ending March 31, 2022.

Governmental Activities: Governmental activities decreased the net position by \$5,520,141 from \$101,426,280 (restated) to \$95,906,139.

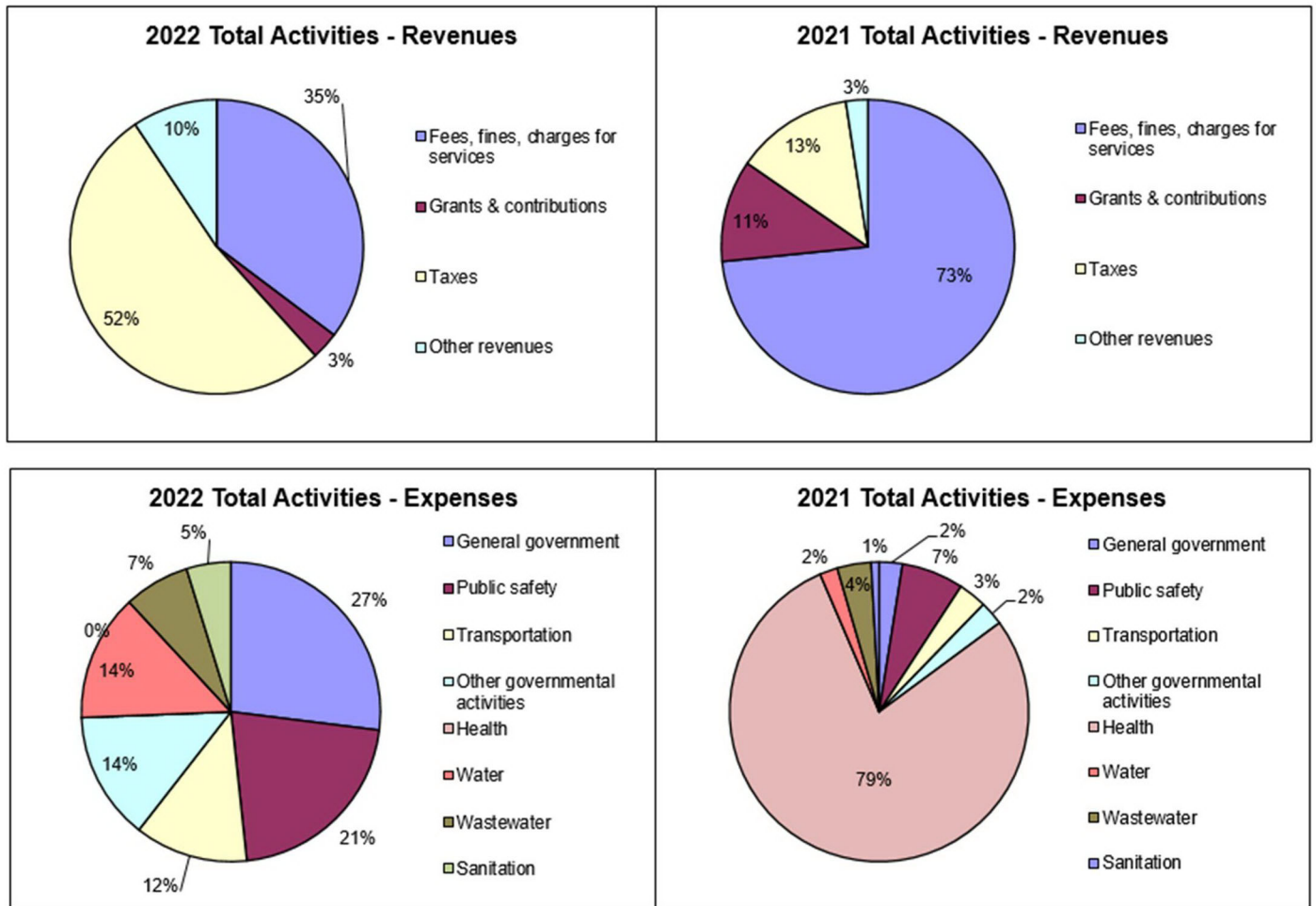
Business-type Activities: Net position from business-type activities increased by \$183,865 from \$47,033,686 (restated) to \$47,217,551.

**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**

The following table and charts provide a summary and comparison of the City's operations for years ended March 31, 2022 and 2021:

Changes In Net Position								
	March 31, 2022			March 31, 2021			Increase (Decrease)	% Change
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total		
Revenues:								
Program Revenues:								
Fees, fines, charges for services	\$ 1,424,186	\$ 12,866,569	\$ 14,290,755	\$ 1,559,198	\$ 125,595,277	\$ 127,154,475	\$ (112,863,720)	(88.8%)
Operating grants and contributions	213,681	-	213,681	161,553	7,674,564	7,836,117	(7,622,436)	(97.3%)
Capital grants and contributions	1,010,222	-	1,010,222	11,418,574	153,328	11,571,902	(10,561,680)	(91.3%)
General Revenues:								
Property taxes	3,343,227	-	3,343,227	2,797,780	-	2,797,780	545,447	19.5%
Franchise taxes	2,236,121	-	2,236,121	2,735,146	-	2,735,146	(499,025)	(18.2%)
Sales and use taxes	14,048,244	-	14,048,244	15,873,813	-	15,873,813	(1,825,569)	(11.5%)
Motor vehicle and fuel taxes	1,337,367	-	1,337,367	838,132	-	838,132	499,235	59.6%
Other taxes	261,861	-	261,861	199,020	-	199,020	62,841	31.6%
Investment earnings	-	20,122	20,122	128,619	345,006	473,625	(453,503)	(95.8%)
Transfers	1,874,481	(1,336,278)	538,203	1,508,430	(1,508,430)	-	538,203	#DIV/0!
Miscellaneous	2,863,727	384,856	3,248,583	3,740,056	-	3,740,056	(491,473)	(13.1%)
Total Revenues	<u>28,613,117</u>	<u>11,935,269</u>	<u>40,548,386</u>	<u>40,960,321</u>	<u>132,259,745</u>	<u>173,220,066</u>	<u>(132,671,680)</u>	<u>(76.6%)</u>
Expenses:								
General government	12,369,018	-	12,369,018	4,031,679	-	4,031,679	8,337,339	206.8%
Public safety	9,797,492	-	9,797,492	10,785,695	-	10,785,695	(988,203)	(9.2%)
Transportation	5,618,648	-	5,618,648	4,923,962	-	4,923,962	694,686	14.1%
Cultural parks and recreation	4,765,034	-	4,765,034	3,165,192	-	3,165,192	1,599,842	50.5%
Community development	469,911	-	469,911	198,617	-	198,617	271,294	136.6%
Interest on long-term debt	1,113,155	-	1,113,155	802,880	-	802,880	310,275	38.6%
Health	-	-	-	-	126,392,531	126,392,531	(126,392,531)	(100.0%)
Water	-	6,283,931	6,283,931	-	3,109,218	3,109,218	3,174,713	102.1%
Wastewater	-	3,265,285	3,265,285	-	5,889,192	5,889,192	(2,623,907)	(44.6%)
Sanitation	-	2,202,188	2,202,188	-	1,385,159	1,385,159	817,029	59.0%
Total Expenses	<u>34,133,258</u>	<u>11,751,404</u>	<u>45,884,662</u>	<u>23,908,025</u>	<u>136,776,100</u>	<u>160,684,125</u>	<u>(114,799,463)</u>	<u>(71.4%)</u>
Change in Net Position	<u>(5,520,141)</u>	<u>183,865</u>	<u>(5,336,276)</u>	<u>17,052,296</u>	<u>(4,516,355)</u>	<u>12,535,941</u>	<u>(17,872,217)</u>	<u>(142.6%)</u>
Restated Net Position Beginning of Year	<u>101,426,280</u>	<u>47,033,686</u>	<u>148,459,966</u>	<u>81,581,905</u>	<u>104,417,370</u>	<u>185,999,275</u>	<u>(37,539,309)</u>	<u>(20.2%)</u>
Net Position End of Year	<u>\$ 95,906,139</u>	<u>\$ 47,217,551</u>	<u>\$ 143,123,690</u>	<u>\$ 98,634,201</u>	<u>\$ 99,901,015</u>	<u>\$ 198,535,216</u>	<u>\$ (55,411,526)</u>	<u>(27.9%)</u>

**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**



**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**

Financial Analysis of the Government's Funds

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

At the end of the current fiscal year, the City of Sedalia's governmental funds reported combined ending fund balances of \$19,959,170. This is a decrease of 34% from \$30,270,891(restated). The actual fund balance decrease from activities for fiscal year 2022 was \$10,311,721. The resulting unassigned fund balance was \$8,841,461.

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

Net positions of the respective proprietary funds are Wastewater \$22,992,100, Water \$25,209,020, and Sanitation (\$983,569). The funds had a net position increase from activities in 2022 as follows: Wastewater (\$921,539), Water \$1,660,557, and Sanitation (\$555,153).

General Fund budgetary highlights - The City spent \$1,948,782 less than the final budget for the General Fund.

**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**

Capital Assets

The City of Sedalia's investment in capital assets for its governmental and business-type activities as of March 31, 2022 amounts to \$206,015,070 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements and construction in progress.

Capital Assets at Year End - Net of Accumulated Depreciation

	March 31, 2022			March 31, 2021			Increase (Decrease)	% Change
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total		
Property, Plant, and Equipment								
Land, rights, and improvements	\$ 7,122,427	\$ 2,698,721	\$ 9,821,148	\$ 4,660,778	\$ 5,892,275	\$ 10,553,053	\$ (731,905)	(6.9%)
Structures, improvements, and plant equipment	29,405,343	26,420,817	55,826,160	34,439,566	31,483,151	65,922,717	(10,096,557)	(15.3%)
Distribution system	-	-	-	-	14,080,298	14,080,298	(14,080,298)	(100.0%)
Pumping and purification equipment	-	35,580,706	35,580,706	-	23,068,208	23,068,208	12,512,498	54.2%
Transmission mains	-	-	-	-	20,648,504	20,648,504	(20,648,504)	(100.0%)
General equipment	3,986,762	2,576,890	6,563,652	3,454,077	12,404,002	15,858,079	(9,294,427)	(58.6%)
Construction in progress	25,479,856	15,272,344	40,752,200	22,105,033	9,551,081	31,656,114	9,096,086	28.7%
Infrastructure	57,471,204	-	57,471,204	48,760,762	-	48,760,762	8,710,442	17.9%
Net Capital Assets	\$ 123,465,592	\$ 82,549,478	\$ 206,015,070	\$ 113,420,216	\$ 117,127,519	\$ 230,547,735	\$ (24,532,665)	(10.6%)

Additional information on the City of Sedalia's capital assets can be found in Note 5 on pages 36-37.

Debt Administration

At the end of the current fiscal year, the City of Sedalia had a total bonded debt, certificate of participation debt, note payable, capital lease payable. Of this amount, \$3,317,000 comprises revenue bonded debt backed by the revenues of the Water Department; \$75,311,059 represents certificates of participation debt; \$1,743,717 represents capital lease obligations that are expected to be paid so long as the City appropriates funds for payment; \$186,385 represents the amount due on notes payable.

Outstanding Debt at Year End

	March 31, 2022			March 31, 2021			Increase (Decrease)	% Change
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total		
Revenue bonds payable	\$ -	\$ 3,317,000	\$ 3,317,000	\$ -	\$ 3,777,000	\$ 3,777,000	\$ (460,000)	(12.2%)
Certificates of participation	34,947,096	40,363,963	75,311,059	35,102,508	39,920,000	75,022,508	288,551	0.4%
Capital lease obligations	78,181	1,665,536	1,743,717	116,965	2,256,623	2,373,588	(629,871)	(26.5%)
Notes payable	60,829	125,556	186,385	-	-	-	186,385	#DIV/0!
Loans payable	-	-	-	91,727	166,487	258,214	(258,214)	(100.0%)
Total Outstanding Debt	\$ 35,086,106	\$ 45,472,055	\$ 80,558,161	\$ 35,311,200	\$ 46,120,110	\$ 81,431,310	\$ (873,149)	(1.1%)

During the fiscal year, the City's total debt decreased by \$873,149.

Additional information on the City of Sedalia's long term-debt can be found in Note 6 on pages 38-43.

**CITY OF SEDALIA, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2022**

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, 2022**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Bothwell Regional Health Center	Library
ASSETS					
Cash and cash equivalents	\$ 13,818,105	\$ 6,135,166	\$ 19,953,271	\$ 18,539,869	\$ 975,251
Restricted cash and cash equivalents	5,633,092	4,701,588	10,334,680	4,288,413	-
Investments	1,125,000	245,000	1,370,000	-	245,000
Accounts receivable	1,238,003	1,582,157	2,820,160	23,674,152	-
Taxes receivable	2,824,191	-	2,824,191	-	-
Other receivables	1,769	1,632	3,401	736,014	2,448
Interfund balances	(190,113)	190,113	-	-	-
Inventory	114,362	298,424	412,786	2,087,523	-
Prepaid expenses	279,938	92,437	372,375	1,555,226	10,103
Estimated amounts due from third-party payers	-	-	-	464,465	-
Other current assets	12,000	-	12,000	-	-
Non-current assets:					
Capital assets:					
Non-depreciable	32,602,283	17,971,065	50,573,348	3,801,944	-
Depreciable, net	90,863,309	64,578,413	155,441,722	30,942,706	1,433,217
Net pension asset	2,510,841	1,225,973	3,736,814	-	82,866
Internally designated capital acquisitions	-	-	-	5,838,767	-
Principal of permanent endowment	-	-	-	101,614	-
Other non-current assets	-	-	-	603,139	-
Total assets	<u>150,832,780</u>	<u>97,021,968</u>	<u>247,854,748</u>	<u>92,633,832</u>	<u>2,748,885</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plans	2,425,230	577,837	3,003,067	2,250,513	39,016
Total deferred outflows of resources	<u>2,425,230</u>	<u>577,837</u>	<u>3,003,067</u>	<u>2,250,513</u>	<u>39,016</u>
LIABILITIES					
Accounts payable and accrued liabilities	1,478,918	284,472	1,763,390	4,566,773	23,039
Compensated absences	1,887,721	-	1,887,721	-	7,597
Other accrued expenses	-	-	-	4,847,850	-
Customer deposits	-	589,289	589,289	-	-
Unearned revenue	2,203,238	621,235	2,824,473	-	-
Estimated amounts due to third-party payers	-	-	-	14,299,919	-
Estimated self-insurance cost	-	-	-	1,568,916	-
Long-term liabilities:					
Net pension liability	3,072,050	-	3,072,050	4,320,631	-
Long-term debt					
Amounts due within one year	2,362,525	2,933,331	5,295,856	739,291	-
Amounts due beyond one year	32,723,581	42,538,724	75,262,305	5,853,717	-
Total liabilities	<u>43,728,033</u>	<u>46,967,051</u>	<u>90,695,084</u>	<u>36,197,097</u>	<u>30,636</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - grants	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-
Pension plans	13,623,838	3,415,203	17,039,041	6,899,638	174,933
Total deferred inflows of resources	<u>13,623,838</u>	<u>3,415,203</u>	<u>17,039,041</u>	<u>6,899,638</u>	<u>174,933</u>
NET POSITION					
Net investment in capital assets	88,379,486	39,421,465	127,800,951	28,130,691	1,433,217
Restricted for:					
Capital projects	5,898,990	-	5,898,990	-	-
Transportation	1,405,633	-	1,405,633	-	-
Parks and recreation	2,805,807	-	2,805,807	-	-
Community development	130,589	-	130,589	-	-
Public safety	10,652	-	10,652	-	-
Economic development	471,738	-	471,738	-	-
Net pension asset	2,510,841	1,225,973	3,736,814	-	82,866
Library	-	-	-	-	1,066,249
Unrestricted	(5,707,597)	6,570,113	862,516	23,656,919	-
Total net position	<u>\$ 95,906,139</u>	<u>\$ 47,217,551</u>	<u>\$ 143,123,690</u>	<u>\$ 51,787,610</u>	<u>\$ 2,582,332</u>

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

CITY OF SEDALIA
STATEMENT OF ACTIVITIES
Year Ended March 31, 2022

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	\$ 12,961,868	\$ 164,161	\$ -	\$ 161,388	\$ (12,636,319)	\$ -	\$ (12,636,319)		
Public safety	9,808,892	11,400	-	-	(9,797,492)	-	(9,797,492)		
Transportation	7,175,870	537,000	1,010,222	10,000	(5,618,648)	-	(5,618,648)		
Economic development	114,141	-	-	-	(114,141)	-	(114,141)		
Community development	88,469	-	-	-	(88,469)	-	(88,469)		
Parks and recreation	5,518,952	711,625	-	42,293	(4,765,034)	-	(4,765,034)		
Interest expense	1,113,155	-	-	-	(1,113,155)	-	(1,113,155)		
Total governmental activities	36,781,347	1,424,186	1,010,222	213,681	(34,133,258)	-	(34,133,258)		
Business-type activities:									
Wastewater	3,265,285	5,069,668	-	-	-	1,804,383	1,804,383		
Water	6,283,931	5,998,418	-	-	-	(285,513)	(285,513)		
Sanitation	2,202,188	1,798,483	-	-	-	(403,705)	(403,705)		
Total business-type activities	11,751,404	12,866,569	-	-	-	1,115,165	1,115,165		
Total	\$ 48,532,751	\$ 14,290,755	\$ 1,010,222	\$ 213,681	(34,133,258)	1,115,165	(33,018,093)		
Component units:									
Bothwell Regional Health Center	\$ 133,023,352	\$ 124,637,511	\$ 85,406	\$ 6,072,898				\$ (2,227,537)	
Library	\$ 592,535	\$ -	\$ -	\$ 19,336					\$ (573,199)
General revenue:									
Taxes					23,874,909	-	23,874,909	-	734,922
Licenses and permits					748,018	-	748,018	-	-
Fines and forfeitures					142,605	-	142,605	-	7,791
Interest income					-	20,122	20,122	207,765	-
Other revenues					1,973,104	384,856	2,357,960	1,171,202	5,018
Net transfers in (out)					1,874,481	(1,336,278)	538,203	-	(100,553)
Total general revenue					28,613,117	(931,300)	27,681,817	1,378,967	647,178
Change in net position					(5,520,141)	183,865	(5,336,276)	(848,570)	73,979
Net position - beginning (as restated)					101,426,280	47,033,686	148,459,966	52,636,180	2,508,353
Net position - ending					\$ 95,906,139	\$ 47,217,551	\$ 143,123,690	\$ 51,787,610	\$ 2,582,332

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

CITY OF SEDALIA

**BALANCE SHEET
ALL GOVERNMENTAL FUND TYPES
March 31, 2022**

	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	\$ 9,830,569	\$ -	\$ 1,191,381	\$ 2,144,949	\$ 651,206	\$ 13,818,105	\$ 975,251
Restricted cash and cash equivalents	-	5,633,092	-	-	-	5,633,092	-
Investments	880,000	-	-	245,000	-	1,125,000	245,000
Accounts receivable	1,017,361	202,553	16,589	-	1,500	1,238,003	-
Taxes receivable	1,180,178	493,877	645,828	501,304	3,004	2,824,191	-
Other receivables	942	-	-	827	-	1,769	2,448
Interfund balances	329,331	(99,990)	(330,323)	-	(89,131)	(190,113)	-
Inventory	45,223	-	69,139	-	-	114,362	-
Prepaid expenditures	178,529	-	67,847	33,562	-	279,938	10,103
Other assets	-	-	-	-	12,000	12,000	-
Total assets	\$ 13,462,133	\$ 6,229,532	\$ 1,660,461	\$ 2,925,642	\$ 578,579	\$ 24,856,347	\$ 1,232,802
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 385,822	\$ 330,542	\$ 67,068	\$ 19,958	\$ 54,731	\$ 858,121	\$ 7,331
Accrued liabilities	393,737	-	50,774	66,315	-	510,826	15,708
Unearned revenue - grants	2,203,238	-	-	-	-	2,203,238	-
Unearned revenue - other	38,286	-	-	-	-	38,286	-
Total liabilities	3,021,083	330,542	117,842	86,273	54,731	3,610,471	23,039
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	276,266	-	-	-	-	276,266	-
Unavailable revenue - grants	5,743	-	-	-	-	5,743	-
Unavailable revenue - other	1,004,697	-	-	-	-	1,004,697	-
Total deferred inflows of resources	1,286,706	-	-	-	-	1,286,706	-
FUND BALANCES							
Nonspendable:							
Inventory	45,223	-	69,139	-	-	114,362	-
Prepaid expenditures	178,529	-	67,847	33,562	-	279,938	10,103
Restricted for:							
Capital projects	-	5,898,990	-	-	-	5,898,990	-
Transportation	-	-	1,405,633	-	-	1,405,633	-
Parks and recreation	-	-	-	2,805,807	-	2,805,807	-
Community development	-	-	-	-	130,589	130,589	-
Public safety	-	-	-	-	10,652	10,652	-
Economic development	-	-	-	-	471,738	471,738	-
Library	-	-	-	-	-	-	1,199,660
Unassigned	8,930,592	-	-	-	(89,131)	8,841,461	-
Total fund balances	9,154,344	5,898,990	1,542,619	2,839,369	523,848	19,959,170	1,209,763
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,462,133	\$ 6,229,532	\$ 1,660,461	\$ 2,925,642	\$ 578,579	\$ 24,856,347	\$ 1,232,802

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, 2022

	Primary Government	Component Unit - Library
Fund balances - total governmental funds	\$ 19,959,170	\$ 1,209,763
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	279,684,570	2,674,603
Less accumulated depreciation	(156,218,978)	(1,241,386)
	123,465,592	1,433,217
Other long term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds:		
Net pension asset	2,510,841	82,866
Pension plans	2,425,230	39,016
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,324,992	-
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	(109,971)	-
Compensated absences	(1,887,721)	(7,597)
Net pension liability	(3,072,050)	-
Long-term debt	(35,086,106)	-
Pension plans	(13,623,838)	(174,933)
Net position of governmental activities	\$ 95,906,139	\$ 2,582,332

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, 2022**

	Primary Government						
	Major Funds				Non-Major Funds	Total	Component Unit - Library
	General Fund	Capital Project Fund	Transportation Fund	Park Fund			
REVENUES							
Taxes	\$ 11,534,985	\$ 3,821,348	\$ 3,322,216	\$ 3,909,295	\$ 348,386	\$ 22,936,230	\$ 734,922
Licenses and permits	748,018	-	-	-	-	748,018	-
Charges for services	164,161	-	537,000	711,625	11,400	1,424,186	-
Intergovernmental revenues	161,388	1,010,222	948,679	-	-	2,120,289	19,336
Fines and forfeitures	142,605	-	-	-	-	142,605	7,791
Contributions	-	-	-	42,293	-	42,293	-
Other revenues	437,314	175,356	14,220	18,737	2,485	648,112	5,018
TOTAL REVENUES	13,188,471	5,006,926	4,822,115	4,681,950	362,271	28,061,733	767,067
EXPENDITURES							
Current:							
General government	4,251,384	267,301	-	-	-	4,518,685	-
Public safety	9,118,182	-	-	-	7,635	9,125,817	-
Transportation	338,014	-	2,826,009	-	-	3,164,023	-
Economic development	-	-	-	-	114,141	114,141	-
Community development	-	-	-	-	15,484	15,484	-
Parks and recreation	-	-	-	3,529,965	-	3,529,965	-
Library	-	-	-	-	-	-	586,933
Capital outlay	443,446	15,287,524	80,249	624,379	-	16,435,598	31,245
Debt service:							
Principal	-	2,214,999	-	-	-	2,214,999	-
Interest	-	1,129,223	-	-	-	1,129,223	-
TOTAL EXPENDITURES	14,151,026	18,899,047	2,906,258	4,154,344	137,260	40,247,935	618,178
Excess (deficiency) of revenues over (under) expenditures	(962,555)	(13,892,121)	1,915,857	527,606	225,011	(12,186,202)	148,889
OTHER FINANCING SOURCES (USES)							
Transfers in	2,273,515	4,192,829	-	25,000	235,964	6,727,308	-
Transfers (out)	(248,475)	(6,481)	(2,864,961)	(1,009,529)	(723,381)	(4,852,827)	(100,553)
Total other financing sources (uses)	2,025,040	4,186,348	(2,864,961)	(984,529)	(487,417)	1,874,481	(100,553)
Net change in fund balances	1,062,485	(9,705,773)	(949,104)	(456,923)	(262,406)	(10,311,721)	48,336
Fund balances, April 1 (as restated)	8,091,859	15,604,763	2,491,723	3,296,292	786,254	30,270,891	1,161,427
FUND BALANCES, MARCH 31	\$ 9,154,344	\$ 5,898,990	\$ 1,542,619	\$ 2,839,369	\$ 523,848	\$ 19,959,170	\$ 1,209,763

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, 2022**

	Primary Government	Component Unit - Library
Net change in fund balances - total governmental funds	\$ (10,311,721)	\$ 48,336

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	16,435,598	31,245
Depreciation	(4,664,408)	(85,828)
	11,771,190	(54,583)

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

1,324,992	-
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The issuance of long-term debt (i.e. bonds, leases, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest expenditures are reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal	2,253,783	-
Amortization of discounts/premiums	87,255	-
Change in accrued interest	(109,971)	-
	2,231,067	-

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	(47,627)	7,169
Pension plan expense	(10,488,042)	73,057
Change in net position of governmental activities	\$ (5,520,141)	\$ 73,979

CITY OF SEDALIA

STATEMENT OF NET POSITION ALL PROPRIETARY FUND TYPES March 31, 2022

	Wastewater Fund	Water Fund	Sanitation Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,393,857	\$ 2,741,309	\$ -	\$ 6,135,166
Restricted cash and cash equivalents	3,690,420	1,011,168	-	4,701,588
Investments	245,000	-	-	245,000
Accounts receivable	696,324	577,093	308,740	1,582,157
Other receivables	1,632	-	-	1,632
Interfund balances	1,776,637	-	(1,586,524)	190,113
Inventory	-	298,424	-	298,424
Prepaid expenses	39,115	29,436	23,886	92,437
Total current assets	9,842,985	4,657,430	(1,253,898)	13,246,517
Non-current assets:				
Property, plant and equipment, net	43,032,936	37,880,704	1,635,838	82,549,478
Net pension asset	185,840	881,694	158,439	1,225,973
Total non-current assets	43,218,776	38,762,398	1,794,277	83,775,451
Total assets	53,061,761	43,419,828	540,379	97,021,968
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	165,866	302,840	109,131	577,837
Total deferred outflows of resources	165,866	302,840	109,131	577,837
LIABILITIES				
Current liabilities:				
Accounts payable	155,845	57,825	70,802	284,472
Accrued liabilities	328,280	186,781	106,174	621,235
Current portion of long-term debt	1,456,014	1,179,372	297,945	2,933,331
Customer deposits	-	589,289	-	589,289
Total current liabilities	1,940,139	2,013,267	474,921	4,428,327
Non-current liabilities:				
Long-term debt, net	27,157,555	15,175,039	206,130	42,538,724
Total non-current liabilities	27,157,555	15,175,039	206,130	42,538,724
Total liabilities	29,097,694	17,188,306	681,051	46,967,051
DEFERRED INFLOWS OF RESOURCES				
Pension plan	1,137,833	1,325,342	952,028	3,415,203
Total deferred inflows of resources	1,137,833	1,325,342	952,028	3,415,203
NET POSITION				
Net investment in capital assets	15,875,381	22,116,376	1,429,708	39,421,465
Restricted for net pension asset	185,840	881,694	158,439	1,225,973
Unrestricted	6,930,879	2,210,950	(2,571,716)	6,570,113
TOTAL NET POSITION	\$ 22,992,100	\$ 25,209,020	\$ (983,569)	\$ 47,217,551

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, 2022**

	Wastewater Fund	Water Fund	Sanitation Fund	Total
OPERATING REVENUES				
Charges for services	\$ 5,998,418	\$ 5,069,668	\$ 1,798,483	\$ 12,866,569
Miscellaneous	(8,567)	327,999	65,424	384,856
Total operating revenues	5,989,851	5,397,667	1,863,907	13,251,425
OPERATING EXPENSES				
Purchased power	1,053,586	1,107,792	584,812	2,746,190
Purchased services	111,530	-	-	111,530
Salaries and wages	1,649,978	879,131	1,385,200	3,914,309
Depreciation and amortization	2,493,134	754,512	226,478	3,474,124
Total operating expenses	5,308,228	2,741,435	2,196,490	10,246,153
OPERATING INCOME (LOSS)	681,623	2,656,232	(332,583)	3,005,272
NON-OPERATING REVENUES (EXPENSES)				
Interest income	18,834	1,288	-	20,122
Interest expense	(975,703)	(523,850)	(5,698)	(1,505,251)
Total non-operating revenues (expenses)	(956,869)	(522,562)	(5,698)	(1,485,129)
INCOME BEFORE TRANSFERS	(275,246)	2,133,670	(338,281)	1,520,143
Transfers in	-	47,030	-	47,030
Transfers (out)	(646,293)	(520,143)	(216,872)	(1,383,308)
Change in net position	(921,539)	1,660,557	(555,153)	183,865
Net position, April 1 (as restated)	23,913,639	23,548,463	(428,416)	47,033,686
NET POSITION, MARCH 31	\$ 22,992,100	\$ 25,209,020	\$ (983,569)	\$ 47,217,551

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, 2022**

	Wastewater Fund	Water Fund	Sanitation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 6,037,847	\$ 5,060,138	\$ 1,735,975	\$ 12,833,960
Cash received from other sources	-	327,999	65,424	393,423
Cash paid to vendors	(1,144,306)	(1,906,825)	(547,625)	(3,598,756)
Cash paid to employees	(814,347)	(950,198)	(679,222)	(2,443,767)
Net cash provided by operating activities	4,079,194	2,531,114	574,552	7,184,860
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net change in interfund balances	63,946	-	(62,719)	1,227
Transfers in	-	47,030	-	47,030
Transfers (out)	(646,293)	(520,143)	(216,872)	(1,383,308)
Net cash used by noncapital financing activities	(582,347)	(473,113)	(279,591)	(1,335,051)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets	(1,605,108)	(5,054,776)	-	(6,659,884)
Proceeds from the sale of capital assets	-	76,611	-	76,611
Payments on long-term debt	(2,394,159)	(1,606,292)	(294,961)	(4,295,412)
Net cash used by capital and related financing activities	(3,999,267)	(6,584,457)	(294,961)	(10,878,685)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	18,834	1,288	-	20,122
Investment maturities/sales	-	370,077	-	370,077
Net cash provided by investing activities	18,834	371,365	-	390,199
Net change in cash and cash equivalents	(483,586)	(4,155,091)	-	(4,638,677)
Cash and cash equivalents, beginning of year	7,567,863	7,907,568	-	15,475,431
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,084,277	\$ 3,752,477	\$ -	\$ 10,836,754
Cash and cash equivalents	\$ 3,393,857	\$ 2,741,309	\$ -	\$ 6,135,166
Restricted cash	3,690,420	1,011,168	-	4,701,588
Total cash and cash equivalents	\$ 7,084,277	\$ 3,752,477	\$ -	\$ 10,836,754
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 681,623	\$ 2,656,232	\$ (332,583)	\$ 3,005,272
Adjustments:				
Depreciation and amortization	2,493,134	754,512	226,478	3,474,124
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	47,996	391	(62,508)	(14,121)
Inventory	-	(74,691)	-	(74,691)
Prepaid expenses	(7,726)	(2,772)	(2,224)	(12,722)
Net pension asset	(185,840)	(881,694)	(158,439)	(1,225,973)
Pension plan	126,816	311,587	108,118	546,521
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	129,921	(631,331)	39,411	(461,999)
Customer deposits	-	(9,921)	-	(9,921)
Accrued expenses	(101,385)	(90,239)	(6,448)	(198,072)
Net pension liability	(163,307)	(789,829)	(123,271)	(1,076,407)
Pension plan	1,057,962	1,288,869	886,018	3,232,849
Net cash provided by operating activities	\$ 4,079,194	\$ 2,531,114	\$ 574,552	\$ 7,184,860

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, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from and on behalf of patients	\$ 115,279,909
Payments to suppliers and contractors	(59,939,746)
Payments to employees	(68,133,971)
Other receipts, net	<u>1,560,524</u>
Net cash used by operating activities	<u>(11,233,284)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Noncapital grants and gifts	6,072,898
Refundable advances (utilized)	<u>(627,049)</u>
Net cash provided by noncapital financing activities	<u>5,445,849</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Contributions restricted for capital purposes	85,406
Principal paid on long-term debt	(668,288)
Interest paid on long-term debt	(216,363)
Purchases of capital assets	(3,478,461)
Proceeds from the sale of capital assets	<u>262,254</u>
Net cash used by capital and related financing activities	<u>(4,015,452)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on deposits	207,765
Proceeds from the disposition of deposits	9,821,964
Purchase of deposits	<u>(10,206,582)</u>
Net cash used by investing activities	<u>(176,853)</u>
Net change in cash and cash equivalents	(9,979,740)
Cash and cash equivalents, beginning of year	<u>28,628,171</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 18,648,431</u>
Cash and cash equivalents in current assets	\$ 18,539,869
Cash and cash equivalents in non-current assets	<u>108,562</u>
Total cash and cash equivalents	<u>\$ 18,648,431</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES	
Operating (loss)	\$ (6,998,276)
Adjustments:	
Depreciation and amortization	6,178,789
Gain on sale of capital assets	(103,329)
Provision for uncollectible accounts	15,650,615
Changes in :	
Patient accounts receivable	(23,995,334)
Estimated amounts due from third-party payers	(1,012,883)
Accounts payable and accrued expenses	538,258
Net pension liability	(9,938,635)
Deferred inflows of resources - pension plans	6,430,050
Deferred outflows of resources - pension plans	1,721,006
Estimated self-insurance liabilities	(6,739)
Other assets	<u>303,194</u>
Net cash used by operating activities	<u>\$ (11,233,284)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Capital asset acquisitions included in accounts payable	<u>\$ 20,950</u>

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

CITY OF SEDALIA

STATEMENT OF FIDUCIARY NET POSITION

March 31, 2022

	Pension Trust Fund
ASSETS	
Accrued interest and dividends	\$ 17,317
Investments, at fair value	8,515,181
Total assets	<u>\$ 8,532,498</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ 273
Total liabilities	<u>273</u>
NET POSITION	
Restricted for pension benefits	<u>8,532,225</u>
Total net position	<u>8,532,225</u>
Total liabilities and net position	<u>\$ 8,532,498</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, 2022

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Property taxes	\$ 148,910
Employer	311,134
Total contributions	460,044
Investment income:	
Investment income	174,616
Net appreciation in fair value of investments	303,214
Total investment income	477,830
Investment expenses	(44,691)
Net income from investing activities	433,139
Net additions	893,183
DEDUCTIONS:	
Benefits	788,636
Disability insurance	37,124
Administrative expenses	12,963
Property taxes	8,307
Miscellaneous	1,507
Total deductions	848,537
Change in net position	44,646
Net position, April 1	8,487,579
NET POSITION, MARCH 31	\$ 8,532,225

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

CITY OF SEDALIA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB 34).

A. Reporting Entity

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

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

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the aforementioned criteria, the City has two discretely presented component units – the Bothwell Regional Health Center and the Sedalia Public Library (the Library) – and the City is not a component unit of any other governmental entity. Information relating to the Bothwell Regional Health Center may be obtained by writing to 601 E. 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 of the activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

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

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

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

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City reports the following fiduciary fund:

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

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

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

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

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

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

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

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

D. Budgets

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

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

E. Cash and Cash Equivalents

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

F. Investments

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

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

G. Accounts Receivable

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

H. Interfund Balances

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

I. Inventory

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

J. Capital Assets

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

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

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

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

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

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Long-Term Obligations

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

N. Equity

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

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

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

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

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

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

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

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

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

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

O. Use of Estimates

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

P. Pensions

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

Q. Subsequent Events

Events that have occurred subsequent to March 31, 2022, have been evaluated through October 10, 2022, 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, 2022.

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, 2022. Deposits, categorized by level of custodial risk, were as follows as of March 31, 2022:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 500,000	\$ -	\$ 500,000
Collateralized with securities pledged by the financial institution	21,065,542	-	21,065,542
	<u>\$ 21,565,542</u>	<u>\$ -</u>	<u>\$ 21,565,542</u>
Carrying value	<u>\$ 31,259,712</u>	<u>\$ 3,490</u>	<u>\$ 31,263,202</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	\$ 13,818,105	\$ 6,135,166	\$ 975,251	\$ 20,928,522
Restricted cash and cash equivalents	5,633,092	4,701,588	-	10,334,680
	<u>\$ 19,451,197</u>	<u>\$ 10,836,754</u>	<u>\$ 975,251</u>	<u>\$ 31,263,202</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, 2022:

	Governmental Activities	Business-type Activities	Component Unit - Library	Fiduciary Activities	Total
Certificates of deposit	\$ 1,125,000	\$ 245,000	\$ 245,000	\$ -	\$ 1,615,000
Common and preferred stocks	-	-	-	5,299,112	5,299,112
Convertible preferred stocks	-	-	-	151,238	151,238
Exchange traded funds	-	-	-	212,867	212,867
Corporate bonds	-	-	-	1,303,665	1,303,665
U.S government bonds	-	-	-	917,541	917,541
Real estate investment trusts	-	-	-	27,560	27,560
Money market funds	-	-	-	603,198	603,198
Total	<u>\$ 1,125,000</u>	<u>\$ 245,000</u>	<u>\$ 245,000</u>	<u>\$ 8,515,181</u>	<u>\$ 10,130,181</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, 2022:

	Investment Maturities (in years)			Total
	Less than 1	1-5	Over 5	
Corporate bonds	\$ 50,000	\$ 885,184	\$ 368,481	\$ 1,303,665
U.S government bonds	166,356	689,819	61,366	917,541
Total	<u>\$ 216,356</u>	<u>\$ 1,575,003</u>	<u>\$ 429,847</u>	<u>\$ 2,221,206</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, 2022:

Credit Rating Level	Corporate Bonds						U.S. Government Bonds
	Total	Financial	IT Services	Manufacturing	Utility	Other	
Aaa	\$ 1,080,275	\$ -	\$ 162,734	\$ -	\$ -	\$ -	\$ 917,541
Aa3	97,749	-	-	97,749	-	-	-
A1	84,621	61,133	-	23,488	-	-	-
A2	221,736	175,761	-	-	45,975	-	-
A3	180,680	140,100	-	-	40,580	-	-
Baa	629,363	71,736	181,063	73,218	101,947	128,181	-
Total	<u>\$ 2,294,424</u>	<u>\$ 448,730</u>	<u>\$ 343,797</u>	<u>\$ 194,455</u>	<u>\$ 188,502</u>	<u>\$ 128,181</u>	<u>\$ 917,541</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, 2022, 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	\$ -	\$ 1,615,000	\$ -	\$ 1,615,000
Common and preferred stocks	5,299,112	-	-	5,299,112
Convertible preferred stocks	151,238	-	-	151,238
Exchange traded funds	212,867	-	-	212,867
Corporate bonds	-	1,303,665	-	1,303,665
U.S government bonds	-	917,541	-	917,541
Real estate investment trusts	27,560	-	-	27,560
Money market funds	603,198	-	-	603,198
Total	<u>\$ 6,293,975</u>	<u>\$ 3,836,206</u>	<u>\$ -</u>	<u>\$ 10,130,181</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 2021 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 \$0.0493	General Revenue \$0.4740	Library \$0.2344	Library Temp \$0.0681
Real estate	\$ 210,965,360	\$ 210,965,360	\$ 163,839,880	\$ 163,839,880
Personal property	60,705,118	60,705,118	38,956,393	38,956,393
Railroad and utilities	12,313,187	12,313,187	10,829,547	10,829,547
	<u>\$ 283,983,665</u>	<u>\$ 283,983,665</u>	<u>\$ 213,625,820</u>	<u>\$ 213,625,820</u>
	Parks \$0.1649	Police Pension \$0.0928	Special Business District \$0.8258	
Real estate	\$ 210,965,360	\$ 210,965,360	\$ 4,986,380	
Personal property	60,705,118	60,705,118	-	
Railroad and utilities	12,313,187	12,313,187	80	
	<u>\$ 283,983,665</u>	<u>\$ 283,983,665</u>	<u>\$ 4,986,460</u>	

5. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022, was as follows:

	Balance April 1, 2021	Additions	Retirements	Transfers	Balance March 31, 2022
Governmental activities - primary government:					
Capital assets, not being depreciated:					
Land	\$ 7,160,907	\$ 59,951	\$ 98,431	\$ -	\$ 7,122,427
Construction in progress	22,105,033	14,361,506	-	(10,986,683)	25,479,856
Total capital assets, not being depreciated	29,265,940	14,421,457	98,431	(10,986,683)	32,602,283
Capital assets, being depreciated:					
Buildings	32,370,433	28,877	-	399,734	32,799,044
Improvements other than buildings	22,155,693	294,375	-	35,788	22,485,856
Vehicles and equipment	12,480,253	1,110,176	59,363	-	13,531,066
Infrastructure	167,036,016	679,144	-	10,551,161	178,266,321
Total capital assets, being depreciated	234,042,395	2,112,572	59,363	10,986,683	247,082,287
Less accumulated depreciation for:					
Buildings	13,436,264	958,011	-	-	14,394,275
Improvements other than buildings	10,452,650	1,032,632	-	-	11,485,282
Vehicles and equipment	8,974,786	628,881	59,363	-	9,544,304
Infrastructure	118,750,233	2,044,884	-	-	120,795,117
Total accumulated depreciation	151,613,933	4,664,408	59,363	-	156,218,978
Total capital assets being depreciated, net	82,428,462	(2,551,836)	-	10,986,683	90,863,309
Total capital assets, net	\$ 111,694,402	\$ 11,869,621	\$ (98,431)	\$ -	\$ 123,465,592
Governmental activities - component unit - Library:					
Capital assets:					
Buildings	\$ 2,562,509	\$ 31,245	\$ -	\$ -	\$ 2,593,754
Equipment	80,849	-	-	-	80,849
Total capital assets	2,643,358	31,245	-	-	2,674,603
Less accumulated depreciation for:					
Buildings	1,082,682	82,841	-	-	1,165,523
Equipment	72,876	2,987	-	-	75,863
Total accumulated depreciation	1,155,558	85,828	-	-	1,241,386
Total capital assets, net	\$ 1,487,800	\$ (54,583)	\$ -	\$ -	\$ 1,433,217

	Balance April 1, 2021	Additions	Retirements	Transfers	Balance March 31, 2022
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,711,221	\$ -	\$ 12,500	\$ -	\$ 2,698,721
Construction in progress	9,426,195	5,925,935	-	(79,786)	15,272,344
Total capital assets, not being depreciated	12,137,416	5,925,935	12,500	(79,786)	17,971,065
Capital assets, being depreciated:					
Buildings	13,340,939	103,636	114,158	-	13,330,417
Improvements other than buildings	41,186,645	92,957	-	-	41,279,602
Water lines and pumping equipment	57,361,120	312,970	-	79,786	57,753,876
Vehicles, machinery, and equipment	8,552,234	217,957	262,302	-	8,507,889
Total capital assets, being depreciated	120,440,938	727,520	376,460	79,786	120,871,784
Less accumulated depreciation for:					
Buildings	6,053,028	230,105	50,047	-	6,233,086
Improvements other than buildings	20,532,654	1,423,462	-	-	21,956,116
Water lines and pumping equipment	20,627,542	1,545,628	-	-	22,173,170
Vehicles, machinery, and equipment	5,748,127	445,174	262,302	-	5,930,999
Total accumulated depreciation	52,961,351	3,644,369	312,349	-	56,293,371
Total capital assets being depreciated, net	67,479,587	(2,916,849)	64,111	79,786	64,578,413
Total capital assets, net	\$ 79,617,003	\$ 3,009,086	\$ 76,611	\$ -	\$ 82,549,478

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

Primary government:

General government	\$ 625,554
Public safety	717,804
Transportation	2,624,130
Community development	35,128
Parks and recreation	661,792
Component unit - Library	85,828
Total depreciation expense - governmental activities	\$ 4,750,236

Business-type activities:

Wastewater	\$ 2,669,809
Water	748,082
Sanitation	226,478
Total depreciation expense - business-type activities	\$ 3,644,369

6. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended March 31, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due In One Year
Governmental activities:					
Certificates of participation:					
Series 2017A	\$ 2,126,000	\$ -	\$ 404,000	\$ 1,722,000	\$ 414,400
Series 2017B	4,726,508	-	340,101	4,386,407	349,046
Series 2020	28,250,000	-	1,440,000	26,810,000	1,490,000
Series 2020 - premium	2,115,944	-	87,255	2,028,689	-
Lease agreements	116,965	-	38,784	78,181	78,181
Notes payable	91,727	-	30,898	60,829	30,898
Total governmental activities	37,427,144	-	2,341,038	35,086,106	2,362,525
Business-type activities:					
Certificates of participation:					
Series 2018	12,305,000	-	395,000	11,910,000	405,000
Series 2018 - discount	(135,022)	-	(6,430)	(128,592)	-
Series 2019	27,615,000	-	1,375,000	26,240,000	1,425,000
Series 2019 - premium	2,519,231	-	176,676	2,342,555	-
Lease agreements	2,256,623	-	591,087	1,665,536	596,680
Notes payable	166,487	-	40,931	125,556	42,651
Revenue bonds - Series 2020	3,777,000	-	460,000	3,317,000	464,000
Total business-type activities	48,504,319	-	3,032,264	45,472,055	2,933,331
	<u>\$ 85,931,463</u>	<u>\$ -</u>	<u>\$ 5,373,302</u>	<u>\$ 80,558,161</u>	<u>\$ 5,295,856</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, 2022
Series 2017A	\$ 3,638,100	2.55%	3/15/2016	\$ 1,722,000
Series 2017B	5,695,000	2.63%	9/15/2032	4,386,407
Series 2020	28,610,000	3.00-4.00%	9/15/2044	26,810,000
				<u>\$ 32,918,407</u>

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

	Principal	Interest	Total
2023	\$ 2,253,446	\$ 1,118,873	\$ 3,372,319
2024	2,318,125	1,053,751	3,371,876
2025	2,378,447	978,970	3,357,417
2026	2,469,216	893,788	3,363,004
2027	1,432,239	818,669	2,250,908
2028-2032	7,944,426	3,263,814	11,208,240
2033-2037	4,947,508	2,009,801	6,957,309
2038-2042	5,455,000	1,027,150	6,482,150
2043-2045	3,720,000	169,500	3,889,500
	<u>\$ 32,918,407</u>	<u>\$ 11,334,317</u>	<u>\$ 44,252,724</u>

Lease Agreements

In April 2017, the City entered into a lease agreement with Caterpillar Financial Services Corporation. The lease proceeds were used to purchase equipment to be used by various City departments. As of March 31, 2022, the outstanding balance on the lease agreement was \$78,181. The lease agreement is non-interest bearing and is scheduled to mature in April 2022.

Future base rentals on the lease agreement for the years ending March 31, are as follows:

	Total	Principal	Interest
2023	\$ 78,181	\$ 78,181	\$ -
Total minimum lease payments	78,181	<u>\$ 78,181</u>	<u>\$ -</u>
Less: amount representing interest	<u>-</u>		
Present value of minimum lease payments	<u>\$ 78,181</u>		

Notes Payable

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

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

2023	\$	30,898
2024		29,931
	\$	<u>60,829</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, 2022
Series 2018	\$ 13,065,000	2.0-3.7%	3/31/2043	\$ 11,910,000
Series 2019	28,950,000	3.0-4.0%	7/15/2035	26,240,000
				<u>\$ 38,150,000</u>

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

	Principal	Interest	Total
2023	\$ 1,830,000	\$ 1,415,770	\$ 3,245,770
2024	1,900,000	1,345,270	3,245,270
2025	1,975,000	1,271,995	3,246,995
2026	2,055,000	1,195,770	3,250,770
2027	2,130,000	1,116,570	3,246,570
2028-2032	11,950,000	4,279,855	16,229,855
2033-2037	12,000,000	1,791,119	13,791,119
2038-2042	3,525,000	477,031	4,002,031
2043	785,000	14,523	799,523
	<u>\$ 38,150,000</u>	<u>\$ 12,907,903</u>	<u>\$ 51,057,903</u>

Lease Agreements

In January 2011, the City entered into a lease agreement with McKinstry Essention, Inc. The lease proceeds were used to fund water improvements. As of March 31, 2022, the outstanding balance on the lease agreement was \$1,130,447. The lease agreement bears interest at 3.620% and is scheduled to mature in January 2026.

In August 2015, the City entered into a lease agreement with Caterpillar Financial Services Corporation. The lease proceeds were used to purchase equipment to be used by the sewer department. As of March 31, 2022, the outstanding balance on the lease agreement was \$6,864. The lease agreement is non-interest bearing and is scheduled to mature in August 2022.

In April 2017, the City entered into a lease agreement with Caterpillar Financial Services Corporation. The lease proceeds were used to purchase equipment to be used by the sewer department. As of March 31, 2022, the outstanding balance on the lease agreement was \$24,150. The lease agreement is non-interest bearing and is scheduled to mature in April 2022.

In October 2018, the City entered into a lease agreement with Rehrig Financial Services. The lease proceeds were used to purchase equipment to be used by the sanitation department. As of March 31, 2022, the outstanding balance on the lease agreement was \$213,724. The lease agreement bears interest at 1.651% and is scheduled to mature in October 2023.

In December 2018, the City entered into a lease agreement with Wells Fargo Equipment Finance, Inc. The lease proceeds were used to purchase equipment to be used by the sanitation department. As of March 31, 2022, the outstanding balance on the lease agreement was \$290,351. The lease agreement bears interest at 4.160% and is scheduled to mature in December 2023.

Future base rentals on the lease agreements for the years ending March 31, are as follows:

	Total	Principal	Interest
2023	\$ 648,864	\$ 596,680	\$ 52,184
2024	517,353	483,542	33,811
2025	308,642	287,454	21,188
2026	308,643	297,860	10,783
Total minimum lease payments	1,783,502	<u>\$ 1,665,536</u>	<u>\$ 117,966</u>
Less: amount representing interest	<u>(117,966)</u>		
Present value of minimum lease payments	<u>\$ 1,665,536</u>		

Notes Payable

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

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

	Principal	Interest	Total
2023	\$ 42,651	\$ 4,379	\$ 47,030
2024	44,444	2,586	47,030
2025	38,461	731	39,192
	<u>\$ 125,556</u>	<u>\$ 7,696</u>	<u>\$ 133,252</u>

Revenue Bonds

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

The following summarizes the revenue bonds:

	Original Amount	Interest Rate	Maturity Date	Balance March 31, 2022
Series 2020	\$ 4,234,000	1.58%	3/15/2029	\$ 3,317,000

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

	Principal	Interest	Total
2023	\$ 464,000	\$ 52,409	\$ 516,409
2024	467,000	45,077	512,077
2025	471,000	37,699	508,699
2026	475,000	30,257	505,257
2027	479,000	22,752	501,752
2028-2029	961,000	22,752	983,752
	<u>\$ 3,317,000</u>	<u>\$ 210,946</u>	<u>\$ 3,527,946</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, 2021, of \$217,822,620, the constitutional total general obligation debt limit for "city purposes" was \$43,564,524.

7. 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 totals \$400,650,000 as of March 31, 2022.

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.

8. 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, 2022.

9. 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:

	2021
	<u>Valuation</u>
Benefit multiplier	2% for life
Final average salary	3 years
Member contributions	0%

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

Employees Covered by Benefit Terms

As of June 30, 2021, the following employees were covered by the benefit terms:

	City	Library	Water
Inactive employees or beneficiaries currently receiving benefits	166	7	27
Inactive employees entitled to but not yet receiving benefits	57	0	6
Active employees	170	6	16
Total	393	13	49

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City's contribution rates are 15.3% (City – General), 17.4% (City – Police), 24.5% (Library), and 19.5% (Water) of annual covered payroll.

Net Pension Liability/(Asset)

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

Actuarial Assumptions

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

Inflation	2.75%
Salary increase	2.75% to 6.75%, including inflation*
Investment rate of return	7.00%, net of investment expenses

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

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

The actuarial assumptions used in the February 28, 2021, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

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

Discount Rate

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

Changes in the Net Pension Liability/(Asset)

City:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2020	\$ 52,444,495	\$ 34,079,926	\$ 18,364,569
Changes for the year:			
Service cost	892,587	-	892,587
Interest	3,544,509	-	3,544,509
Difference between expected and actual experience	(10,287,957)	-	(10,287,957)
Changes in assumptions	(2,130,281)	-	(2,130,281)
Contributions - employer	-	1,708,617	(1,708,617)
Net investment income	-	9,971,942	(9,971,942)
Benefit payments, including refunds	(2,195,141)	(2,195,141)	-
Administrative expense	-	(40,881)	40,881
Other changes	-	1,424,933	(1,424,933)
Net changes	(10,176,283)	10,869,470	(21,045,753)
Balances at June 30, 2021	\$ 42,268,212	\$ 44,949,396	\$ (2,681,184)

Library:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2020	\$ 1,236,867	\$ 1,035,101	\$ 201,766
Changes for the year:			
Service cost	31,816	-	31,816
Interest	88,840	-	88,840
Difference between expected and actual experience	(4,517)	-	(4,517)
Changes in assumptions	(59,059)	-	(59,059)
Contributions - employer	-	65,235	(65,235)
Net investment income	-	276,305	(276,305)
Benefit payments, including refunds	(55,189)	(55,189)	-
Administrative expense	-	(1,334)	1,334
Other changes	-	1,526	(1,526)
Net changes	1,891	286,543	(284,652)
Balances at June 30, 2021	\$ 1,238,758	\$ 1,321,644	\$ (82,886)

Water:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2020	\$ 8,140,453	\$ 7,350,624	\$ 789,829
Changes for the year:			
Service cost	78,917	-	78,917
Interest	573,779	-	573,779
Difference between expected and actual experience	(431,532)	-	(431,532)
Changes in assumptions	(225,883)	-	(225,883)
Contributions - employer	-	137,073	(137,073)
Net investment income	-	1,815,922	(1,815,922)
Benefit payments, including refunds	(539,485)	(539,485)	-
Administrative expense	-	(4,824)	4,824
Other changes	-	(281,367)	281,367
Net changes	(544,204)	1,127,319	(1,671,523)
Balances at June 30, 2021	\$ 7,596,249	\$ 8,477,943	\$ (881,694)

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	\$ 47,930,827	\$ 42,268,212	\$ 37,582,549
Plan fiduciary net position	44,949,396	44,949,396	44,949,396
Net pension liability/(asset)	<u>\$ 2,981,431</u>	<u>\$ (2,681,184)</u>	<u>\$ (7,366,847)</u>

Library:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 1,373,851	\$ 1,238,758	\$ 1,123,422
Plan fiduciary net position	1,321,644	1,321,644	1,321,644
Net pension liability/(asset)	<u>\$ 52,207</u>	<u>\$ (82,886)</u>	<u>\$ (198,222)</u>

Water:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 8,498,812	\$ 7,596,249	\$ 6,834,079
Plan fiduciary net position	8,477,973	8,477,943	8,477,943
Net pension liability/(asset)	<u>\$ 20,839</u>	<u>\$ (881,694)</u>	<u>\$ (1,643,864)</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, 2022, the City recognized pension expense of (\$3,234,049) for the governmental activities, (\$417,855), for the business-type activities, and (\$19,659) for the component unit – Library. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

City:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 47,930,827	\$ 42,268,212	\$ 37,582,549
Plan fiduciary net position	44,949,396	44,949,396	44,949,396
Net pension liability/(asset)	<u>\$ 2,981,431</u>	<u>\$ (2,681,184)</u>	<u>\$ (7,366,847)</u>

Library:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 1,373,851	\$ 1,238,758	\$ 1,123,422
Plan fiduciary net position	1,321,644	1,321,644	1,321,644
Net pension liability/(asset)	<u>\$ 52,207</u>	<u>\$ (82,886)</u>	<u>\$ (198,222)</u>

Water:

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 8,498,812	\$ 7,596,249	\$ 6,834,079
Plan fiduciary net position	8,477,973	8,477,943	8,477,943
Net pension liability/(asset)	<u>\$ 20,839</u>	<u>\$ (881,694)</u>	<u>\$ (1,643,864)</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, 2023.

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:			
2022	\$ (4,063,524)	\$ (59,765)	\$ (287,640)
2023	(3,934,561)	(46,582)	(320,406)
2024	(3,455,935)	(27,837)	(247,051)
2025	(1,658,223)	(40,180)	(261,507)
2026	3,859	-	-
Thereafter	(20,062)	-	-
Total	<u>\$ (13,128,446)</u>	<u>\$ (174,364)</u>	<u>\$ (1,116,604)</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.

Benefits Provided

The Fire Pension Trust Fund provides retirement, death, and disability benefits. All employees of the fire department earning \$100 or more per calendar year are covered under the plan. Reserve and voluntary firemen are not eligible to participate in the plan. Employees of the fire department become eligible for the plan immediately upon employment and are fully vested after ten years of full-time service. Employees completing twenty-two years of service are entitled to a monthly benefit of 50% of a base amount, which increases 3% per year (\$61,315 for the 2021 plan year). Any employee hired after July 1, 1989, must also attain age 55. Participants who become disabled prior to retirement or separation from service are entitled to the greater of his or her accrued benefit payable as a monthly benefit commencing at his or her normal

retirement date, or his or her employee contribution benefit. Death benefits are paid at the greater of 75% of the participant's accrued benefit payable commencing at date of death, or 100% of the participant's employee contribution benefit payable as a lump sum. If a participant terminates employment prior to their normal retirement date, the participant is entitled to the greater of his or her employee contribution benefit credited with interest, or a deferred payable for life on his or her normal retirement date equal to his or her vested accrued benefits.

Employees Covered by Benefit Terms

As of March 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	3
Active employees	39
Total	90

Contributions

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

The City makes contributions to the plan based on the recommendation of the independent actuary. In addition, contributions to the plan are made by the City from a \$0.0493 per \$100 assessed valuation property tax levy established by City ordinance. Total City-paid contributions for the year ended March 31, 2022, were \$311,134. Total contributions provided from the property tax levy were \$148,910.

Net Pension Liability

The City's net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2021.

Actuarial Assumptions

The total pension liability in the April 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For the April 1, 2021, actuarial valuation, mortality rates were based on the MP-2020 Public Safety tables.

Changes in actuarial assumptions from the April 1, 2020, actuarial valuation were the following: inflation decreased from 2.2% to 0.0% and mortality rates were based on different 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, 2020	\$ 11,297,192	\$ 6,279,520	\$ 5,017,672
Changes for the year:			
Service cost	189,377	-	189,377
Interest	779,113	-	779,113
Difference between expected and actual experience	19,231	-	19,231
Changes in assumptions	(37,046)	-	(37,046)
Contributions - employer	-	295,401	(295,401)
Property tax revenues	-	147,927	(147,927)
Net investment income	-	2,508,493	(2,508,493)
Benefit payments, including refunds	(712,758)	(712,758)	-
Administrative expense	-	(55,524)	55,524
Net changes	237,917	2,183,539	(1,945,622)
Balances at March 31, 2021	\$ 11,535,109	\$ 8,463,059	\$ 3,072,050

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	\$ 12,963,301	\$ 11,535,109	\$ 10,352,564
Plan fiduciary net position	8,463,059	8,463,059	8,463,059
Net pension liability	<u>\$ 4,500,242</u>	<u>\$ 3,072,050</u>	<u>\$ 1,889,505</u>

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

For the year ended March 31, 2022, the City recognized pension expense of \$260,523. 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	\$ 98,442	\$ (90,568)
Projected and actual earnings on investments	-	(1,021,030)
Changes in assumptions	160,593	(69,877)
Contributions subsequent to the measurement date*	311,134	-
Total	<u>\$ 570,169</u>	<u>\$ (1,181,475)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending March 31, 2023.

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

Year ending:	
2022	\$ (146,980)
2023	(187,551)
2024	(206,546)
2025	(391,963)
2026	11,627
Thereafter	<u>(1,027)</u>
Total	<u>\$ (922,440)</u>

Subsequent Event

Effective June 1, 2022, the Fire Pension Fund was moved to LAGERS.

10. 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.

11. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended March 31, 2022, is as follows:

TRANSFERRED FROM	TRANSFERRED TO							Total
	Governmental Funds						Proprietary Funds	
	Major Funds			Non-Major Funds				
	General Fund	Capital Project Fund	Park Fund	Midtown Special Allocation Fund	MFA Sales Tax Sharing Fund	Sedalia Redevelopment Corporation		
Governmental funds:								
Primary government - major funds:								
General Fund	\$ -	\$ -	\$ 25,000	\$ 10,512	\$ 12,963	\$ 200,000	\$ -	\$ 248,475
Capital Project Fund	-	-	-	-	6,481	-	-	6,481
Transportation Fund	452,557	2,409,400	-	3,004	-	-	-	2,864,961
Park Fund	-	1,006,525	-	3,004	-	-	-	1,009,529
Total primary government - major funds	452,557	3,415,925	25,000	16,520	19,444	200,000	-	4,129,446
Primary government - non-major funds:								
Midtown Special Allocation Fund	-	676,351	-	-	-	-	-	676,351
MFA Sales Tax Sharing Fund	-	-	-	-	-	-	47,030	47,030
Total primary government - non-major funds	-	676,351	-	-	-	-	47,030	723,381
Total governmental funds	452,557	4,092,276	25,000	16,520	19,444	200,000	47,030	4,852,827
Component unit - Library	-	100,553	-	-	-	-	-	100,553
Proprietary funds:								
Wastewater Fund	646,293	-	-	-	-	-	-	646,293
Water Fund	520,143	-	-	-	-	-	-	520,143
Sanitation Fund	216,872	-	-	-	-	-	-	216,872
Total proprietary funds	1,383,308	-	-	-	-	-	-	1,383,308
Fiduciary fund - Pension Trust Fund	437,650	-	-	-	-	-	-	437,650
Total	\$ 2,273,515	\$ 4,192,829	\$ 25,000	\$ 16,520	\$ 19,444	\$ 200,000	\$ 47,030	\$ 6,774,338

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

12. 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, 2022. The total PILOTS paid under this agreement totaled \$236,350 during this year, of which \$31,785 was retained by the City and \$205,175 was passed on to the other eligible taxing districts. The total property taxes abated under this agreement totaled \$561,053 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, 2022. The total property taxes abated under this program totaled \$110,960 during the year.

14. RESTATEMENTS

During the year ended March 31, 2022, the City determined prior years' balances were incorrect and needed to be restated.

Also during the year ended March 31, 2022, the City determined the Bothwell Regional Health Center and the Sedalia Public Library (the Library) should be reported as discretely presented component units instead of blended component units. The Bothwell Regional Health Center was previously included in the City's business-type activities and proprietary funds, and the Library was previously included in the City's governmental activities and governmental funds.

	Net position/ fund balance, as previously reported	Effect of restatements	Net position/ fund balance, as restated
Governmental activities	\$ 98,634,201	\$ 2,792,079	\$ 101,426,280
Business-type activities	99,901,015	(52,867,329)	47,033,686
Component units:			
Bothwell Regional Health Center	-	52,636,180	52,636,180
Library	-	2,508,353	2,508,353
Governmental funds:			
Major funds:			
General Fund	9,031,330	(939,471)	8,091,859
Capital Project Fund	16,030,772	(426,009)	15,604,763
Transportation Fund	2,762,917	(271,194)	2,491,723
Park Fund	3,661,132	(364,840)	3,296,292
Non-major funds	1,947,681	(1,161,427)	786,254
Proprietary funds:			
Wastewater Fund	24,397,303	(483,664)	23,913,639
Water Fund	23,295,948	252,515	23,548,463

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended March 31, 2022

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 11,534,985	\$ 10,480,406	\$ 10,506,772	\$ 1,028,213
Licenses and permits	748,018	578,623	582,116	165,902
Charges for services	164,161	180,923	142,571	21,590
Intergovernmental revenues	161,388	96,244	59,222	102,166
Fines and forfeitures	142,605	113,906	112,909	29,696
Miscellaneous	437,314	270,607	338,173	99,141
Total revenues	13,188,471	11,720,709	11,741,763	1,446,708
EXPENDITURES				
General government	4,251,384	4,313,396	4,406,198	154,814
Public safety	9,118,182	8,663,745	9,091,647	(26,535)
Transportation	338,014	350,905	350,905	12,891
Capital outlay	443,446	956,845	804,350	360,904
Total expenditures	14,151,026	14,284,891	14,653,100	502,074
Excess (deficiency) of revenues over (under) expenditures	(962,555)	(2,564,182)	(2,911,337)	1,948,782
OTHER FINANCING SOURCES (USES):				
Transfers in	2,273,515	1,835,865	1,835,865	437,650
Transfers (out)	(248,475)	(57,030)	(67,168)	(181,307)
Total other financing sources	2,025,040	1,778,835	1,768,697	256,343
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ 1,062,485	\$ (785,347)	\$ (1,142,640)	\$ 2,205,125

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
Year Ended March 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 3,322,216	\$ 2,960,403	\$ 2,960,403	\$ 361,813
Charges for services	537,000	292,900	282,900	254,100
Intergovernmental revenues	948,679	882,816	882,816	65,863
Miscellaneous	14,220	129,121	129,121	(114,901)
Total revenues	<u>4,822,115</u>	<u>4,265,240</u>	<u>4,255,240</u>	<u>566,875</u>
EXPENDITURES				
Transportation	2,826,009	3,416,554	2,961,878	135,869
Capital outlay	80,249	233,734	214,810	134,561
Total expenditures	<u>2,906,258</u>	<u>3,650,288</u>	<u>3,176,688</u>	<u>270,430</u>
Excess of revenues over expenditures	<u>1,915,857</u>	<u>614,952</u>	<u>1,078,552</u>	<u>837,305</u>
OTHER FINANCING (USES)				
Transfers (out)	<u>(2,864,961)</u>	<u>(551,400)</u>	<u>(2,859,066)</u>	<u>(5,895)</u>
Total other financing (uses)	<u>(2,864,961)</u>	<u>(551,400)</u>	<u>(2,859,066)</u>	<u>(5,895)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	<u>\$ (949,104)</u>	<u>\$ 63,552</u>	<u>\$ (1,780,514)</u>	<u>\$ 831,410</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

PARK FUND

Year Ended March 31, 2022

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 3,909,295	\$ 3,504,743	3,504,740	\$ 404,555
Charges for services	711,625	473,750	470,750	240,875
Contributions	42,293	34,338	34,338	7,955
Miscellaneous	18,737	37,423	40,423	(21,686)
Total revenues	4,681,950	4,050,254	4,050,251	631,699
EXPENDITURES				
Parks and recreation	3,529,965	2,594,132	3,046,372	(483,593)
Capital outlay	624,379	815,000	1,515,510	891,131
Total expenditures	4,154,344	3,409,132	4,561,882	407,538
Excess (deficiency) of revenues over (under) expenditures	527,606	641,122	(511,631)	1,039,237
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	10,000	12,891	12,109
Transfers (out)	(1,009,529)	(835,828)	(1,030,673)	21,144
Total other financing sources (uses)	(984,529)	(825,828)	(1,017,782)	33,253
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	\$ (456,923)	\$ (184,706)	\$ (1,529,413)	\$ 1,072,490

CITY OF SEDALIA

PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAGERS – CITY March 31, 2022

	2022	2021	2020	2019	2018	2017	2016
Total pension liability							
Service cost	\$ 892,587	\$ 790,187	\$ 785,279	\$ 817,636	\$ 800,053	\$ 782,987	\$ 766,176
Interest on the total pension liability	3,544,509	2,779,562	2,093,815	2,015,117	1,901,844	1,760,068	1,661,198
Benefit changes	-	-	8,553,204	-	-	-	-
Difference between expected and actual experience	(10,287,957)	761,173	(299,985)	(486,500)	(62,084)	(778,678)	(60,682)
Assumption changes	(2,130,281)	1,621,668	-	-	-	1,149,316	-
Benefit payments	(2,195,141)	(867,874)	(1,297,893)	(1,193,669)	(982,158)	(951,487)	(1,068,909)
Net change in total pension liability	(10,176,283)	5,084,716	9,834,420	1,152,584	1,657,655	1,962,206	1,297,783
Total pension liability beginning	25,251,162	20,166,446	10,332,026	9,179,442	7,521,787	5,559,581	4,261,798
Total pension liability ending	<u>\$ 15,074,879</u>	<u>\$ 25,251,162</u>	<u>\$ 20,166,446</u>	<u>\$ 10,332,026</u>	<u>\$ 9,179,442</u>	<u>\$ 7,521,787</u>	<u>\$ 5,559,581</u>
Plan fiduciary net position							
Contributions - employer	\$ 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	9,971,942	427,231	403,412	3,249,663	2,733,145	(48,800)	450,341
Benefit payments	(2,195,141)	(2,067,874)	(1,297,893)	(1,193,669)	(982,158)	(951,487)	(1,068,909)
Pension plan administrative expense	(40,881)	(53,240)	(39,247)	(25,525)	(25,203)	(24,904)	(26,656)
Other	1,424,933	(154,474)	638,984	(116,880)	37,000	(392,432)	(156,418)
Net change in plan fiduciary net position	10,869,470	(141,848)	4,137,304	3,022,539	2,861,502	(325,933)	279,368
Plan fiduciary net position beginning	33,035,406	33,177,254	29,039,950	26,017,411	23,155,909	23,481,842	23,202,474
Plan fiduciary net position ending	<u>\$ 43,904,876</u>	<u>\$ 33,035,406</u>	<u>\$ 33,177,254</u>	<u>\$ 29,039,950</u>	<u>\$ 26,017,411</u>	<u>\$ 23,155,909</u>	<u>\$ 23,481,842</u>
Net pension liability/(asset)	<u>\$ (28,829,997)</u>	<u>\$ (7,784,244)</u>	<u>\$ (13,010,808)</u>	<u>\$ (18,707,924)</u>	<u>\$ (16,837,969)</u>	<u>\$ (15,634,122)</u>	<u>\$ (17,922,261)</u>
Plan fiduciary net position as a percentage of the total pension liability	291.25%	130.83%	164.52%	281.07%	283.43%	307.85%	422.37%
Covered payroll	\$ 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	-409.94%	-112.11%	-200.48%	-281.32%	-241.01%	-234.92%	-268.29%

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

CITY OF SEDALIA

PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAGERS – LIBRARY March 31, 2022

	2022	2021	2020	2019	2018	2017	2016
Total pension liability							
Service cost	\$ 31,816	\$ 31,289	\$ 28,699	\$ 30,363	\$ 29,263	\$ 24,660	\$ 23,977
Interest on the total pension liability	88,840	85,469	80,577	76,316	71,959	66,675	61,180
Difference between expected and actual experience	(4,517)	(15,183)	11,828	4,185	4,786	(14,776)	43,528
Assumption changes	(59,059)	-	-	-	-	38,715	-
Benefit payments	(55,189)	(55,460)	(54,371)	(48,273)	(44,704)	(44,588)	(61,582)
Net change in total pension liability	1,891	46,115	66,733	62,591	61,304	70,686	67,103
Total pension liability beginning	1,236,867	1,190,752	1,124,019	1,061,428	1,000,124	929,438	862,335
Total pension liability ending	<u>\$ 1,238,758</u>	<u>\$ 1,236,867</u>	<u>\$ 1,190,752</u>	<u>\$ 1,124,019</u>	<u>\$ 1,061,428</u>	<u>\$ 1,000,124</u>	<u>\$ 929,438</u>
Plan fiduciary net position							
Contributions - employer	\$ 65,235	\$ 63,108	\$ 61,752	\$ 52,044	\$ 55,607	\$ 48,626	\$ 45,438
Pension plan net investment income	276,305	12,621	61,867	105,542	84,537	(2,114)	13,870
Benefit payments	(55,189)	(55,460)	(54,371)	(48,273)	(44,704)	(44,588)	(61,582)
Pension plan administrative expense	(1,334)	(1,747)	(1,690)	(1,195)	(1,096)	(1,094)	(1,212)
Other	1,526	(11,240)	12,501	10,645	10,927	(5,561)	(15,982)
Net change in plan fiduciary net position	286,543	7,282	80,059	118,763	105,271	(4,731)	(19,468)
Plan fiduciary net position beginning	1,035,131	1,027,849	947,790	829,027	723,756	728,487	747,955
Plan fiduciary net position ending	<u>\$ 1,321,674</u>	<u>\$ 1,035,131</u>	<u>\$ 1,027,849</u>	<u>\$ 947,790</u>	<u>\$ 829,027</u>	<u>\$ 723,756</u>	<u>\$ 728,487</u>
Net pension liability/(asset)	<u>\$ (82,916)</u>	<u>\$ 201,736</u>	<u>\$ 162,903</u>	<u>\$ 176,229</u>	<u>\$ 232,401</u>	<u>\$ 276,368</u>	<u>\$ 200,951</u>
Plan fiduciary net position as a percentage of the total pension liability	106.69%	83.69%	86.32%	84.32%	78.10%	72.37%	78.38%
Covered payroll	\$ 245,249	\$ 238,626	\$ 220,923	\$ 208,499	\$ 226,764	\$ 197,851	\$ 171,030
Net pension liability/(asset) as a percentage of covered payroll	-33.81%	84.54%	73.74%	84.52%	102.49%	139.68%	117.49%

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

CITY OF SEDALIA

PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAGERS – WATER March 31, 2022

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

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

CITY OF SEDALIA

PENSION PLAN SCHEDULE OF CONTRIBUTIONS LAGERS – CITY March 31, 2022

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,172,012	\$ 1,150,720	\$ 1,092,953	\$ 1,096,890	\$ 1,125,662
Contributions in relation to the actuarially determined contribution	1,165,335	1,150,720	1,092,953	1,096,889	1,113,607
Contribution deficiency (excess)	\$ 6,677	\$ -	\$ -	\$ 1	\$ 12,055
Covered payroll	\$ 7,135,632	\$ 7,304,056	\$ 6,950,144	\$ 6,829,058	\$ 6,950,588
Contributions as a percentage of covered payroll	16.33%	15.75%	15.73%	16.06%	16.02%
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,132,767	\$ 1,098,082	\$ 1,071,353	\$ 1,048,392	\$ 1,036,205
Contributions in relation to the actuarially determined contribution	1,132,766	1,098,082	1,062,010	960,183	901,572
Contribution deficiency (excess)	\$ 1	\$ -	\$ 9,343	\$ 88,209	\$ 134,633
Covered payroll	\$ 7,337,516	\$ 6,975,638	\$ 6,609,995	\$ 6,278,066	\$ 6,178,520
Contributions as a percentage of covered payroll	15.44%	15.74%	16.07%	15.29%	14.59%

CITY OF SEDALIA

PENSION PLAN

SCHEDULE OF CONTRIBUTIONS

LAGERS – LIBRARY

March 31, 2022

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 53,418	\$ 65,318	\$ 62,494	\$ 60,959	\$ 55,356
Contributions in relation to the actuarially determined contribution	53,418	65,318	62,494	60,959	52,076
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 3,280
Covered payroll	\$ 209,483	\$ 246,484	\$ 238,526	\$ 235,363	\$ 205,023
Contributions as a percentage of covered payroll	25.50%	26.50%	26.20%	25.90%	25.40%
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 60,515	\$ 47,394	\$ 47,028	\$ 40,238	\$ 42,776
Contributions in relation to the actuarially determined contribution	55,510	47,394	45,119	40,238	42,776
Contribution deficiency (excess)	\$ 5,005	\$ -	\$ 1,909	\$ -	\$ -
Covered payroll	\$ 227,501	\$ 202,537	\$ 173,534	\$ 160,952	\$ 167,094
Contributions as a percentage of covered payroll	24.40%	23.40%	26.00%	25.00%	25.60%

CITY OF SEDALIA

PENSION PLAN

SCHEDULE OF CONTRIBUTIONS

LAGERS – WATER

March 31, 2022

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 165,375	\$ 168,923	\$ 121,726	\$ 161,121	\$ 186,393
Contributions in relation to the actuarially determined contribution	129,637	128,529	121,726	161,121	186,392
Contribution deficiency (excess)	<u>\$ 35,738</u>	<u>\$ 40,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Covered payroll	\$ 700,740	\$ 734,449	\$ 737,732	\$ 947,773	\$ 991,450
Contributions as a percentage of covered payroll	18.50%	17.50%	16.50%	17.00%	18.80%
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 183,875	\$ 206,086	\$ 207,755	\$ 203,453	\$ 196,646
Contributions in relation to the actuarially determined contribution	183,875	206,086	203,138	184,958	168,073
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,617</u>	<u>\$ 18,495</u>	<u>\$ 28,573</u>
Covered payroll	\$ 938,135	\$ 1,000,420	\$ 923,356	\$ 880,749	\$ 840,368
Contributions as a percentage of covered payroll	19.60%	20.60%	22.00%	21.00%	20.00%

CITY OF SEDALIA

PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS FIRE PENSION FUND March 31, 2022

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 189,377	\$ 180,182	\$ 160,454	\$ 148,232	\$ 138,608	\$ 138,948	\$ 133,713
Interest on the total pension liability	779,113	753,900	761,117	750,063	741,030	703,414	671,001
Difference between expected and actual experience	19,231	106,307	(82,067)	22,165	(10,253)	(340,276)	291,541
Assumption changes	(37,046)	54,086	(23,976)	89,091	(100,970)	696,590	-
Benefit payments	(712,758)	(774,207)	(1,102,512)	(625,207)	(672,768)	(649,155)	(627,757)
Net change in total pension liability	237,917	320,268	(286,984)	384,344	95,647	549,521	468,498
Total pension liability beginning	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>\$ 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	\$ 295,401	\$ 282,680	\$ 245,427	\$ 328,018	\$ 220,408	\$ 197,176	\$ 239,610
Contributions - property tax revenues	147,927	145,891	122,386	122,127	133,018	134,275	127,619
Pension plan net investment income	2,508,493	(458,203)	402,513	499,240	605,999	(141,491)	483,075
Benefit payments	(712,758)	(774,207)	(1,102,512)	(625,207)	(672,768)	(649,155)	(627,757)
Pension plan administrative expense	(55,524)	(55,673)	(57,757)	(34,704)	(33,340)	(32,548)	(29,183)
Net change in plan fiduciary net position	2,183,539	(859,512)	(389,943)	289,474	253,317	(491,743)	193,364
Plan fiduciary net position beginning	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>\$ 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>\$ 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	73.37%	55.58%	65.04%	66.84%	66.54%	64.78%	73.07%
Covered payroll	\$ 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	125.87%	217.05%	184.86%	184.89%	190.91%	217.59%	162.67%

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

CITY OF SEDALIA

PENSION PLAN SCHEDULE OF CONTRIBUTIONS FIRE PENSION FUND March 31, 2022

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

SUPPLEMENTARY INFORMATION

CITY OF SEDALIA

COMBINING BALANCE SHEET

NON-MAJOR FUNDS

March 31, 2022

	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	Sedalia Redevelopment Corporation	Total
ASSETS									
Cash and cash equivalents	\$ 140,589	\$ 9,152	\$ 81,920	\$ 64,401	\$ 70,888	\$ -	\$ -	\$ 284,256	\$ 651,206
Accounts receivable	-	1,500	-	-	-	-	-	-	1,500
Taxes receivable	-	-	3,004	-	-	-	-	-	3,004
Interfund balances	-	-	-	-	-	(45,834)	(43,297)	-	(89,131)
Other assets	-	-	-	-	-	-	-	12,000	12,000
TOTAL ASSETS	<u>\$ 140,589</u>	<u>\$ 10,652</u>	<u>\$ 84,924</u>	<u>\$ 64,401</u>	<u>\$ 70,888</u>	<u>\$ (45,834)</u>	<u>\$ (43,297)</u>	<u>\$ 296,256</u>	<u>\$ 578,579</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 44,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,731</u>
Total liabilities	<u>10,000</u>	<u>-</u>	<u>44,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,731</u>
FUND BALANCES									
Restricted for:									
Community development	130,589	-	-	-	-	-	-	-	130,589
Public safety	-	10,652	-	-	-	-	-	-	10,652
Economic development	-	-	40,193	64,401	70,888	-	-	296,256	471,738
Unassigned	-	-	-	-	-	(45,834)	(43,297)	-	(89,131)
Total fund balances	<u>130,589</u>	<u>10,652</u>	<u>40,193</u>	<u>64,401</u>	<u>70,888</u>	<u>(45,834)</u>	<u>(43,297)</u>	<u>296,256</u>	<u>523,848</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 140,589</u>	<u>\$ 10,652</u>	<u>\$ 84,924</u>	<u>\$ 64,401</u>	<u>\$ 70,888</u>	<u>\$ (45,834)</u>	<u>\$ (43,297)</u>	<u>\$ 296,256</u>	<u>\$ 578,579</u>

CITY OF SEDALIA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR FUNDS

Year Ended March 31, 2022

	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	Sedalia Redevelopment Corporation	Total
REVENUES									
Taxes	\$ 43,468	\$ -	\$ 234,931	\$ 31,342	\$ 38,645	\$ -	\$ -	\$ -	\$ 348,386
Charges for services	-	11,400	-	-	-	-	-	-	11,400
Other revenues	1,075	56	1,354	-	-	-	-	-	2,485
TOTAL REVENUES	44,543	11,456	236,285	31,342	38,645	-	-	-	362,271
EXPENDITURES									
Current:									
Community development	15,484	-	-	-	-	-	-	-	15,484
Public safety	-	7,635	-	-	-	-	-	-	7,635
Economic development	-	-	47,113	-	655	19,444	43,297	3,632	114,141
Total expenditures	15,484	7,635	47,113	-	655	19,444	43,297	3,632	137,260
Excess (deficiency) of revenues over (under) expenditures	29,059	3,821	189,172	31,342	37,990	(19,444)	(43,297)	(3,632)	225,011
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	16,520	-	-	19,444	-	200,000	235,964
Transfers (out)	-	-	(676,351)	-	-	(47,030)	-	-	(723,381)
Total other financing sources (uses)	-	-	(659,831)	-	-	(27,586)	-	200,000	(487,417)
Net change in fund balances	29,059	3,821	(470,659)	31,342	37,990	(47,030)	(43,297)	196,368	(262,406)
Fund balances, April 1	101,530	6,831	510,852	33,059	32,898	1,196	-	99,888	786,254
FUND BALANCES, MARCH 31	\$ 130,589	\$ 10,652	\$ 40,193	\$ 64,401	\$ 70,888	\$ (45,834)	\$ (43,297)	\$ 296,256	\$ 523,848

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
SPECIAL BUSINESS DISTRICT FUND
Year Ended March 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 43,468	\$ 42,930	\$ 41,390	\$ 2,078
Other revenues	1,075	-	1,540	(465)
Total revenues	<u>44,543</u>	<u>42,930</u>	<u>42,930</u>	<u>1,613</u>
EXPENDITURES				
Community development	15,484	62,908	62,908	47,424
Capital outlay	-	24,000	24,000	24,000
Total expenditures	<u>15,484</u>	<u>86,908</u>	<u>86,908</u>	<u>71,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 29,059</u>	<u>\$ (43,978)</u>	<u>\$ (43,978)</u>	<u>\$ 73,037</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

FIRE ACADEMY FUND

Year Ended March 31, 2022

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Charges for services	\$ 11,400	\$ 18,000	\$ 18,000	\$ (6,600)
Other revenues	56	53	53	3
Total revenues	11,456	18,053	18,053	(6,597)
EXPENDITURES				
Public safety	7,635	18,180	17,880	10,245
Total expenditures	7,635	18,180	17,880	10,245
Excess (deficiency) of revenues over (under) expenditures	\$ 3,821	\$ (127)	\$ 173	\$ 3,648

CITY OF SEDALIA

**BUDGETARY COMPARISON SCHEDULE
MIDTOWN SPECIAL ALLOCATION FUND
Year Ended March 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 234,931	\$ 182,054	\$ 212,054	\$ 22,877
Other revenues	1,354	-	-	1,354
Total revenues	<u>236,285</u>	<u>182,054</u>	<u>212,054</u>	<u>24,231</u>
EXPENDITURES				
Economic development	47,113	2,607	2,607	(44,506)
Capital outlay	-	10,000	40,611	40,611
Total expenditures	<u>47,113</u>	<u>12,607</u>	<u>43,218</u>	<u>(3,895)</u>
Excess of revenues over expenditures	<u>189,172</u>	<u>169,447</u>	<u>168,836</u>	<u>20,336</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,520	-	-	16,520
Transfers (out)	(676,351)	(167,000)	(181,456)	(494,895)
Total other financing (uses)	<u>(659,831)</u>	<u>(167,000)</u>	<u>(181,456)</u>	<u>(478,375)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	<u>\$ (470,659)</u>	<u>\$ 2,447</u>	<u>\$ (12,620)</u>	<u>\$ (458,039)</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

THE CROSSINGS CID FUND

Year Ended March 31, 2022

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 31,342	\$ -	\$ -	\$ 31,342
Total revenues	31,342	-	-	31,342
Excess revenues	<u>\$ 31,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,342</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

GALAXY WEST CID FUND

Year Ended March 31, 2022

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 38,645	\$ -	\$ 85,295	\$ (46,650)
Total revenues	38,645	-	85,295	(46,650)
EXPENDITURES				
Economic development	655	-	78,855	78,200
Total expenditures	655	-	78,855	78,200
Excess of revenues over expenditures	\$ 37,990	\$ -	\$ 6,440	\$ 31,550

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

MFA SALES TAX SHARING FUND

Year Ended March 31, 2022

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
EXPENDITURES				
Economic development	\$ 19,444	\$ -	\$ 68,273	\$ 48,829
Total expenditures	19,444	-	68,273	48,829
OTHER FINANCING SOURCES (USES)				
Transfers in	19,444	-	68,273	(48,829)
Transfers (out)	(47,030)	-	-	(47,030)
Total other financing (uses)	(27,586)	-	68,273	(95,859)
(Deficiency) of expenditures and total other financing (uses)	<u>\$ (47,030)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,030)</u>

CITY OF SEDALIA

BUDGETARY COMPARISON SCHEDULE

LAMY'S SALES TAX SHARING FUND

Year Ended March 31, 2022

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

SINGLE AUDIT REPORTS

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

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

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements 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 of Sedalia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 10, 2022.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency. See Finding 2021-001.

Compliance and Other Matters

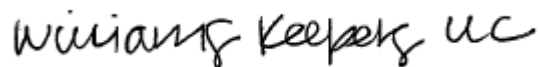
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Handwritten signature in black ink that reads "William F. Keppers, Jr.".

Columbia, Missouri
October 10, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY 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 the Major Federal Program

We have audited the City of Sedalia (the City)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended March 31, 2022. The City's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2022.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the City and to meet our 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.

Auditors' 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 City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, 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 generally accepted auditing standards, *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 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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. Keeler UC

Columbia, Missouri
October 10, 2022

CITY OF SEDALIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2022

	Assistance Listing Number	Pass Through Number	Expenditures
U.S. Department of Transportation:			
Passed through the Federal Railroad Administration:			
National Infrastructure Investments	20.933	69A36520401180BLDMO	\$ 630,674
Passed through the Missouri Department of Transportation:			
Airport Improvement Program	20.106	20-020A-2	190,018
		21-PT-02-027	
		21-PT-02-048	
Hazardous Moving Violations (Highway Safety Cluster)	20.600	22-PT-02-119	12,458
		21-154-AL-054	
DWI Enforcement (Highway Safety Cluster)	20.607	22-154-AL-108	2,153
Total U.S. Department of Transportation			<u>835,303</u>
U.S. Department of Housing and Urban Development:			
Community Development Block Grant (CDBG)	14.228	2018-WF-01	139,266
Total U.S. Department of Housing and Urban Development			<u>139,266</u>
U.S. Department of Homeland Security:			
Passed through the Federal Emergency Management Agency:			
Firefighters Grant	97.044	EMW-2020-FG-17068	110,545
Passed through the Missouri Department of Public Safety:			
SHSP Counter Terrorism Office Equipment Grant	97.067	EMW-2021-SS-0038-43-FY21	4,944
Total U.S. Department of Homeland Security			<u>115,489</u>
U.S. Environmental Protection Agency:			
Passed through the Missouri Department of Natural Resources:			
Diesel Emissions Reduction Act (DERA) State Grants Program	66.040	N/A	16,675
Total U.S. Environmental Protection Agency			<u>16,675</u>
U.S. Department of Justice:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01615-JAGX	13,220
Total U.S. Department of Justice			<u>13,220</u>
U.S. Department of the Interior, National Park Service:			
Passed through the Missouri Department of Natural Resources:			
Historic Preservation Fund Grant	15.904	P20AF00030-014	12,000
Total U.S. Department of the Interior, National Park Service			<u>12,000</u>
Institute of Museum and Library Services			
Passed through the Missouri State Library:			
		2020-COVID-CARESCNO-9804	
		2020-LBEO-ELD20-SDLA	
National Endowment for the Humanities Library Technology Grant	45.310	2022-LCE1-0116	6,390
Total Institute of Museum and Library Services			<u>6,390</u>
Total expenditures of federal awards			<u><u>\$ 1,138,343</u></u>

1. BASIS OF PRESENTATION

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

2. INDIRECT COST RATE

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

CITY OF SEDALIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended March 31, 2022

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with U.S. GAAP.
2. A significant deficiency relating to the audit of the financial statements is reported in the "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." This is not considered a material weakness.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs is reported in the "Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditors' report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal program.
5. No audit findings relative to the major federal award programs for the City, that are required to be reported in accordance with 2 CFR section 200.516(a), are reported in Part C of this Schedule.
6. The program tested as a major federal program includes:

	Assistance Listing Number
National Infrastructure Investments	<hr/> 20.933

7. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
8. The City did not qualify as a low-risk auditee for the year ended March 31, 2022.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2021-001: Preparation of Financial Statements (significant deficiency)

Condition: Management is responsible for establishing and maintaining internal controls; for the selection and application of accounting principles; for adjusting the general ledger in order to present financial statements in accordance with U.S. generally accepted accounting principles; and for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. Under auditing standards, the auditor cannot be a part of internal control. If management does not have the means to accomplish its responsibilities other than by having the auditors handle some or all of these responsibilities, the City is deemed to have a significant deficiency under auditing standards. During the FY22 audit, the auditor prepared the financial statements, including the note disclosures, and proposed significant adjustments to the underlying general ledger.

Cause: The former Finance Director left the City, and she wasn't able to ensure all significant adjustments were made to the financial statements prior to her departure.

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

Recommendation: We are not recommending the City make other arrangements to have the financial statements prepared. 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 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 City's new Finance Director will ensure all significant adjustments are made to the financial statements prior to the financial statement audit.

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, 2022**

There were no prior audit findings.