

A G E N D A
WORK SESSION
City of Moberly
January 21, 2020
6:00 PM

Requests, Ordinances, and Miscellaneous

1. Work in Water- Mini Grant
2. A First amendment to the Tourism and Downtown Implementation Services Agreement between the City of Moberly, Chamber of Commerce and Destination Services, LLC.
3. An Ordinance Repealing And Replacing Article IV, Chapter 10 Of The Moberly City Code Concerning Flood Plain Management
4. A request from Lori Turk to hold her annual Run for Life 5k on May 10, 2020.
5. A Resolution Authorizing The City Manager Of The City Of Moberly, Missouri To Execute A Release And Hold Harmless Agreement With The Moberly Area Community College For Use Of The City Firearms Range
6. Review of the 2018-2019 Audit Report

City of Moberly City Council Agenda Summary

Agenda Number: _____
 Department: Public Utilities
 Date: January 20, 2020

WS #1.

Agenda Item: Work in Water- Mini Grant

Summary: Work in Water Mini-Grants Provide catalyst funding to water utilities to host water education and career exploration events for local high school students. The program is primarily intended to support requests ranging from \$500-\$2500. We have been awarded \$3,800.00. Ed Lewis from Moberly High School is willing to coordinate the classroom time and tour of facilities for his science students for this event.

Recommended Action: Direct staff to bring a resolution to the next council meeting to approve the acceptance of the grant award.

Fund Name: EnterTextHere

Account Number: EnterTextHere

Available Budget \$: EnterTextHere

ATTACHMENTS:	Roll Call	Aye	Nay
<input type="checkbox"/> Memo			
<input type="checkbox"/> Staff Report			
<input type="checkbox"/> Correspondence			
<input type="checkbox"/> Bid Tabulation			
<input type="checkbox"/> P/C Recommendation			
<input type="checkbox"/> P/C Minutes			
<input type="checkbox"/> Application			
<input type="checkbox"/> Citizen			
<input type="checkbox"/> Consultant Report			
<input type="checkbox"/> Council Minutes			
<input type="checkbox"/> Proposed Ordinance			
<input type="checkbox"/> Proposed Resolution			
<input type="checkbox"/> Attorney's Report			
<input type="checkbox"/> Petition			
<input type="checkbox"/> Contract			
<input type="checkbox"/> Budget Amendment			
<input type="checkbox"/> Legal Notice			
<input checked="" type="checkbox"/> Other <u>Grant Award</u>			
	Mayor		
	M___ S___ Jeffrey	___	___
	Council Member		
	M___ S___ Brubaker	___	___
	M___ S___ Kimmons	___	___
	M___ S___ Davis	___	___
	M___ S___ Kyser	___	___
		Passed	Failed



Work in Water Mini-Grant Application

Missouri Deadline to Submit: June 28, 2019

Work in Water Mini-Grants provide catalyst funding to water utilities to host water education and career exploration events for local high school students. These funds are limited to participants of the Work in Water (WiW) Training and can only be used to fund transportation or internships. Internships are not required, and there is no penalty for only doing the class and field trip portion of the WiW program.

Work in Water Mini-Grant funds are limited. Efforts will be made to provide assistance to as many utilities as possible. The program is primarily intended to support requests ranging from \$500 to \$2,500.

Utility Name: City of Moberly Public Utilities

Contact Name: Mary West - Calcagno, Director of Public Utilities

Address: 101 W Reed Street, Moberly, MO 65270

Phone: 660-269-8705, ext: 2073

Email: mwc@cityofmoberly.com

Target School: Moberly High School

School Contact: Ed Lewis, Science Teacher, Moberly High School

Describe your utility's plan to engage your local school:

The Chamber of Commerce is set to host an Employer Showcase on Wednesday, October 30, 2019. We intend to use this as a "kick-off" event for a Work in Water Day at the school. A presentation was made to Mr. Lewis' AP Science Class on September 13 to invite them to develop research projects centered around treatment of drinking water, algae and nutrient issues, and water re-use.

At the booth during the Employer Showcase, students from 8th to 12th grade will be introduced to employers in the community in a trade-show style event. Examples of benefits to the community, work areas, and education will be highlighted. The Moberly Public Utilities Department will participate and highlight careers in our Field Services Department as well as Water and Wastewater Treatment, IT, and



Customer Service. We have drone video of our drinking water lake and the water plant for a video display as well. Parents and the Community are invited to the event in the evening for a job fair.

After the event, we are planning a work in water day with the class-room activities in the morning and tours of facilities in the afternoon. If there is sufficient interest, we will hire an intern for 8 weeks during the summer break.

Staff from the Water Plant and Wastewater Plant will assist the Director of Public Utilities in the morning classroom hands-on demonstrations and presentation of key concepts and skills. Tours of the Water Plant and the Wastewater Plant will be conducted in the afternoon.

Mr. Lewis has indicated that his Earth Science and Chemistry classes would be a good fit for the morning demonstrations. He is checking on the logistics for transportation.

Proposed Work in Water Experience Date:

We are planning to hold to event soon after the Employer Showcase event held on October 30, 2019. We hope to schedule the event between November 1 to January 30, 2019.

Proposed Location: The classroom portion will be held at Moberly High School, the tours will be at the Drinking Water Plant and the Wastewater Treatment Plant.

Describe your plan for your utility's Work in Water event:

The staff to be included in teaching the class will include Mary West-Calcagno, Utility Director, Matt Everts, Chief Operator, Drinking Water, Ben Riles Chief Operator, Wastewater Treatment, and Rachel Hultz, Water Quality Coordinator. The plans for transportation are being worked out with the school. No firm information has been received at this time.

The City of Moberly owns and maintains a surface water drinking water reservoir, a drinking water treatment facility that utilizes two upflow solids contact units followed by sedimentation and filtration. This discussion will include information on stormwater and how runoff affects the lake and the nutrients affect drinking water treatment. An overview of our ultrasonic algae controllers will be provided. The tour of the plant will include a view of these units since they will be removed from the lake for the winter.

The wastewater treatment facility is a sequential batch reactor with aerobic digesters and ultraviolet disinfection. We also have a biosolids land application farm next to the wastewater treatment facility. The SCADA equipment that we utilize for this operation will be available for viewing also. A discussion of how stormwater affects our wastewater treatment facility will be included, since Moberly is a combined sewer community.



Describe the support for the Work in Water outreach effort from utility or city management: The Director of Public Utilities is heading up this initiative, and the City Manager and the Public Relations Manager are both supportive by efforts to engage the community and public schools.

How does Work in Water fit the needs and long-term goals of your utility and/or community? Moberly has many challenges to face including a shortage of employees who want to make water their career choice and Moberly their long-term home. In addition, the challenge of educating the public on what goes on “behind the scenes” of the utility are always present; environmental protection, human health protection, economic development, improvement of the condition of decades-old infrastructure, and more. Our goal is to excite the next generation about water and to allow the future to be even richer than the present.

Complete this section if **you plan on hiring a summer intern** as part of your Work in Water experience. If you do not plan to hire an intern, skip this section and continue to the **Proposed Budget Table**.

Work in Water Internship Questions

Do you plan to host a summer intern? Yes No

Who will supervise the intern? Wastewater Treatment Facility Chief Operator, Drinking Water Plant Chief Operator

Describe your utility’s plan to provide a well-rounded internship with experiences in multiple water job duties and roles:

The Intern will work 3 weeks in drinking water and 3 weeks in wastewater, 1 week in stormwater, and 1 week in the office. This will allow for a full spectrum view of the operations of the utility. Plant work will include equipment checks, learning to collect and run lab samples, reporting requirements, regulatory compliance, and equipment maintenance and repair, if required. The intern will also learn about metering operations, since during 2020 we will be working on a full-system meter change out. The week in stormwater will include an overview of monitoring of stormwater outfalls, household hazardous waste collection, land disturbance inspection activities, and maintenance of stormwater facilities including rain gardens. The week in the office will include learning about the billing functions, IT, customer service, and coordination of engineering consultants and capital improvement project. A brief overview of public information campaigns and communicating with the public will also be included.



Do you have support from human resources for the internship process? If not yet, what is your process to secure their support? Yes

end of optional internship questions

Proposed Budget Table

Complete the proposed budget below. Include ALL funds associated with the project, not just the funds being requested through the Work in Water Mini-Grant program.

Proposed Budget

Item	Amount	Source of Funds (Grant, utility, donation, etc.)
Transportation	Up to \$250	Grant
Internship (8 weeks, 32 hours/wk, fringe)	\$2500	Grant
Internship (partial)	\$750	Utility
Supplies for Chamber event	\$150	Utility
Lunch for students on tour day	\$150	Utility
Supplies for demonstrations	\$150	Utility
TOTAL	\$3950	
TOTAL for Mini-Grant	\$2500.00	

IMPORTANT INFORMATION FOR WORK IN WATER MINI-GRANT RECIPIENTS:

Utilities who receive Work in Water Mini-Grant funds are required to:



1. **Complete a W9 Tax Form.**
2. **Complete logs of the time utility staff spend working on the project.**
These logs help Wichita State University Environmental Finance Center meet matching funds obligations for the EPA Environmental Education Grant. **Log forms will be provided when funds are dispersed.** *(Don't worry - logs are pretty simple and only take a few minutes to complete.)*
3. **Complete Work in Water evaluations and coordinate completion of the evaluations with participating students and school staff** that you engage through your local project. Evaluations will be provided. Analysis of evaluations will be completed by Wichita State University Environmental Finance Center.

By signing below you are indicating that if you receive the mini-grant you will be able to complete the above requirements:

Name (Please Print) Mary E. Calcagno

Signature Mary E. Calcagno Date 7/22/19

Please email your completed application to Tonya Bronleewe at tonya.bronleewe@wichita.edu by 11:59 p.m. on Friday, June 28, 2019.

City of Moberly City Council Agenda Summary

Agenda Number: _____
 Department: City Manager
 Date: January 21, 2020

WS #2.

Agenda Item: A First amendment to the Tourism and Downtown Implementation Services Agreement between the City of Moberly, Chamber of Commerce and Destination Services, LLC.

Summary: The City of Moberly entered into an agreement with the Moberly Chamber of Commerce to provide tourism services through the Tourism Commission. This agreement also allowed for a tourism consultant (Destination Services) to provide implementation services to the chamber based on the tourism plan developed two years ago. With the potential development of the Merchants Hotel, we are requesting to continue the attached agreement. This agreement between, the Downtown CID, Chamber, City and Destination Services, will continue the efforts of the consultant with regards to the Merchants Hotel Project, and tourism implementation services. This agreement amends the existing agreement and reduces the amount for tourism implementation services, and continues the same relationship of the Merchants Hotel Project

Recommended

Action: Direct staff to bring to the February 3rd Council meeting for final approval.

Fund Name: N/A

Account Number: N/A

Available Budget \$: N/A

ATTACHMENTS:		Roll Call	Aye	Nay
<input type="checkbox"/> Memo	<input type="checkbox"/> Council Minutes	Mayor		
<input type="checkbox"/> Staff Report	<input type="checkbox"/> Proposed Ordinance	M__ S__ Jeffrey	___	___
<input type="checkbox"/> Correspondence	<input type="checkbox"/> Proposed Resolution			
<input type="checkbox"/> Bid Tabulation	<input type="checkbox"/> Attorney's Report	Council Member		
<input type="checkbox"/> P/C Recommendation	<input type="checkbox"/> Petition	M__ S__ Brubaker	___	___
<input type="checkbox"/> P/C Minutes	<input type="checkbox"/> Contract	M__ S__ Kimmons	___	___
<input type="checkbox"/> Application	<input type="checkbox"/> Budget Amendment	M__ S__ Davis	___	___
<input type="checkbox"/> Citizen	<input type="checkbox"/> Legal Notice	M__ S__ Kyser	___	___
<input type="checkbox"/> Consultant Report	<input checked="" type="checkbox"/> Other _____		Passed	Failed

FIRST AMENDMENT TO TOURISM AND DOWNTOWN IMPLEMENTATION SERVICES AGREEMENT

THIS FIRST AMENDMENT TO TOURISM AND DOWNTOWN IMPLEMENTATION SERVICES AGREEMENT (this “**Amendment**”), is made and entered into as of this _____ day of _____, 2020, by and among the DOWNTOWN MOBERLY COMMUNITY IMPROVEMENT DISTRICT, a community improvement district and political subdivision of the State of Missouri having a principal office at 101 West Main Street, Moberly, Missouri 65270 (the “**District**”); the CITY OF MOBERLY, a city of the third classification and Missouri municipal corporation having a principal office at 101 West Main Street, Moberly, Missouri 65270 (the “**City**”); the MOBERLY CHAMBER OF COMMERCE, INC., a Missouri not for profit corporation in good standing having a principal office at 211 West Reed Street, Moberly, Missouri 65270 (the “**Chamber**”); and DESTINATION SERVICES, LLC, a Missouri limited liability company having a principal office at 322 South Main Street, St. Charles, Missouri 63301 (the “**Company**”).

RECITALS

A. The District was formed as a political subdivision of the State of Missouri pursuant to the Community Improvement District Act, sections 67.1401 through 67.1571 of the Revised Statutes of Missouri, as amended (the “**CID Act**”) to undertake, facilitate and promote certain actions, projects and programs designed to revitalize the downtown area of the City (collectively, the “**Revitalization Project**”), all as further set forth in the petition requesting the creation of the District and in furtherance of the Revitalization Project as set forth therein.

B. The parties have entered into a certain Tourism and Downtown Implementation Services Agreement dated as of December 3, 2018 (the “**Original Agreement**”) and now wish to amend a portion of the Original Agreement to reflect certain reductions in the amounts to be paid for certain Tourism Implementation Services, all in accordance with and subject to the terms and conditions of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the above premises and mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, the City, the Chamber, and the Company each hereby agrees as follows:

1. Portions Amended. Section 4.2 of the Original Agreement is hereby deleted in its entirety and the following Section 4.2 is hereby substituted therefor:

“**4.2.** For satisfactory provision of the Tourism Implementation Services as set forth in paragraph 1.2 of this Agreement, the Chamber shall compensate the Company in the lump sum amount of Four Hundred Dollars and no cents (\$400.00) for each month in which the Tourism Implementation Services are provided which amounts shall include all costs of labor and materials necessary to provide the

Tourism Implementation Services including all support and any sub-contract costs. The Company shall invoice the Chamber on a monthly basis specifying services provided during such period. Invoices for the Tourism Implementation Services shall be addressed to the Chamber for payment and the Chamber shall make each payment in a lump sum within sixty (60) days of receipt of a complete invoice.”

2. The Original Agreement as modified and amended by this Amendment is hereby ratified and confirmed and, except for the modifications and amendments contained in this Amendment, all other terms of the Original Agreement shall remain unchanged and in full force and effect; *provided that* in the event of any conflict between the terms of this Amendment and those of the Original Agreement, the terms of this Amendment shall govern and the Original Agreement shall be deemed modified to the extent of the conflict.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

DOWNTOWN MOBERLY COMMUNITY IMPROVEMENT DISTRICT (the “**District**”)

By: _____
Chair

ATTEST:

Assistant Secretary

MOBERLY CHAMBER OF COMMERCE, INC. (the “**Chamber**”)

By: _____
Title: _____

ATTEST:

CITY OF MOBERLY, MISSOURI (the "City")

By: _____
Mayor

ATTEST:

City Clerk

DESTINATION SERVICES, LLC (the "Company")

By: _____
Title: _____

ATTEST:

City of Moberly City Council Agenda Summary

Agenda Number: _____
 Department: Comm. Dev. WS #3.
 Date: January 21, 2020

Agenda Item: An Ordinance Repealing And Replacing Article IV, Chapter 10 Of The Moberly City Code Concerning Flood Plain Management

Summary: This ordinance update pertains to the adoption of the new floodplain maps that are developed by FEMA/SEMA. Previous map was from 1977 and covered much larger segments of the community. The new maps are much more precise and accurate and provide a true and reasonable account for the floodplains. We have been pushing FEMA/SEMA to get these updated for years.

Recommended Action: Direct staff to bring forward to regular City Council meeting on February 3, 2020 for final approval.

Fund Name: N/A

Account Number: N/A

Available Budget \$: N/A

ATTACHMENTS:		Roll Call	Aye	Nay
<input type="checkbox"/> Memo	<input type="checkbox"/> Council Minutes	Mayor		
<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Proposed Ordinance	M__ S__ Jeffrey	___	___
<input type="checkbox"/> Correspondence	<input type="checkbox"/> Proposed Resolution	Council Member		
<input type="checkbox"/> Bid Tabulation	<input type="checkbox"/> Attorney's Report	M__ S__ Brubaker	___	___
<input type="checkbox"/> P/C Recommendation	<input type="checkbox"/> Petition	M__ S__ Kimmons	___	___
<input type="checkbox"/> P/C Minutes	<input type="checkbox"/> Contract	M__ S__ Davis	___	___
<input type="checkbox"/> Application	<input type="checkbox"/> Budget Amendment	M__ S__ Kyser	___	___
<input type="checkbox"/> Citizen	<input type="checkbox"/> Legal Notice			
<input type="checkbox"/> Consultant Report	<input type="checkbox"/> Other _____	Passed	Failed	

BILL NO: _____

ORDINANCE NO: _____

AN ORDINANCE REPEALING AND REPLACING ARTICLE IV, CHAPTER 10 OF THE MOBERLY CITY CODE CONCERNING FLOOD PLAIN MANAGEMENT.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MOBERLY, MISSOURI AS FOLLOWS, TO-WIT:

SECTION ONE: Article IV of Chapter 10 of the Moberly City Code is hereby repealed.

SECTION TWO: A new Article IV of Chapter 10 to the Moberly City Code is hereby adopted in the following form:

Sec. 10-129. STATUTORY AUTHORIZATION, FINDINGS OF FACT, AND PURPOSES.

(1) STATUTORY AUTHORIZATION

The Legislature of the State of Missouri has in RSMo 77.260 delegated the responsibility to local governmental units to adopt floodplain management regulations designed to protect the health, safety, and general welfare. Therefore, the City Council of the City of Moberly, Missouri ordains as follows:

(2) FINDINGS OF FACT

(A) *Flood Losses Resulting from Periodic Inundation*

The special flood hazard areas of the City of Moberly, Missouri are subject to inundation which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base; all of which adversely affect the public health, safety and general welfare.

(B) *General Causes of the Flood Losses*

These flood losses are caused by (1) the cumulative effect of development in any delineated floodplain causing increases in flood heights and velocities; and (2) the occupancy of flood hazard areas by uses vulnerable to floods, hazardous to others, inadequately elevated, or otherwise unprotected from flood damages.

(C) *Methods Used To Analyze Flood Hazards*

The Flood Insurance Study (FIS) that is the basis of this ordinance uses a standard engineering method of analyzing flood hazards which consist of a series of interrelated steps.

1. Selection of a base flood that is based upon engineering calculations which permit a consideration of such flood factors as its expected frequency of occurrence, the area inundated, and the depth of inundation. The base flood selected for this ordinance is representative of large floods which are characteristic of what can be expected to occur on the particular streams subject to this

ordinance. It is in the general order of a flood which could be expected to have a one percent of occurrence in any one year as delineated on the Federal Insurance Administrator's FIS, and illustrative materials for Randolph County dated May 1, 2020, as amended, and any future revisions thereto.

2. Calculation of water surface profiles are based on a standard hydraulic engineering analysis of the capacity of the stream channel and overbank areas to convey the regulatory flood.
3. Computation of a floodway required to convey this flood without increasing flood heights more than one (1) foot at any point.
4. Delineation of floodway encroachment lines within which no development is permitted that would cause any increase in flood height.
5. Delineation of flood fringe, i.e., that area outside the floodway encroachment lines, but still subject to inundation by the base flood.

(2) STATEMENT OF PURPOSE

It is the purpose of this ordinance to promote the public health, safety, and general welfare; to minimize those losses described in Article 1, Section B (1); to establish or maintain the community's eligibility for participation in the National Flood Insurance Program (NFIP) as defined in 44 Code of Federal Regulations (CFR) 59.22(a)(3); and to meet the requirements of 44 CFR 60.3(d) by applying the provisions of this ordinance to:

- (A) restrict or prohibit uses that are dangerous to health, safety, or property in times of flooding or cause undue increases in flood heights or velocities;
- (B) require uses vulnerable to floods, including public facilities that serve such uses, be provided with flood protection at the time of initial construction; and
- (C) protect individuals from buying lands that are unsuited for the intended development purposes due to the flood hazard.

Sec. 10-130. GENERAL PROVISIONS.

(1) LANDS TO WHICH ORDINANCE APPLIES

This ordinance shall apply to all lands within the jurisdiction of the City of Moberly identified as numbered and unnumbered A zones and AE zones, on the Flood Insurance Rate Map (FIRM) panels for Randolph County, Missouri on map panels 29175C0162C, 29175C0164C, 29175C0165C, 29175C0166C, 29175C0170C, 29175C0175C, and 29175C0275C, dated May 1, 2020, as amended, and any future revisions thereto. In all areas covered by this ordinance, no development shall be permitted except through the issuance of a floodplain development permit, granted by the City Council or its duly designated representative under such safeguards and restrictions as the City Council or the designated representative may reasonably impose for the promotion and maintenance of the general welfare, health of the inhabitants of the community, and as specifically noted in Article 4.

(2) FLOODPLAIN ADMINISTRATOR

The Community Development Director or his designee is hereby designated as the Floodplain Administrator under this ordinance.

WS #3.

(3) COMPLIANCE

No development located within the special flood hazard areas of this community shall be located, extended, converted, or structurally altered without full compliance with the terms of this ordinance and other applicable regulations.

(4) ABROGATION AND GREATER RESTRICTIONS

It is not intended by this ordinance to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this ordinance imposes greater restrictions, the provisions of this ordinance shall prevail. All other ordinances inconsistent with this ordinance are hereby repealed to the extent of the inconsistency only.

(5) INTERPRETATION

In their interpretation and application, the provisions of this ordinance shall be held to be minimum requirements, shall be liberally construed in favor of the governing body, and shall not be deemed a limitation or repeal of any other powers granted by State statutes.

(6) WARNING AND DISCLAIMER OF LIABILITY

The degree of flood protection required by this ordinance is considered reasonable for regulatory purposes and is based on engineering and scientific methods of study. Larger floods may occur on rare occasions or the flood heights may be increased by man-made or natural causes, such as ice jams and bridge openings restricted by debris. This ordinance does not imply that areas outside the floodway and flood fringe or land uses permitted within such areas will be free from flooding or flood damage. This ordinance shall not create a liability on the part of the City of Moberly, any officer or employee thereof, for any flood damages that may result from reliance on this ordinance or any administrative decision lawfully made thereunder.

(7) SEVERABILITY

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of appropriate jurisdiction, the remainder of this ordinance shall not be affected thereby.

Sec. 10-131. ADMINISTRATION.

(1) FLOODPLAIN DEVELOPMENT PERMIT (REQUIRED)

A floodplain development permit shall be required for all proposed construction or other development, including the placement of manufactured homes, in the areas described in Article 2, Section A. No person, firm, corporation, or unit of government shall initiate any development or substantial-improvement or cause the same to be done without first obtaining a separate floodplain development permit for each structure or other development in these areas.

(2) DESIGNATION OF FLOODPLAIN ADMINISTRATOR

The Community Development Director or his designee is hereby appointed to administer and imp provisions of this ordinance.

WS #3.

(3) DUTIES AND RESPONSIBILITIES OF FLOODPLAIN ADMINISTRATOR

Duties of the Community Development Director or his designee shall include, but not be limited to:

- (A) review of all applications for floodplain development permits to assure that sites are reasonably safe from flooding and that the floodplain development permit requirements of this ordinance have been satisfied;
- (B) review of all applications for floodplain development permits for proposed development to assure that all necessary permits have been obtained from Federal, State, or local governmental agencies from which prior approval is required by Federal, State, or local law;
- (C) review all subdivision proposals and other proposed new development, including manufactured home parks or subdivisions, to determine whether such proposals will be reasonably safe from flooding;
- (D) issue floodplain development permits for all approved applications;
- (E) notify adjacent communities and the Missouri State Emergency Management Agency (MOSEMA) prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency (FEMA);
- (F) assure that the flood carrying capacity is not diminished and shall be maintained within the altered or relocated portion of any watercourse.
- (G) verify and maintain a record of the actual elevation (in relation to mean sea level) of the lowest floor, including basement, of all new or substantially improved structures;
- (H) verify and maintain a record of the actual elevation (in relation to mean sea level) that the new or substantially improved non-residential structures have been floodproofed;
- (I) when floodproofing techniques are utilized for a particular non-residential structure, the Community Development Director or his designee shall require certification from a registered professional engineer or architect.

(4) APPLICATION FOR FLOODPLAIN DEVELOPMENT PERMIT

To obtain a floodplain development permit, the applicant shall first file an application in writing on a form furnished for that purpose. Every floodplain development permit application shall:

- (A) describe the land on which the proposed work is to be done by lot, block and tract, house and street address, or similar description that will readily identify and specifically locate the proposed structure or work;
- (B) identify and describe the work to be covered by the floodplain development permit;
- (C) indicate the use or occupancy for which the proposed work is intended;

- (D) indicate the assessed value of the structure and the fair market value of the improvement;
- (E) specify whether development is located in designated flood fringe or floodway;
- (F) identify the existing base flood elevation and the elevation of the proposed development;
- (G) give such other information as reasonably may be required by the Community Development Director or his designee;
- (H) be accompanied by plans and specifications for proposed construction; and
- (I) be signed by the permittee or his authorized agent who may be required to submit evidence to indicate such authority.

Sec. 10-132. PROVISIONS FOR FLOOD HAZARD REDUCTION.

(1) GENERAL STANDARDS

- (A) No permit for floodplain development shall be granted for new construction, substantial-improvements, and other improvements, including the placement of manufactured homes, within any numbered or unnumbered A zones and AE zones, unless the conditions of this section are satisfied.
- (B) All areas identified as unnumbered A zones on the FIRM are subject to inundation of the 100-year flood; however, the base flood elevation is not provided. Development within unnumbered A zones is subject to all provisions of this ordinance. If Flood Insurance Study data is not available, the community shall obtain, review, and reasonably utilize any base flood elevation or floodway data currently available from Federal, State, or other sources.
- (C) Until a floodway is designated, no new construction, substantial improvements, or other development, including fill, shall be permitted within any numbered A zone or AE zone on the FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.
- (D) All new construction, subdivision proposals, substantial-improvements, prefabricated structures, placement of manufactured homes, and other developments shall require:
 1. design or adequate anchorage to prevent flotation, collapse, or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy;
 2. construction with materials resistant to flood damage;
 3. utilization of methods and practices that minimize flood damages;
 4. all electrical, heating, ventilation, plumbing, air-conditioning equipment, and other service facilities be designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding;
 5. new or replacement water supply systems and/or sanitary sewage systems be designed to minimize or eliminate infiltration of flood waters into the systems and discharges from the systems into flood waters, and on-site waste disposal systems be located so as to avoid impairment or contamination; and

- 6. subdivision proposals and other proposed new development, including manufactured home parks or subdivisions, located within special flood hazard areas are required to assure that:
 - a. all such proposals are consistent with the need to minimize flood damage;
 - b. all public utilities and facilities, such as sewer, gas, electrical, and water systems are located and constructed to minimize or eliminate flood damage;
 - c. adequate drainage is provided so as to reduce exposure to flood hazards; and
 - d. all proposals for development, including proposals for manufactured home parks and subdivisions, of five (5) acres or fifty (50) lots, whichever is lesser, include within such proposals base flood elevation data.

(E) *Storage, material, and equipment*

- 1. The storage or processing of materials within the special flood hazard area that are in time of flooding buoyant, flammable, explosive, or could be injurious to human, animal, or plant life is prohibited.
- 2. Storage of other material or equipment may be allowed if not subject to major damage by floods, if firmly anchored to prevent flotation, or if readily removable from the area within the time available after a flood warning.

(F) *Accessory Structures*

Structures used solely for parking and limited storage purposes, not attached to any other structure on the site, of limited investment value, and not larger than 400 square feet, may be constructed at-grade and wet-floodproofed provided there is no human habitation or occupancy of the structure; the structure is of single-wall design; a variance has been granted from the standard floodplain management requirements of this ordinance; and a floodplain development permit has been issued.

(G) *Nonconforming Use*

A structure, or the use of a structure or premises that was lawful before the passage or amendment of the ordinance, but which is not in conformity with the provisions of this ordinance, may be continued subject to the following conditions:

- 1. If such structure, use, or utility service is discontinued for 24 consecutive months, any future use of the building shall conform to this ordinance.
- 2. If any nonconforming use or structure is destroyed by any means, including flood, it shall not be reconstructed if the cost is more than 50 percent of the pre-damaged market value of the structure. This limitation does not include the cost of any alteration to comply with existing state or local health, sanitary, building, safety codes, regulations or the cost of any alteration of a structure listed on the National Register of Historic Places, the State Inventory of Historic Places, or local inventory of historic places upon determination.

(2) SPECIFIC STANDARDS

- (A) In all areas identified as numbered and unnumbered A zones and AE zones, where **base flood elevation** data have been provided, as set forth in Article 4, Section A(2), the following provisions are required:

1. *Residential Construction*

New construction or substantial-improvement of any residential structures, including manufactured homes, shall have the lowest floor, including basement, elevated to two (2) feet above base flood elevation.

2. *Non-Residential Construction*

New construction or substantial-improvement of any commercial, industrial, or other non-residential structures, including manufactured homes, shall have the lowest floor, including basement, elevated to two (2) feet above the base flood elevation or, together with attendant utility and sanitary facilities, be floodproofed so that below the base flood elevation the structure is watertight with walls substantially impermeable to the passage of water and with

structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. A registered professional engineer or architect shall certify that the standards of this subsection are satisfied. Such certification shall be provided to the Floodplain Administrator as set forth in Article 3, Section C(9).

3. Require, for all new construction and substantial-improvements, that fully enclosed areas below lowest floor used solely for parking of vehicles, building access, or storage in an area other than a basement and that are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:

- a. A minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided; and
- b. the bottom of all opening shall be no higher than one foot above grade. Openings may be equipped with screens, louvers, valves, or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.

(3) MANUFACTURED HOMES

- (A) All manufactured homes to be placed within all unnumbered and numbered A zones and AE zones, on the community's FIRM shall be required to be installed using methods and practices that minimize flood damage. For the purposes of this requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors.
- (B) Require manufactured homes that are placed or substantially improved within unnumbered or numbered A zones and AE zones, on the community's FIRM on sites:
 1. outside of manufactured home park or subdivision;
 2. in a new manufactured home park or subdivision;
 3. in an expansion to and existing manufactured home park or subdivision; or

4. in an existing manufactured home park or subdivision on which a manufactured home has incurred substantial-damage as the result of a flood,

be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated to two (2) feet above the base flood elevation and be securely attached to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

- (C) Require that manufactured homes to be placed or substantially improved on sites in an existing manufactured home park or subdivision within all unnumbered and numbered A zones and AE zones, on the community's FIRM, that are not subject to the provisions of Article 4, Section C(2) of this ordinance, be elevated so that either:
1. the lowest floor of the manufactured home is at two (2) feet above the base flood level; or
 2. the manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than thirty-six (36) inches in height above grade and be securely attached to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(4) FLOODWAY

Located within areas of special flood hazard established in Article 2, Section A are areas designated as floodways. Since the floodway is an extremely hazardous area due to the velocity of flood waters that carry debris and potential projectiles, the following provisions shall apply:

- (A) The community shall select and adopt a regulatory floodway based on the principle that the area chosen for the regulatory floodway must be designed to carry the waters of the base flood without increasing the water surface elevation of that flood more than one foot at any point.
- (B) The community shall prohibit any encroachments, including fill, new construction, substantial-improvements, and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in **any** increase in flood levels within the community during the occurrence of the base flood discharge.
- (C) If Article 4, Section D(2) is satisfied, all new construction and substantial-improvements shall comply with all applicable flood hazard reduction provisions of Article 4.
- (D) In unnumbered A zones, the community shall obtain, review, and reasonably utilize any base flood elevation or floodway data currently available from Federal, State, or other sources as set forth in Article 4, Section A(2).

(5) RECREATIONAL VEHICLES

- (A) Require that recreational vehicles placed on sites within all unnumbered and numbered A zones and AE zones on the community's FIRM either:
1. be on the site for fewer than 180 consecutive days,
 2. be fully licensed and ready for highway use*; **or**
 3. meet the permitting, elevation, and the anchoring requirements for manufactured homes of this ordinance.

*A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is a WS #3. to the site only by quick-disconnect type utilities and security devices and has no permanently attached additions.

Sec. 10-133. FLOODPLAIN MANAGEMENT VARIANCE PROCEDURES.

(1) ESTABLISHMENT OF APPEAL BOARD

The Board of Adjustment as established by the City of Moberly shall hear and decide appeals and requests for variances from the floodplain management requirements of this ordinance.

(2) RESPONSIBILITY OF APPEAL BOARD

Where an application for a floodplain development permit or request for a variance from the floodplain management regulations is denied by the Community Development Director or his designee, the applicant may apply for such floodplain development permit or variance directly to the Appeal Board, as defined in Article 5, Section A.

The Board of Adjustment shall hear and decide appeals when it is alleged that there is an error in any requirement, decision, or determination made by the Community Development Director or his designee in the enforcement or administration of this ordinance.

(3) FURTHER APPEALS

Any person aggrieved by the decision of the Board of Adjustment or any taxpayer may appeal such decision to the Randolph County Circuit Court as provided in RSMo 89.110.

(4) FLOODPLAIN MANAGEMENT VARIANCE CRITERIA

In passing upon such applications for variances, the Board of Adjustment shall consider all technical data and evaluations, all relevant factors, standards specified in other sections of this ordinance, and the following criteria:

- a. the danger to life and property due to flood damage;
- b. the danger that materials may be swept onto other lands to the injury of others;
- c. the susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
- d. the importance of the services provided by the proposed facility to the community;
- e. the necessity to the facility of a waterfront location, where applicable;
- f. the availability of alternative locations, not subject to flood damage, for the proposed use;
- g. the compatibility of the proposed use with existing and anticipated development;
- h. the relationship of the proposed use to the comprehensive plan and floodplain management program for that area;
- i. the safety of access to the property in times of flood for ordinary and emergency vehicles;

- j. the expected heights, velocity, duration, rate of rise and sediment transport of the flood water applicable, expected at the site; and,
- k. the costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems; streets; and bridges.

(5) CONDITIONS FOR APPROVING FLOODPLAIN MANAGEMENT VARIANCES

Generally, variances may be issued for new construction and substantial-improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing items 2 through 6 below have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases.

- (A) Variances may be issued for the reconstruction, rehabilitation, or restoration of structures listed on the National Register of Historic Places, the State Inventory of Historic Places, or local inventory of historic places upon determination provided the proposed activity will not preclude the structure's continued historic designation.
- (B) Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.
- (C) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
- (D) Variances shall only be issued upon (a) a showing of good and sufficient cause, (b) a determination that failure to grant the variance would result in exceptional hardship to the applicant, and (c) a determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
- (E) A community shall notify the applicant in writing over the signature of a community official that (1) the issuance of a variance to construct a structure below base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25.00 for \$100.00 of insurance coverage and (2) such construction below the base flood level increases risks to life and property. Such notification shall be maintained with the record of all variance actions as required by this ordinance.

(6). CONDITIONS FOR APPROVING VARIANCES FOR ACCESSORY STRUCTURES

Any variance granted for an accessory structure shall be decided individually based on a case by case analysis of the building's unique circumstances. Variances granted shall meet the following conditions as well as those criteria and conditions set forth in Article 5, Sections D and E of this ordinance.

In order to minimize flood damages during the 100-year flood and the threat to public health and safety, the following conditions shall be included for any variance issued for accessory structures that are constructed at-grade and wet-floodproofed.

- (A) Use of the accessory structures must be solely for parking and limited storage purposes in zone A only as identified on the community's Flood Insurance Rate Map (FIRM).
- (B) For any new or substantially damaged accessory structures, the exterior and interior building components and elements (i.e., foundation, wall framing, exterior and interior finishes, flooring,

etc.) below the base flood elevation, must be built with flood-resistant materials in accordance with Article 4, Section A (4)(b) of this ordinance. WS #3.

- (C) The accessory structures must be adequately anchored to prevent flotation, collapse, or lateral movement of the structure in accordance with Article 4, Section A (4)(a) of this ordinance. All of the building's structural components must be capable of resisting specific flood-related forces including hydrostatic, buoyancy, and hydrodynamic and debris impact forces.
- (D) Any mechanical, electrical, or other utility equipment must be located above the base flood elevation or floodproofed so that they are contained within a watertight, floodproofed enclosure that is capable of resisting damage during flood conditions in accordance with Article 4, Section A (4)(d) of this ordinance.
- (E) The accessory structures must meet all National Flood Insurance Program (NFIP) opening requirements. The NFIP requires that enclosure or foundation walls, subject to the 100-year flood, contain openings that will permit the automatic entry and exit of floodwaters in accordance with Article 4, Section B (1)(c) of this ordinance.
- (F) The accessory structures must comply with the floodplain management floodway encroachment provisions of Article 4, Section D(2) of this ordinance. No variances may be issued for accessory structures within any designated floodway, if any increase in flood levels would result during the 100-year flood.
- (G) Equipment, machinery, or other contents must be protected from any flood damage.
- (H) No disaster relief assistance under any program administered by any Federal agency shall be paid for any repair or restoration costs of the accessory structures.
- (I) A community shall notify the applicant in writing over the signature of a community official that (1) the issuance of a variance to construct a structure below base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25.00 for \$100.00 of insurance coverage and (2) such construction below the base flood level increases risks to life and property. Such notification shall be maintained with the record of all variance actions as required by this ordinance.
- (J) Wet-floodproofing construction techniques must be reviewed and approved by the community and registered professional engineer or architect prior to the issuance of any floodplain development permit for construction.

Sec. 10-134. PENALTIES FOR VIOLATION.

Violation of the provisions of this ordinance or failure to comply with any of its requirements (including violations of conditions and safeguards established in connection with granting of variances) shall constitute a misdemeanor. Any person who violates this ordinance or fails to comply with any of its requirements shall, upon conviction thereof, be fined not more than \$200.00, and in addition, shall pay all costs and expenses involved in the case. Each day such violation continues shall be considered a separate offense. Nothing herein contained shall prevent the City of Moberly or other appropriate authority from taking such other lawful action as is necessary to prevent or remedy any violation.

Sec. 10-136. AMENDMENTS.

The regulations, restrictions, and boundaries set forth in this ordinance may from time to time be amended, supplemented, changed, or appealed to reflect any and all changes in the National Flood Disaster

Protection Act of 1973, provided, however, that no such action may be taken until after a public hearing in relation thereto, at which parties of interest and citizens shall have an opportunity to be heard. Notice of the time and place of such hearing shall be published in a newspaper of general circulation in the City of Moberly at least 20 days shall elapse between the date of this publication and the public hearing. A copy of such amendments will be provided to the Region VII office of the Federal Emergency Management Agency (FEMA). The regulations of this ordinance are in compliance with the National Flood Insurance Program (NFIP) regulations.

Sec. 10-137. DEFINITIONS.

Unless specifically defined below, words or phrases used in this ordinance shall be interpreted so as to give them the same meaning they have in common usage and to give this ordinance its most reasonable application.

"100-year Flood" *see "base flood."*

"Accessory Structure" means the same as *"appurtenant structure."*

"Actuarial Rates" *see "risk premium rates."*

"Administrator" means the Federal Insurance Administrator.

"Agency" means the Federal Emergency Management Agency (FEMA).

"Agricultural Commodities" means agricultural products and livestock.

"Agricultural Structure" means any structure used exclusively in connection with the production, harvesting, storage, drying, or raising of agricultural commodities.

"Appeal" means a request for review of the Floodplain Administrator's interpretation of any provision of this ordinance or a request for a variance.

"Appurtenant Structure" means a structure that is on the same parcel of property as the principal structure to be insured and the use of which is incidental to the use of the principal structure.

"Area of Special Flood Hazard" is the land in the floodplain within a community subject to a one percent or greater chance of flooding in any given year.

"Base Flood" means the flood having a one percent chance of being equaled or exceeded in any given year.

"Basement" means any area of the structure having its floor subgrade (below ground level) on all sides.

"Building" *see "structure."*

"Chief Executive Officer" or "Chief Elected Official" means the official of the community charged with the authority to implement and administer laws, ordinances, and regulations for that community.

"Community" means any State or area or political subdivision thereof, which has authority to adopt and enforce floodplain management regulations for the areas within its jurisdiction.

"Development" means any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, levees, levee systems, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials.

"Elevated Building" means for insurance purposes, a non-basement building which has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

"Eligible Community" or "Participating Community" means a community for which the Administrator has authorized the sale of flood insurance under the National Flood Insurance Program (NFIP).

"Existing Construction" means for the purposes of determining rates, structures for which the *"start of construction"* commenced before the effective date of the FIRM or before January 1, 1975, for FIRMs effective before that date. *"existing construction"* may also be referred to as *"existing structures."*

"Existing Manufactured Home Park or Subdivision" means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the floodplain management regulations adopted by a community.

"Expansion to an Existing Manufactured Home Park or Subdivision" means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

"Flood" or "Flooding" means a general and temporary condition of partial or complete inundation of normally dry land areas from (1) the overflow of inland and/or (2) the unusual and rapid accumulation or runoff of surface waters from any source.

"Flood Boundary and Floodway Map (FBFM)" means an official map of a community on which the Administrator has delineated both special flood hazard areas and the designated regulatory floodway.

"Flood Elevation Determination" means a determination by the Administrator of the water surface elevations of the base flood, that is, the flood level that has a one percent or greater chance of occurrence in any given year.

"Flood Elevation Study" means an examination, evaluation and determination of flood hazards.

"Flood Fringe" means the area outside the floodway encroachment lines, but still subject to inundation by the regulatory flood.

"Flood Hazard Boundary Map (FHBM)" means an official map of a community, issued by the Administrator, where the boundaries of the flood areas having special flood hazards have been designated as (unnumbered or numbered) A zones.

"Flood Insurance Rate Map (FIRM)" means an official map of a community, on which the Administrator has delineated both the special flood hazard areas and the risk premium zones applicable to the community.

"Flood Insurance Study (FIS)" means an examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations.

"Floodplain" or "Flood-prone Area" means any land area susceptible to being inundated by water from any source (*see "flooding"*).

"Floodplain Management" means the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works, and floodplain management regulations.

"Floodplain Management Regulations" means zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as floodplain and grading ordinances) and other applications of police power. The term describes such state or local regulations, in any combination thereof, that provide standards for the purpose of flood damage prevention and reduction.

"Floodproofing" means any combination of structural and nonstructural additions, changes, or adjustments to structures that reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, or structures and their contents.

"Floodway" or "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one foot.

"Floodway Encroachment Lines" means the lines marking the limits of floodways on Federal, State and local floodplain maps.

"Freeboard" means a factor of safety usually expressed in feet above a flood level for purposes of floodplain management. *"Freeboard"* tends to compensate for the many unknown factors that could contribute to flood heights greater than the height calculated for a selected size flood and floodway conditions, such as bridge openings and the hydrological effect of urbanization of the watershed.

"Functionally Dependent Use" means a use that cannot perform its intended purpose unless it is located or carried out in close proximity to water. This term includes only docking facilities and facilities that are necessary for the loading and unloading of cargo or passengers, but does not include long-term storage or related manufacturing facilities.

"Highest Adjacent Grade" means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

"Historic Structure" means any structure that is (a) listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register; (b)

certified or preliminarily determined by the Secretary of the Interior as contributing to the significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district; (c) individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or (d) individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either (1) by an approved state program as determined by the Secretary of the Interior or (2) directly by the Secretary of the Interior in states without approved programs.

"Lowest Floor" means the lowest floor of the lowest enclosed area, including basement. An unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access, or storage, in an area other than a basement area, is not considered a building's lowest floor, **provided** that such enclosure is not built so as to render the structure in violation of the applicable floodproofing design requirements of this ordinance.

"Manufactured Home" means a structure, transportable in one or more sections, that is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term *"manufactured home"* **does not include** a *"recreational vehicle."*

"Manufactured Home Park or Subdivision" means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

"Map" means the Flood Hazard Boundary Map (FHBM), Flood Insurance Rate Map (FIRM), or the Flood Boundary and Floodway Map (FBFM) for a community issued by the Federal Emergency Management Agency (FEMA).

"Market Value" or "Fair Market Value" means an estimate of what is fair, economic, just and equitable value under normal local market conditions.

"Mean Sea Level" means, for purposes of the National Flood Insurance Program (NFIP), the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which base flood elevations shown on a community's Flood Insurance Rate Map (FIRM) are referenced.

"New Construction" means, for the purposes of determining insurance rates, structures for which the *"start of construction"* commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures. For floodplain management purposes, *"new construction"* means structures for which the *"start of construction"* commenced on or after the effective date of the floodplain management regulations adopted by a community and includes any subsequent improvements to such structures.

"New Manufactured Home Park or Subdivision" means a manufactured home park or subdivision for which the construction of facilities for servicing the lot on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of floodplain management regulations adopted by the community.

"(NFIP)" means the National Flood Insurance Program (NFIP).

"Participating Community" also known as an *"eligible community,"* means a community in which the Administrator has authorized the sale of flood insurance.

"Person" includes any individual or group of individuals, corporation, partnership, association, other entity, including Federal, State, and local governments and agencies.

"Principally Above Ground" means that at least 51 percent of the actual cash value of the structure, less land value, is above ground.

"Recreational Vehicle" means a vehicle which is (a) built on a single chassis; (b) 400 square feet or less when measured at the largest horizontal projections; (c) designed to be self-propelled or permanently towable by a light-duty truck; and (d) designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

"Remedy A Violation" means to bring the structure or other development into compliance with Federal, State, or local floodplain management regulations; or, if this is not possible, to reduce the impacts of its noncompliance.

"Repetitive Loss" means flood-related damages sustained by a structure on two separate occasions during a 10-year period for which the cost of repairs at the time of each such flood event, equals or exceeds twenty-five percent of the market value of the structure before the damage occurred.

"Risk Premium Rates" means those rates established by the Administrator pursuant to individual community studies and investigations which are undertaken to provide flood insurance in accordance with Section 1307 of the National Flood Disaster Protection Act of 1973 and the accepted actuarial principles. *"Risk premium rates"* include provisions for operating costs and allowances.

"Special Flood Hazard Area" *see "area of special flood hazard."*

"Special Hazard Area" means an area having special flood hazards and shown on an FHBM, FIRM or FBFM as zones (unnumbered or numbered) A and AE.

"Start of Construction" includes substantial-improvements, and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvements were within 180 days of the permit date. The *actual start* means either the first placement of permanent construction of a structure on a site, such as the pouring of slabs or footings, the installation of piles, the construction of columns, any work beyond the stage of excavation, or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling, the installation of streets and/or walkways, excavation for a basement, footings, piers, foundations, the erection of temporary forms, nor installation on the property of accessory structures, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial-improvement, the *actual start of construction* means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

"State Coordinating Agency" means that agency of the state government, or other office designated by the governor of the state or by state statute at the request of the Administrator to assist in the implementation of the National Flood Insurance Program (NFIP) in that state.

"Structure" means, for floodplain management purposes, a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. *"Structure"* for insurance purposes, means a walled and roofed building, other than a gas or liquid storage tank, that is principally above ground and affixed to a permanent site, as well as a manufactured home on a permanent foundation. For the latter purpose, the term includes a building while in the course of construction,

alteration or repair, but does not include building materials or supplies intended for use in construction, alteration or repair, unless such materials or supplies are within an enclosed building on the premises.

"Substantial-Damage" means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. The term includes Repetitive Loss buildings (see definition).

For the purposes of this definition, "repair" is considered to occur when the first repair or reconstruction of any wall, ceiling, floor, or other structural part of the building commences.

The term does not apply to:

- a.) Any project for improvement of a building required to comply with existing health, sanitary, or safety code specifications which have been identified by the Code Enforcement Official and which are solely necessary to assure safe living conditions, or
- b.) Any alteration of a "historic structure" provided that the alteration will not preclude the structure's continued designation as a "historic structure", or
- c.) Any improvement to a building.

Substantial Improvement means any combination of reconstruction, alteration, or improvement to a building, taking place during a 10 year period, in which the cumulative percentage of improvement equals or exceeds fifty percent of the current market value of the building. For the purposes of this definition, an improvement occurs when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the building. This term includes structures, which have incurred "repetitive loss" or "substantial damage", regardless of the actual repair work done.

The term does not apply to:

- a.) any project for improvement of a building required to comply with existing health, sanitary, or safety code specifications which have been identified by the Code Enforcement Official and which are solely necessary to assure safe living conditions, or
- b.) Any alteration of a "historic structure" provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Substantially improved existing manufactured home parks or subdivisions is where the repair, reconstruction, rehabilitation or improvement of the streets, utilities and pads equals or exceeds 50 percent of the value of the streets, utilities and pads before the repair, reconstruction or improvement commenced.

"Variance" means a grant of relief by the community from the terms of a floodplain management regulation. Flood insurance requirements remain in place for any varied use or structure and cannot be varied by the community.

"Violation" means the failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required by this ordinance is presumed to be in violation until such time as that documentation is provided.

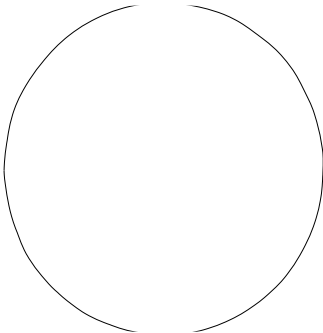
"Water Surface Elevation" means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929 (or other datum where specified) of floods of various magnitudes and frequencies in the floodplain.

SECTION 3: This Ordinance shall take effect and be in force from and after its passage and adoption by the Council of the City of Moberly, and its signature by the officer presiding at the meeting at which it was passed and adopted.

PASSED, ADOPTED AND APPROVED by the Governing Body of the City of Moberly, Missouri

This _____ day of _____, 20_____ .

Place seal here.



Chief Executive Officer/Chief Elected Official (Signature)

Name Title

Chief Executive Officer/Chief Elected Official (Typed/printed)

ATTEST:

Signature of Recording Clerk

Name Title

Recording Clerk (Typed/printed)

City of Moberly City Council Agenda Summary

Agenda Number: _____
 Department: Police Department WS #4.
 Date: January 21, 2020

Agenda Item: A request from Lori Turk to hold her annual Run for Life 5k on May 10, 2020.

Summary: If approved the annual Run for Her life 5k fundraiser for Breast Cancer will be held on 5-10-2020, start time is 9:00 am. The event should conclude between 10:30 am and 11:00 am. This is the 12th year for this event and has been well attended every year. The 5k will being 1515 Union Ave, travel West on Union Ave to Mullen Lane, turn south to Taylor Street, West on Taylor to Bertley Street, turn south on Bertley to Roberts Street, turn West on Roberts to East Coates Street, West on East Coates and then turn North through the parking lot at 300 N. Morley, turn East on Farror to Porter, North on Porter, cross Union Ave and continue North on Porter to Franklin Ave. Turn East on Franklin Ave to St Charles St, South on St. Charles to Union Ave, East on Union Ave to MRMC 1515 Union Ave. Contact person is Lori Turk,660-651-2719. Approximately 500 person are expected to participate and she has approximately 15 volunteers to assist at road intersections. Police Department requested to assist with traffic control as needed to lead the 5k.

Recommended

Action: Direct staff to bring to the February 3rd Council meeting for final approval

Fund Name: N/A

Account Number: N/A

Available Budget \$: N/A

ATTACHMENTS:		Roll Call	Aye	Nay
<input type="checkbox"/> Memo	<input type="checkbox"/> Council Minutes	Mayor		
<input type="checkbox"/> Staff Report	<input type="checkbox"/> Proposed Ordinance	M___ S___ Jeffrey	___	___
<input checked="" type="checkbox"/> Correspondence	<input type="checkbox"/> Proposed Resolution	Council Member		
<input type="checkbox"/> Bid Tabulation	<input type="checkbox"/> Attorney's Report	M___ S___ Brubaker	___	___
<input type="checkbox"/> P/C Recommendation	<input type="checkbox"/> Petition	M___ S___ Kimmons	___	___
<input type="checkbox"/> P/C Minutes	<input type="checkbox"/> Contract	M___ S___ Davis	___	___
<input type="checkbox"/> Application	<input type="checkbox"/> Budget Amendment	M___ S___ Kyser	___	___
<input type="checkbox"/> Citizen	<input type="checkbox"/> Legal Notice		Passed	Failed
<input type="checkbox"/> Consultant Report	<input type="checkbox"/> Other_____			

City of Moberly!

Police Department
Russell W. Tarr
Chief of Police
223rd Session FBI Academy

300 N Clark Street
Moberly, MO 65270
Phone: 660-263-0346
Fax: 660-263-8540

Walk/Run Application Permit

Application Date: 1-13-2020
(Note: Application Date must be received by staff sixty (60) days prior to the event)

Requested Date of event: 5-10-2020 Run For Her Life -
Purpose of event: Fundraiser for breast cancer 12th year.

Name of event director: LORI TURK

Contact phone, & Address of director: 660 651 2719 1161 Oxbow Lane

Approximate number of participants: 500

Route requested, Begin & End Time: Begin at 9:00 am at Moberly Diagnostics
Event concludes between 10:30am - 11:00 am at Moberly Diagnostics
Please see attached for route details

Thanks!

(Please include a map diagram showing start to finish)

Will the route/streets be marked? Yes: No:

Will the organization furnish personnel to assist with the event?

Yes: No: If yes, how many? To assist @ crossings ~ 15

Signature of applicant: [Signature]

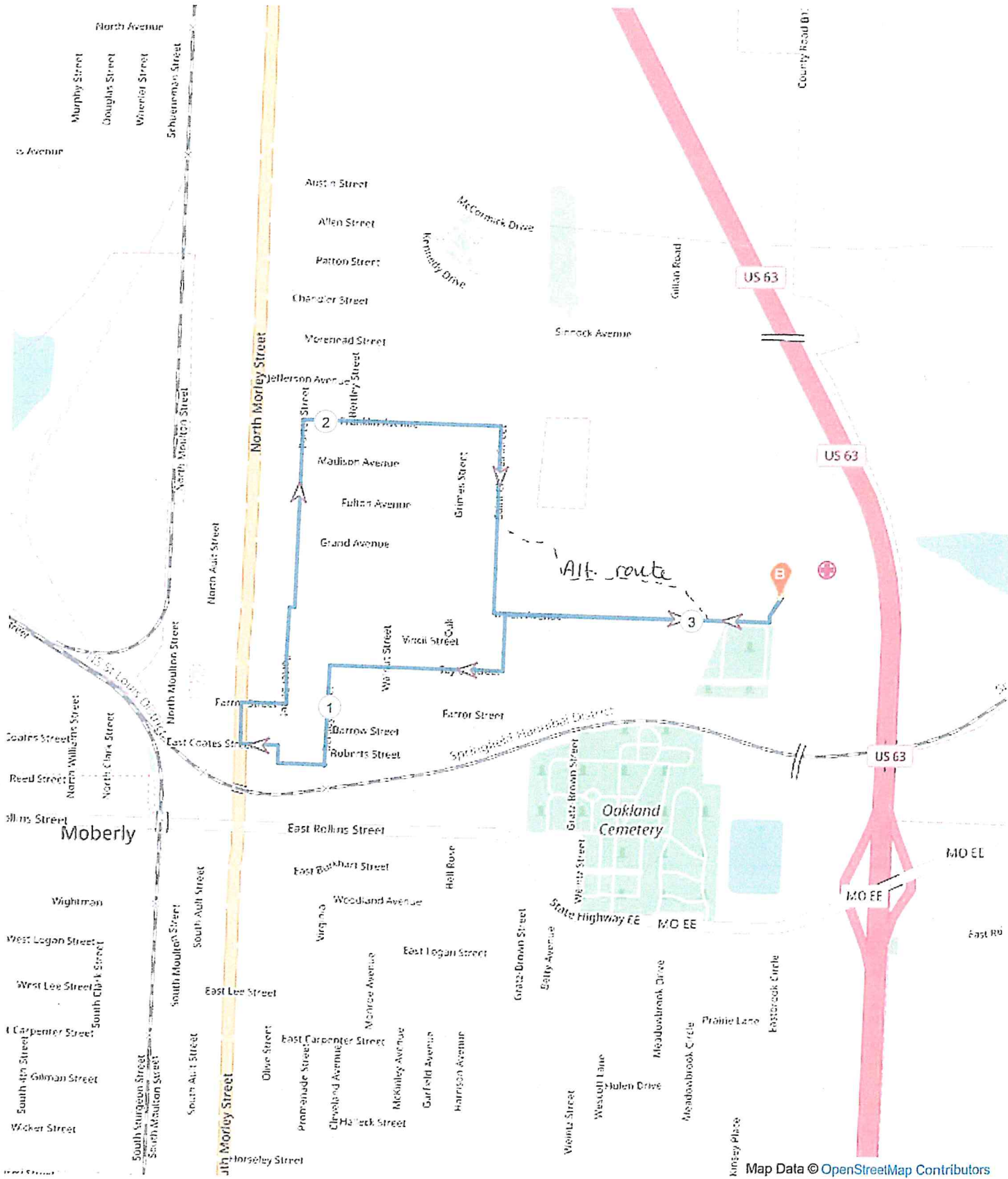
Approved: Declined:

Authorizing Official: [Signature] Date: 1-15-2020

Emergency services assistance to monitor traffic may be provided for a period of time up to one (1) hour after the race begins.

❖ No permanent paint may be used on roads or trails. Only spray chalk or temporary paint with a life of not more than 30 days may be used.

Unnamed Route *Mother's Day 5K*



ROUTE DIRECTIONS

No Miles Turn Directions

No	Miles	Turn	Directions
1	0.000		Start on
2	0.037	→	Turn right onto Union Avenue
3	0.446	←	Turn left onto Mullen Lane
4	0.621	→	Turn right onto Taylor Street
5	0.928	←	Turn left onto Bertley Street
6	1.107	←	Turn left onto Roberts Street
7	1.192	←	Turn left onto East Coates Street
8	1.258	→	Turn right onto North Morley Street, US 63 Business <i>Semis Parking Lot</i>
9	1.291	→	Turn right onto Farror Street
10	1.445	→	Turn right onto Porter Street
11	1.569		Turn right onto Union Avenue
12	1.619	←	Turn left onto Porter Street
13	1.889	→	Turn right onto Franklin Avenue
14	2.313	→	Turn right onto Saint Charles Street
15	2.315	←	Turn left onto Union Avenue
16	2.822	↶	Turn left
17	3.152		

City of Moberly City Council Agenda Summary

Agenda Number: _____
 Department: Police Department WS #5.
 Date: January 21, 2020

Agenda Item: A Resolution Authorizing The City Manager Of The City Of Moberly, Missouri To Execute A Release And Hold Harmless Agreement With The Moberly Area Community College For Use Of The City Firearms Range

Summary: Moberly Area Community College Law Enforcement Training Center (MACC LETC) requires a firearms range for the training of LETC Cadets. The Moberly Police Department operates a firearms range for training of law enforcement officers. Since the opening of MACC LETC, the Moberly Police Department and MACC LETC have had a mutually beneficial working relationship and have allowed MACC LETC to utilize the firearms range for the purpose of firearms training for LETC cadets and both parties wish to continue this relationship through the renewal of hold harmless agreement.

Recommended

Action: Direct staff to bring to the February 3rd Council meeting for final approval

Fund Name: N/A

Account Number: N/A

Available Budget \$: N/A

ATTACHMENTS:	Roll Call	Aye	Nay
___ Memo	Mayor		
___ Staff Report	M___ S___ Jeffrey	___	___
<u>x</u> Correspondence	Council Member		
___ Bid Tabulation	M___ S___ Brubaker	___	___
___ P/C Recommendation	M___ S___ Kimmons	___	___
___ P/C Minutes	M___ S___ Davis	___	___
___ Application	M___ S___ Kyser	___	___
___ Citizen		Passed	Failed
___ Consultant Report	___ Other_____		

BILL NO: _____

RESOLUTION NO: _____

A RESOLUTION AUTHORIZING THE CITY MANAGER OF THE CITY OF MOBERLY, MISSOURI TO EXECUTE A RELEASE AND HOLD HARMLESS AGREEMENT WITH THE MOBERLY AREA COMMUNITY COLLEGE FOR USE OF THE CITY FIREARMS RANGE.

WHEREAS, the City of Moberly, Missouri owns and operates a Firearms Range for use by commissioned law enforcement officers, and

WHEREAS, the Moberly Area Community College (MACC) operates the Law Enforcement Training Center (LETC) which offers a curriculum in law enforcement training that includes training in the use of firearms, and

WHEREAS, MACC is desirous of utilizing Moberly’s Firearms Range for training of future law enforcement officers; and

WHEREAS, the City and MACC have heretofore entered into a Release and Hold Harmless Agreement, a copy of which is attached, which must be renewed.

NOW, THEREFORE, the Moberly City Council agrees to make its Firearms Range available to MACC for use by its students participating in the LETC pursuant to the terms of the Release and Hold Harmless Agreement and, further, the Moberly City Manager is hereby authorized to execute said Agreement on behalf of the City of Moberly.

RESOLVED this 3rd day of February, 2020, by the Council of the City of Moberly, Missouri.

Presiding Officer at Meeting

ATTEST:

City Clerk

**RELEASE AND HOLD HARMLESS AGREEMENT
CITY OF MOBERLY, MISSOURI FIREARMS RANGE**

THIS RELEASE AND HOLD HARMLESS AGREEMENT made and entered into as of _____, 2020 (the “Agreement”), by and among the **CITY OF MOBERLY, MISSOURI**, a third class city of the State of Missouri (the “City”), and **MOBERLY AREA COMMUNITY COLLEGE** (the “User”), for the **LAW ENFORCEMENT TRAINING CENTER** (the “LETC”) use of the **CITY OF MOBERLY FIREARMS RANGE** (the “City Firearms Range”).

RECITALS

WHEREAS, MACC operates the LETC which offers curriculum in law enforcement training. A part of that training is in the use of firearms.

WHEREAS, the City owns and operates a City Firearms Range for training of law enforcement officers.

WHEREAS, the City agrees to make its City Firearms Range available to MACC for use by its students who are participating in the LETC under the following terms and conditions.

NOW, THEREFORE, the City and MACC agree as follows:

1. MACC does hereby waive any cause of action or claims it may have against the City, its agents, servants, or employees, as a result of the use of the City Firearms Range including any claims arising from ingress or egress from the City Firearms Range.
2. City allows the MACC use of the City Firearms Range at its own risk and MACC hereby assume all risks associated with the use thereof.

3. MACC holds City harmless from all damages, injuries and all claims arising from the use of the City Firearms Range by MACC, its students, trainees, instructors and employees, and agrees to defend any action brought against City, its agents, servants, or employees resulting from MACC and its students, trainees, instructors and employees use of the City Firearms Range.
4. MACC shall bear all expenses of any litigation as well as any damages that might arise as a result of any action brought against City or MACC arising out of MACC's use of the City Firearms Range.
5. MACC agrees to use City Firearms Range in strict compliance with the Moberly Police Department's Rules and Procedures for the City Firearms Range and adhere to strict firearms safety.
6. MACC acknowledges receipt of the Moberly Police Department's Rules and Procedures for the City Firearms Range.
7. Prior to the commencement of the term of this Agreement, MACC shall procure and maintain at its own expense, for the duration of this Agreement, insurance against claims for injury or death to persons or damages to property that may arise from or in connection with the use of the City Firearms Range. The general liability insurance required above shall provide limits of no less than \$1,000,000.00 per occurrence or \$2,000,000.00 combined and shall contain the following endorsements:
 - a. City of Moberly, Missouri, its City Council, its officers, officials and employees are to be covered as additional insureds with respect to liability arising out of the use of the City Firearms Range.
 - b. For any claims related to this Agreement, MACC insurance coverage shall be primary as respects City of Moberly, Missouri its officers, officials and

employees. Any insurance maintained by the City of Moberly, Missouri shall be excess of MACC insurance and shall not contribute to it.

- 8. MACC agrees that use of City Firearms Range is for students, trainees, instructors and employees of the LETC only.
- 9. MACC agrees to provide City with a signed RELEASE AND WAIVER OF LIABILITY form for each and every student, trainee, instructor and employee signed by that student, trainee, instructor and employee who is to use the City Firearms Range, further acknowledging that City is released from all claims, cause of actions, or damages arising from the individual student, trainee, instructor or employee's use of City Firearms Range.
- 10. MACC acknowledges that the City does not man or staff its City Firearms Range and that City will not provide staff or a Range Officer to man and/or oversee compliance with the Moberly Police Department's Rules and Procedures or compliance with the rules of firearm safety at the City Firearms Range.
- 11. The original term of the Agreement is for one (1) year beginning on the execution date hereof. Upon the expiration of the original term or any renewal term the agreement shall automatically renew for a one (1) year term unless at least sixty (60) days prior to the renewal date either party gives the other party written notice of its intent not to renew.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Brian Crane, City Manager,
City of Moberly, Missouri

Date

Dr. Jeff Lashley, President
Moberly Area Community College

Date

City of Moberly City Council Agenda Summary

Agenda Number: _____
 Department: City Manager WS #6.
 Date: January 21, 2020

Agenda Item: Review of the 2018-2019 Audit Report

Summary: Attached is the 2018-2019 Audit Report for any further questions the City Council might have for staff.

Recommended Action: Answer any further questions

Fund Name:

Account Number:

Available Budget \$:

ATTACHMENTS:		Roll Call	Aye	Nay
<input type="checkbox"/> Memo	<input type="checkbox"/> Council Minutes	Mayor		
<input type="checkbox"/> Staff Report	<input type="checkbox"/> Proposed Ordinance	M___ S___ Jeffrey	___	___
<input type="checkbox"/> Correspondence	<input type="checkbox"/> Proposed Resolution	Council Member		
<input type="checkbox"/> Bid Tabulation	<input type="checkbox"/> Attorney's Report	M___ S___ Brubaker	___	___
<input type="checkbox"/> P/C Recommendation	<input type="checkbox"/> Petition	M___ S___ Kimmons	___	___
<input type="checkbox"/> P/C Minutes	<input type="checkbox"/> Contract	M___ S___ Davis	___	___
<input type="checkbox"/> Application	<input type="checkbox"/> Budget Amendment	M___ S___ Kyser	___	___
<input type="checkbox"/> Citizen	<input type="checkbox"/> Legal Notice		___	___
<input type="checkbox"/> Consultant Report	<input checked="" type="checkbox"/> Other _____		Passed	Failed

CITY OF MOBERLY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2019

**CITY OF MOBERLY
ANNUAL FINANCIAL REPORT
JUNE 30, 2019**

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Moberly

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of each major fund and the aggregate remaining fund information of the City of Moberly (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of each major fund and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position – modified cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The information presented in the table of contents under the heading supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the City's internal control over financial reporting and on our testing of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

William S. Keeper, LLC

December 18, 2019

**CITY OF MOBERLY
BALANCE SHEET
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Major Funds						Total
	General Fund	Capital Improvement Trust Fund	Parks and Recreation Fund	Park Sales Tax Trust Fund	Transportation Trust Fund	Non-Major Funds	
ASSETS							
Cash and cash equivalents	\$ 1,895,579	\$ 1,072,113	\$ 3,810	\$ 686,556	\$ 1,432,760	\$ 1,968,963	\$ 7,059,781
Due from other funds	227,048	172,459	-	-	-	8,037	407,544
Prepaid expenses	279,654	-	41,857	-	-	22,116	343,627
Total assets	\$ 2,402,281	\$ 1,244,572	\$ 45,667	\$ 686,556	\$ 1,432,760	\$ 1,999,116	\$ 7,810,952
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other funds	\$ 172,219	\$ -	\$ 44,500	\$ -	\$ 37	\$ 1,310	\$ 218,066
Total liabilities	172,219	-	44,500	-	37	1,310	218,066
Fund balances:							
Nonspendable	279,654	-	41,857	-	-	22,116	343,627
Assigned for special revenue purposes	-	-	-	-	-	1,975,690	1,975,690
Unassigned	1,950,408	1,244,572	(40,690)	686,556	1,432,723	-	5,273,569
Total fund balances	2,230,062	1,244,572	1,167	686,556	1,432,723	1,997,806	7,592,886
Total liabilities and fund balances	\$ 2,402,281	\$ 1,244,572	\$ 45,667	\$ 686,556	\$ 1,432,760	\$ 1,999,116	\$ 7,810,952

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds						Total
	General Fund	Capital Improvement Trust Fund	Parks and Recreation Fund	Park Sales Tax Trust Fund	Transportation Trust Fund	Non-Major Funds	
REVENUES							
Taxes:							
Sales	\$ 2,485,248	\$ 1,182,688	\$ -	\$ 1,182,605	\$ 1,183,089	\$ 46,801	6,080,431
Franchise	2,069,702	-	-	-	-	-	2,069,702
Property	1,106,833	-	512,538	-	-	168,180	1,787,551
Motor vehicle and license	182,987	-	-	-	-	376,777	559,764
Other	581,698	-	4,356	49,590	-	102,665	738,309
Licenses, permits and fees	374,008	-	-	-	-	-	374,008
Charges for goods and services	556,578	-	314,863	-	-	465,829	1,337,270
Grants and contributions	34,116	-	-	-	176,306	48,976	259,398
Interest	29,162	16,549	-	12,045	19,126	26,767	103,649
Miscellaneous	156,917	5,300	42,891	-	76,173	64,631	345,912
Total revenues	<u>7,577,249</u>	<u>1,204,537</u>	<u>874,648</u>	<u>1,244,240</u>	<u>1,454,694</u>	<u>1,300,626</u>	<u>13,655,994</u>
EXPENDITURES							
General government	2,020,157	295,470	-	-	-	240,898	2,556,525
Public safety	4,022,083	-	-	-	-	140,110	4,162,193
Economic and community development	540,906	-	-	-	-	-	540,906
Transportation	795,801	-	-	-	957,706	576,550	2,330,057
Parks and recreation	-	-	1,628,388	-	-	3,208	1,631,596
Capital outlay	409,919	337,667	285,354	-	386,844	156,298	1,576,082
Debt service:							
Principal	93,242	-	-	1,026,125	-	-	1,119,367
Interest and fees	8,567	-	-	5,511	-	-	14,078
Total expenditures	<u>7,890,675</u>	<u>633,137</u>	<u>1,913,742</u>	<u>1,031,636</u>	<u>1,344,550</u>	<u>1,117,064</u>	<u>13,930,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(313,426)</u>	<u>571,400</u>	<u>(1,039,094)</u>	<u>212,604</u>	<u>110,144</u>	<u>183,562</u>	<u>(274,810)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	95,995	-	1,035,306	-	-	99,750	1,231,051
Transfers (out)	(26,500)	(537,567)	-	(1,083,556)	-	(120,995)	(1,768,618)
Total other financing sources (uses)	<u>69,495</u>	<u>(537,567)</u>	<u>1,035,306</u>	<u>(1,083,556)</u>	<u>-</u>	<u>(21,245)</u>	<u>(537,567)</u>
Net change in fund balances	(243,931)	33,833	(3,788)	(870,952)	110,144	162,317	(812,377)
Fund balances - beginning	2,473,993	1,210,739	4,955	1,557,508	1,322,579	1,835,489	8,405,263
Fund balances - ending	<u>\$ 2,230,062</u>	<u>\$ 1,244,572</u>	<u>\$ 1,167</u>	<u>\$ 686,556</u>	<u>\$ 1,432,723</u>	<u>\$ 1,997,806</u>	<u>\$ 7,592,886</u>

CITY OF MOBERLY
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2019

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,432,398	\$ 738,487	\$ 2,170,885	\$ 212,223
Prepaid expenses	88,337	-	88,337	-
Total current assets	<u>1,520,735</u>	<u>738,487</u>	<u>2,259,222</u>	<u>212,223</u>
Non-current assets:				
Restricted cash and cash equivalents	2,492,081	-	2,492,081	-
Investments	-	-	-	300,000
Restricted investments	1,016,644	-	1,016,644	-
Total non-current assets	<u>3,508,725</u>	<u>-</u>	<u>3,508,725</u>	<u>300,000</u>
Total assets	<u>5,029,460</u>	<u>738,487</u>	<u>5,767,947</u>	<u>512,223</u>
LIABILITIES				
Current liabilities:				
Due to other funds	189,240	238	189,478	-
Total liabilities	<u>189,240</u>	<u>238</u>	<u>189,478</u>	<u>-</u>
NET POSITION				
Restricted for debt service	3,508,725	-	3,508,725	-
Unrestricted	1,331,495	738,249	2,069,744	512,223
Total net position	<u>\$ 4,840,220</u>	<u>\$ 738,249</u>	<u>\$ 5,578,469</u>	<u>\$ 512,223</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Enterprise Funds			Internal Service Fund
	CWWSS Fund	Solid Waste Fund	Total	Health Trust Fund
REVENUES				
Charges for services	\$ 5,085,024	\$ 860,157	\$ 5,945,181	\$ 1,316,584
Operating grants and contributions	105,000	-	105,000	-
Total operating revenues	<u>5,190,024</u>	<u>860,157</u>	<u>6,050,181</u>	<u>1,316,584</u>
OPERATING EXPENSES				
Personnel services	1,599,003	5,783	1,604,786	-
Contractual services	596,880	740,349	1,337,229	1,385,849
Repairs and maintenance	679,679	489	680,168	-
Materials and supplies	923,722	542	924,264	-
Capital outlay	228,713	-	228,713	-
Miscellaneous	131,998	41,117	173,115	-
Debt service:				
Principal	1,150,750	-	1,150,750	-
Interest and fees	216,567	-	216,567	-
Total operating expenses	<u>5,527,312</u>	<u>788,280</u>	<u>6,315,592</u>	<u>1,385,849</u>
Operating income	<u>(337,288)</u>	<u>71,877</u>	<u>(265,411)</u>	<u>(69,265)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest	65,473	8,729	74,202	12,324
Miscellaneous	44,822	-	44,822	-
Transfers in	6,098,088	-	6,098,088	-
Transfers (out)	(5,560,521)	-	(5,560,521)	-
Total non-operating revenues	<u>647,862</u>	<u>8,729</u>	<u>656,591</u>	<u>12,324</u>
Change in net position	310,574	80,606	391,180	(56,941)
Total net position - beginning	<u>4,529,646</u>	<u>657,643</u>	<u>5,187,289</u>	<u>569,164</u>
Total net position - ending	<u>\$ 4,840,220</u>	<u>\$ 738,249</u>	<u>\$ 5,578,469</u>	<u>\$ 512,223</u>

CITY OF MOBERLY**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

A. Reporting Entity

The City of Moberly (the City) is an incorporated city located in Randolph County, Missouri. The City operates under a Mayor-Council form of government. The City provides services to its approximately fourteen thousand residents in many areas including: emergency management, law enforcement, parks and recreation, water and sewer utilities, and various social services. These services do not include education, which is provided by separate governmental entities.

The basic financial statements include all of the funds relevant to the operations of the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City that have been determined not to be component units as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and 34*.

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

As required by U.S. generally accepted accounting principles (GAAP), the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements, noting none.

B. Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared using the modified cash basis of accounting. Revenues are recorded when received rather than when susceptible to accrual, and expenditures/expenses are recorded when paid rather than when the liability is incurred. This basis is a comprehensive basis of accounting other than GAAP. The modification to the cash basis of accounting results from recording prepaid expenses as result of certain cash transactions.

Typically, government financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the City's financial statements have been prepared using the modified cash basis of accounting, as described above, the fund financial statement information is presented in the same manner as government-wide financial statements would be, only with more detail. Therefore, the City's basic financial statements include: 1) fund financial statements and 2) notes to the financial statements.

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund or designated by management for expenditures for specified purposes.

Capital Improvement Trust Fund – This special revenue fund was established to account for sales taxes assigned for general government capital improvement purposes.

Parks and Recreation Fund – This special revenue fund was established to account for property taxes and other financial resources assigned for parks and recreation purposes.

Park Sales Tax Trust Fund – This special revenue fund was established to account for sales taxes and other financial resources assigned for park purposes.

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

The City reports the following major proprietary funds:

Enterprise funds:

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

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

Internal service fund:

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

C. Cash and Cash Equivalents

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

D. Investments

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

E. Capital Assets

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

F. Long-term Debt

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

G. Equity

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

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

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

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

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

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

The City did not have any committed fund balances as of June 30, 2019.

In the proprietary fund financial statements, equity is displayed in two components as follows:

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of "restricted".

H. Compensated Absences

Vacation and sick leave are considered expenditures/expenses in the year paid. Unused vacation days are payable upon termination.

I. Post-Employment Benefits

For personnel hired prior to July 1, 2017, the City provides health and dental insurance to employees who retire after thirty years of service with the City. The coverage is provided until the employee qualifies for Medicare. At June 30, 2019, there were fourteen employees that qualified for benefits and the City contributed approximately \$481 per employee to the Health Trust Fund on a monthly basis. Contributions totaled approximately \$80,890 during the year ended June 30, 2019.

J. Estimates

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

2. LEGAL COMPLIANCE – BUDGET

The City's policy is to prepare the operating budgets in accordance with the modified cash basis of accounting. The City prepared budgets for all fund types for the year ended June 30, 2019.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to July 1, the City Manager and Finance Department submit to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- 2) The proposed budget is available for public inspection.
- 3) Prior to June 30, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager and Finance Department are authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total revenues or total expenditures/expenses of any fund must be approved by the City Council.
- 5) All appropriations lapse at year end.

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. The budget was amended during the year.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

Missouri State Statutes authorize the City to deposit funds in any investments allowed by the State Treasurer. These include obligations of the U.S. Treasury, federal agencies and instrumentalities, certificates of deposits, and repurchase agreements.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. The City's deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. The City's deposits are categorized to give an indication of the level of custodial risk assumed by the City.

Deposits, categorized by level of custodial risk, were as follows as of June 30, 2019:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance			
Insured by the FDIC	\$ 254,321	\$ -	\$ 254,321
Collateralized with securities pledged by the financial institution in the government's name	11,928,082	-	11,928,082
	<u>\$ 12,182,403</u>	<u>\$ -</u>	<u>\$ 12,182,403</u>
Carrying value	<u>\$ 11,929,960</u>	<u>\$ 5,010</u>	<u>\$ 11,934,970</u>

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

	Governmental Funds Balance Sheet	Proprietary Funds Statement of Financial Position	Total
Cash and cash equivalents	\$ 7,059,781	\$ 2,383,108	\$ 9,442,889
Restricted cash and cash equivalents	-	2,492,081	2,492,081
	<u>\$ 7,059,781</u>	<u>\$ 4,875,189</u>	<u>\$ 11,934,970</u>

Investments

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, collateralized certificates of deposits, and the State Treasurer's investment pool. The City's investments consist of certificates of deposits and money market mutual funds, which are reported in the financial statements at cost.

As of June 30, 2019, the City had the following investment balances:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Unrestricted:					
Certificates of deposits	\$ -	\$ 200,000	\$ 100,000	\$ 302,823	\$ 300,000
Restricted:					
Money market mutual funds	-	-	1,016,644	1,016,644	1,016,644
Total investments	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 1,116,644</u>	<u>\$ 1,319,467</u>	<u>\$ 1,316,644</u>

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

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

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

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

4. RESTRICTED CASH AND CASH EQUIVALENTS, INVESTMENTS, AND NET POSITION

At June 30, 2019, cash and cash equivalents, investments, and fund balance/net position were restricted for various uses as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Net Position</u>
CWWSS Fund:			
Restricted for debt service	\$ 2,492,081	\$ 1,016,644	\$ 3,508,725

5. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2019, resulting from interfund activity were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds:		
General Fund	\$ 227,048	\$ 172,219
Capital Improvement Trust Fund	172,459	-
Parks and Recreation Fund	-	44,500
Transportation Trust Fund	-	37
Non-Major Funds	8,037	1,310
Proprietary funds:		
CWWSS Fund	-	189,240
Solid Waste Fund	-	238
Total	<u>\$ 407,544</u>	<u>\$ 407,544</u>

These balances originated during prior fiscal years and were not settled during fiscal year 2019.

A summary of interfund transfers for the year ended June 30, 2019, follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 95,995	\$ 26,500
Capital Improvement Trust Fund	-	537,567
Parks and Recreation Fund	1,035,306	-
Park Sales Tax Trust Fund	-	1,083,556
Non-Major Funds	99,750	120,995
Proprietary funds:		
CWWSS Fund	6,098,088	5,560,521
Total	<u>\$ 7,329,139</u>	<u>\$ 7,329,139</u>

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

6. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended December 31, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due in One Year
Governmental funds:					
Certificates of participation	\$ 1,050,000	\$ -	\$ 1,050,000	\$ -	\$ -
Fire and street equipment lease	177,725	-	57,854	119,871	59,231
Police software lease	271,144	-	35,388	235,756	36,450
Proprietary funds:					
Sewer equipment lease	293,969	-	70,750	223,219	72,461
Revenue bonds	9,200,000	-	1,080,000	8,120,000	1,100,000
	<u>\$ 10,992,838</u>	<u>\$ -</u>	<u>\$ 2,293,992</u>	<u>\$ 8,698,846</u>	<u>\$ 1,268,142</u>

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm wastewater systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the city does not exceed 20% of the assessed valuation of taxable property.

Based on the assessed valuation as of January 1, 2019, of \$158,861,711, the constitutional total general obligation debt limit was \$31,772,342, which provides a general obligation debt margin of \$31,772,342.

Certificates of Participation

In November 2008, the City entered into a certificate of participation agreement to fund a project to acquire, construct, renovate, furnish, and equip and outdoor water park for the City; as well as heating and cooling renovations to City Hall, renovations to the Moberly Municipal Auditorium, and demolition/replacement of the John Douglas Building. The agreement was paid-off during the year ended June 30, 2019.

Leases

Governmental funds:

In February 2014, the City entered into a lease purchase agreement for fire and street equipment. The lease bears interest at 2.38%. Principal payments are due annually through February 2021, at which time ownership of the equipment will transfer to the City. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the General Fund's revenues. The lease is secured by the equipment.

In November 2017, the City entered into a lease purchase agreement for police software. The lease bears interest at 2.96%. Principal payments are due annually through November 2024, at which time the City can purchase the software for \$1. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the General Fund's revenues. The lease is secured by the software.

Proprietary funds:

In May 2018, the City entered into a lease purchase agreement for sewer equipment. The lease bears interest at 2.70%. Principal payments are due annually through May 2022, at which time the City has the option to purchase the equipment. The City has been satisfying its obligation to make the minimum lease payments under the lease purchase agreement from the CWWSS Fund's operating revenues. The lease is secured by the equipment.

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

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

Year Ending June 30	Governmental Funds	Proprietary Funds	Total
2020	\$ 105,608	\$ 78,594	\$ 184,202
2021	105,608	78,594	184,202
2022	43,525	78,391	121,916
2023	43,525	-	43,525
2024	43,525	-	43,525
2025-2029	43,526	-	43,526
Total	385,317	235,579	620,896
Less: amounts representing interest	(29,690)	(12,360)	(42,050)
Total principal	<u>\$ 355,627</u>	<u>\$ 223,219</u>	<u>\$ 578,846</u>

Revenue Bonds

In November 2002, residents of the City authorized State Environmental Improvement and Energy Resources Authority Combined Waterworks and Sewage System Revenue Bonds for the purpose of financing construction of and improvements to the combined water and sewer system.

In 2004, the City issued \$7,150,000 in Series 2004B revenue bonds to refinance the Series 2003 revenue bonds. Also in 2004, the City issued \$5,100,000 in Series 2004C revenue bonds. In 2006, the City issued \$5,460,000 in Series 2006A revenue bonds. In 2008, the City issued \$2,560,000 in Series 2008A in revenue bonds.

In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurred approved expenditures, DNR reimbursed the City for the expenditures from the construction escrow funds. Additionally, an amount (83.33% of which was federal funding) representing 70% of the construction costs was deposited into bond reserve funds in the City's name and are held as a guarantee against the outstanding bond obligations. Interest earned from these reserve funds can be used by the City to fund interest payments on the revenue bonds. A portion of the reserve fund is transferred back to the State as principal payments are made on the revenue bonds.

The CWWSS Fund has pledged future operating revenues, net of current specified operating expenses, to repay the revenue bonds. The revenue bonds are payable solely from operating revenues and are payable through 2029. Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues for fiscal year 2019 are over 110% of the annual principal and interest payments made during the year, as principal and interest paid were \$1,292,244 and net revenues were \$5,085,024.

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

	Original Amount	Interest Rate	Final Maturity Date	Balance June 30, 2019
Series 2004B revenue bonds	\$ 7,150,000	2.00-5.00%	1/1/2024	\$ 2,180,000
Series 2004C revenue bonds	5,100,000	3.00-5.05%	1/1/2026	2,070,000
Series 2006A revenue bonds	5,460,000	4.00-5.25%	7/1/2026	2,475,000
Series 2008A revenue bonds	2,560,000	2.01-4.41%	1/1/2029	1,395,000
				<u>\$ 8,120,000</u>

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 1,100,000	\$ 184,890	\$ 1,284,890
2021	1,125,000	159,700	1,284,700
2022	1,155,000	133,397	1,288,397
2023	1,180,000	106,390	1,286,390
2024	1,210,000	78,559	1,288,559
2025-2029	2,350,000	111,722	2,461,722
Total	<u>\$ 8,120,000</u>	<u>\$ 774,658</u>	<u>\$ 8,894,658</u>

7. PROPERTY TAXES

The City’s property tax is levied no later than September 1 and is based on the value of all real and personal property located in Randolph County as of the prior January 1, the lien date. Taxes are billed by November 1 and are considered delinquent after December 31. Property taxes are recognized as revenue when received. The City has entered into an agreement with Randolph County for collection of property taxes. The County reports collections to the City monthly.

The City’s assessed valuation and tax levy per \$100 assessed valuation are as follows:

	<u>For the 2019 Calendar Year</u>
Assessed valuation:	
Real estate	\$ 115,141,980
Personal property	37,693,884
State assessed	<u>6,025,847</u>
	<u>\$ 158,861,711</u>
Tax levy:	
General revenue	\$ 0.7223
Parks and recreation	<u>0.3352</u>
	<u>\$ 1.0575</u>

8. PENSION PLAN

General Information about the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

The City’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer statewide public employee pension plan established in 1967 and administered in accordance with RSMo 70.600-70.755. As such, it is LAGERS’ responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	2019 Valuation
Benefit multiplier	1.50%
Final average salary	3 years
Member contributions	0%

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

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	141
Inactive employees entitled to but not yet receiving benefits	66
Active employees	111
Total	318

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 8.1% (General), 12.8% (Police), and 14.9% (Fire) of annual covered payroll.

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage; 2.50% price
Salary increase	3.25% to 6.55%, including wage inflation
Investment rate of return	7.25%, net of investment expenses

Mortality rates were based on the 2014 Health Annuitant, Disabled, and Employees Mortality Tables.

The actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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	43.00%	5.29%
Fixed income	26.00%	2.93%
Real assets	21.00%	3.31%
Strategic assets	10.00%	5.73%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2018	\$ 27,694,498	\$ 30,298,275	\$ (2,603,777)
Changes for the year:			
Service cost	507,622	-	507,622
Interest	1,965,673	-	1,965,673
Difference between expected and actual experience	(225,346)	-	(225,346)
Changes in assumptions	-		
Contributions - employer	-	465,987	(465,987)
Contributions - employee	-	-	-
Net investment income	-	1,964,625	(1,964,625)
Benefit payments, including refunds	(1,691,899)	(1,691,899)	-
Administrative expense	-	(35,485)	35,485
Other changes	-	179,769	(179,769)
Net changes	556,050	882,997	(326,947)
Balances at June 30, 2019	\$ 28,250,548	\$ 31,181,272	\$ (2,930,724)

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	Current Single Discount		
	1% Decrease (6.25%)	Rate Assumption (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 31,885,723	\$ 28,250,548	\$ 25,247,667
Plan fiduciary net position	\$ 31,181,272	\$ 31,181,272	\$ 31,181,272
Net pension liability (asset)	\$ 704,451	\$ (2,930,724)	\$ (5,933,605)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued LAGERS financial report.

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

As a result of the City using the modified cash basis of accounting, deferred outflows and inflows of resources are not recorded in the accompanying financial statements. In addition, pension expense is recorded as expenditures/expenses in the accompanying financial statements based on actual cash basis contributions made to the pension plan during the year ended June 30, 2019. However, the following summarizes the deferred outflows and inflows of resources, and pension expense if they had been recorded.

For the year ended June 30, 2019, the City's pension expense under full accrual accounting would have been \$342,487. However, on the modified cash basis of accounting, the City recognized payments to LAGERS of \$195,122 as expense. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 214,014	\$ (459,618)
Changes in assumptions	82,299	-
Net difference between projected and actual earnings on pension plan investments	-	(725,639)
Total	\$ 296,313	\$ (1,185,257)

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

2020	\$	(184,245)
2021		(539,412)
2022		(213,975)
2023		57,392
2024		(5,037)
Thereafter		(3,667)
Total	\$	(888,944)

9. COMMITMENTS AND CONTINGENCIES

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workman's compensation; liability, crime, and employee errors and omissions; and natural disasters. The City purchases commercial insurance to provide coverage for general liability, property damage, and workers' compensation. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

B. Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

C. Intergovernmental Revenue

The City receives financial assistance from federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the City as of June 30, 2019.

D. Landfill Closure and Post-closure Costs

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty-years after closure. As the City uses the modified cash basis of accounting, a liability is not recorded for future closure or post-closure costs that will be incurred at or near the date the landfill no longer accepts waste. The landfill was filled to capacity and closed in 2006 and the City received final closure status from the Missouri Department of Natural Resources (DNR) at that time. The liability for post-closure care costs is \$2,055,797 as of June 30, 2019, based on calculations performed by DNR. The actual cost of closure and post-closure care is subject to change based on inflation/deflation, technology changes, or changes in landfill laws and regulations.

The City does not have any assets restricted for the payment of these costs. The City intends to finance these costs from revenues generated from the Solid Waste Fund's charges for services and/or the General Fund's reserves.

Prior to the Mamtek failure and the City's resulting credit downrating, the City had pledged its resources to DNR to handle whatever issues may occur at the landfill. With the credit downrating, DNR policy required the City to post a \$380,000 performance bond with a commercial insurer (Lexon Insurance Company, formerly Old Hickory Insurance) and maintain a performance guarantee policy until such time that the City's credit rating returns to investment grade. Initially, the annual premium for this coverage was \$71,567; however, since the landfill was placed into post-closure monitoring status by DNR in 2016, the premium has decreased to \$41,116 annually, payable in December of each year.

E. Other Commitments

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

During the year ended June 30, 2019, the City entered into an agreement with a third party to purchase body cameras and video evidence management software for the Police Department for \$19,128/year through August 2022.

10. FUND DISCLOSURES

During the year ended June 30, 2019, the Parks and Recreation Fund's actual expenditures exceeded budgeted expenditures by \$79,637 due to additional purchases that were not included in budgeted expenditures.

During the year ended June 30, 2019, the Parks Sales Tax Trust Fund's actual expenditures exceeded budget expenditures by \$504,041 due to an additional debt service payment that was not included in budgeted expenditures.

11. TAX ABATEMENTS

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosures of tax information about (1) a reporting government's own tax abatement agreements, and (2) those that are entered into by other governments that reduce the reporting government's tax revenues. The City has entered into agreements with various organizations under RSMo 135.200-135.260 (Enterprise Zones) and 353.110 (Urban Redevelopment), which provide for the abatement of personal and real estate property taxes.

During the year ended June 30, 2019, the total assessed value of the property included in the Enterprise Zones was \$2,387,440, and the total tax abatements were \$25,247.

During the year ended June 30, June 30, 2019, the total assessed value of the property included in the Urban Redevelopment was \$5,052,228, and the total tax abatements were \$53,427.

12. SUBSEQUENT EVENT

In October 2019, the City entered into an energy performance contract with a third party for water meters (including an automated reading system), billing and accounting software, and energy efficient equipment for the water and wastewater plants. The total contract price was \$4,642,450, which will be paid in quarterly installments from November 1, 2020 through August 1, 2030.

SUPPLEMENTARY INFORMATION

CITY OF MOBERLY
 COMBINING BALANCE SHEET
 MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Non-Resident Lodging Fund	Heritage Hills Golf Course Fund	Airport Operating Fund	Perpetual Care Cemetery Principal Fund	Perpetual Care Cemetery Interest Fund	Use Tax Trust Fund	Veterans' Flag Project Fund	Community Betterment Fund	Hwy. 63 Waterline Relocation Fund	911 Emergency Telephone Fund
ASSETS										
Cash and cash equivalents	\$ 170,541	\$ -	\$ 4,292	\$ 286	\$ 474,000	\$ 245,833	\$ 40,088	\$ 1,990	\$ -	\$ 196,961
Due from other funds	-	-	-	-	-	-	-	-	8,037	-
Prepaid expenses	-	-	2,894	-	-	-	-	-	-	19,222
Total assets	\$ 170,541	\$ -	\$ 7,186	\$ 286	\$ 474,000	\$ 245,833	\$ 40,088	\$ 1,990	\$ 8,037	\$ 216,183
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ 1,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	1,310	-	-	-	-	-	-	-
Fund balances:										
Nonspendable	-	-	2,894	-	-	-	-	-	-	19,222
Assigned for special revenue purposes	170,541	-	2,982	286	474,000	245,833	40,088	1,990	8,037	196,961
Total fund balances	170,541	-	5,876	286	474,000	245,833	40,088	1,990	8,037	216,183
Total liabilities and fund balances	\$ 170,541	\$ -	\$ 7,186	\$ 286	\$ 474,000	\$ 245,833	\$ 40,088	\$ 1,990	\$ 8,037	\$ 216,183

**CITY OF MOBERLY
COMBINING BALANCE SHEET (CONTINUED)
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Inmate Security Fund	Police Forfeiture Fund	Street Improvements Fund	MODAG Grant/Loan Fund	Project Residuals Fund	ICSC/Buxton Fund	Railcar Preservation Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
ASSETS										
Cash and cash equivalents	\$ 12,573	\$ 4,320	\$ 470,555	\$ 21,537	\$ 47,149	\$ 6,548	\$ 580	\$ 182,425	\$ 89,285	\$ 1,968,963
Due from other funds	-	-	-	-	-	-	-	-	-	8,037
Prepaid expenses	-	-	-	-	-	-	-	-	-	22,116
Total assets	<u>\$ 12,573</u>	<u>\$ 4,320</u>	<u>\$ 470,555</u>	<u>\$ 21,537</u>	<u>\$ 47,149</u>	<u>\$ 6,548</u>	<u>\$ 580</u>	<u>\$ 182,425</u>	<u>\$ 89,285</u>	<u>\$ 1,999,116</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,310
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310</u>
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	22,116
Assigned for special revenue purposes	12,573	4,320	470,555	21,537	47,149	6,548	580	182,425	89,285	1,975,690
Total fund balances	<u>12,573</u>	<u>4,320</u>	<u>470,555</u>	<u>21,537</u>	<u>47,149</u>	<u>6,548</u>	<u>580</u>	<u>182,425</u>	<u>89,285</u>	<u>1,997,806</u>
Total liabilities and fund balances	<u>\$ 12,573</u>	<u>\$ 4,320</u>	<u>\$ 470,555</u>	<u>\$ 21,537</u>	<u>\$ 47,149</u>	<u>\$ 6,548</u>	<u>\$ 580</u>	<u>\$ 182,425</u>	<u>\$ 89,285</u>	<u>\$ 1,999,116</u>

CITY OF MOBERLY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Non-Resident Lodging Fund	Heritage Hills Golf Course Fund	Airport Operating Fund	Perpetual Care Cemetery Principal Fund	Perpetual Care Cemetery Interest Fund	Use Tax Trust Fund	Veterans' Flag Project Fund	Community Betterment Fund	911 Emergency Telephone Fund
REVENUES									
Other taxes	\$ 102,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for goods and services	-	-	236,966	22,925	-	-	-	-	204,940
Grants and contributions	-	-	10,937	-	-	-	-	-	-
Interest	2,221	-	31	-	5,995	3,126	504	-	3,985
Miscellaneous	-	-	7,883	-	-	-	9,144	-	-
Total revenues	104,886	-	255,817	22,925	5,995	3,126	9,648	-	208,925
EXPENDITURES									
General government	107,739	-	-	-	-	-	7,372	-	-
Public safety	-	-	-	-	-	-	-	-	140,110
Transportation	-	-	277,098	-	-	-	-	-	-
Parks and recreation	-	3,208	-	-	-	-	-	-	-
Capital outlay	510	46,042	3,000	-	-	-	-	-	737
Total expenditures	108,249	49,250	280,098	-	-	-	7,372	-	140,847
Excess (deficiency) of revenues over (under) expenditures	(3,363)	(49,250)	(24,281)	22,925	5,995	3,126	2,276	-	68,078
OTHER FINANCING SOURCES (USES)									
Transfers in	-	49,250	25,000	-	24,000	-	-	1,500	-
Transfers (out)	(1,000)	-	-	(24,000)	(5,995)	-	-	-	(90,000)
Total other financing sources (uses)	(1,000)	49,250	25,000	(24,000)	18,005	-	-	1,500	(90,000)
Net change in fund balances	(4,363)	-	719	(1,075)	24,000	3,126	2,276	1,500	(21,922)
Fund balances - beginning	174,904	-	5,157	1,361	450,000	242,707	37,812	490	238,105
Fund balances - ending	\$ 170,541	\$ -	\$ 5,876	\$ 286	\$ 474,000	\$ 245,833	\$ 40,088	\$ 1,990	\$ 216,183

CITY OF MOBERLY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Inmate Security Fund	Police Forfeiture Fund	Street Improvements Fund	MODAG Grant/Loan Fund	Project Residuals Fund	ICSC/Buxton Fund	Railcar Preservation Fund	Lucille Manor CDBG Fund	Downtown CID Fund	Total
REVENUES										
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,801	\$ 46,801
Property taxes	-	-	-	-	-	-	-	-	168,180	168,180
Motor vehicle and license taxes	-	-	376,777	-	-	-	-	-	-	376,777
Other taxes	-	-	-	-	-	-	-	-	-	102,665
Charges for goods and services	998	-	-	-	-	-	-	-	-	465,829
Grants and contributions	-	-	-	-	-	-	-	22,825	15,214	48,976
Interest	156	-	6,165	285	600	46	151	2,042	1,460	26,767
Miscellaneous	-	-	42,603	-	-	5,001	-	-	-	64,631
Total revenues	1,154	-	425,545	285	600	5,047	151	24,867	231,655	1,300,626
EXPENDITURES										
General government	-	-	-	-	-	2,474	-	-	123,313	240,898
Public safety	-	-	-	-	-	-	-	-	-	140,110
Transportation	-	-	299,452	-	-	-	-	-	-	576,550
Parks and recreation	-	-	-	-	-	-	-	-	-	3,208
Capital outlay	-	-	63,225	-	-	-	-	-	42,784	156,298
Total expenditures	-	-	362,677	-	-	2,474	-	-	166,097	1,117,064
Excess (deficiency) of revenues over (under) expenditures	1,154	-	62,868	285	600	2,573	151	24,867	65,558	183,562
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	99,750
Transfers (out)	-	-	-	-	-	-	-	-	-	(120,995)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(21,245)
Net change in fund balances	1,154	-	62,868	285	600	2,573	151	24,867	65,558	162,317
Fund balances - beginning	11,419	4,320	407,687	21,252	46,549	3,975	429	157,558	23,727	1,827,452
Fund balances - ending	\$ 12,573	\$ 4,320	\$ 470,555	\$ 21,537	\$ 47,149	\$ 6,548	\$ 580	\$ 182,425	\$ 89,285	\$ 1,989,769

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes:			
Sales	\$ 2,460,000	\$ 2,485,248	\$ 25,248
Franchise	2,250,000	2,069,702	(180,298)
Property	1,090,000	1,106,833	16,833
Motor vehicle and license	190,000	182,987	(7,013)
Other	680,200	581,698	(98,502)
Licenses, permits and fees	357,800	374,008	16,208
Charges for goods and services	638,111	556,578	(81,533)
Grants and contributions	34,000	34,116	116
Interest	14,000	29,162	15,162
Miscellaneous	81,000	156,917	75,917
Total revenues	<u>7,795,111</u>	<u>7,577,249</u>	<u>(217,862)</u>
EXPENDITURES			
General government	1,911,980	2,020,157	108,177
Public safety	4,435,678	4,022,083	(413,595)
Economic and community development	631,200	540,906	(90,294)
Transportation	866,833	795,801	(71,032)
Capital outlay	328,352	409,919	81,567
Debt service:			
Principal	-	93,242	93,242
Interest	-	8,567	8,567
Total expenditures	<u>8,174,043</u>	<u>7,890,675</u>	<u>(283,368)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(378,932)</u>	<u>(313,426)</u>	<u>65,506</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	378,932	95,995	(282,937)
Transfers (out)	-	(26,500)	(26,500)
Total other financing sources	<u>378,932</u>	<u>69,495</u>	<u>(309,437)</u>
Net change in fund balance	-	(243,931)	(243,931)
Fund balance - beginning	<u>2,473,993</u>	<u>2,473,993</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,473,993</u>	<u>\$ 2,230,062</u>	<u>\$ (243,931)</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Sales taxes	\$ 1,200,000	\$ 1,182,688	\$ (17,312)
Interest	11,000	16,549	5,549
Miscellaneous	-	5,300	5,300
	<u>1,211,000</u>	<u>1,204,537</u>	<u>(6,463)</u>
Total revenues			
EXPENDITURES			
General government	346,773	295,470	(51,303)
Capital outlay	780,000	337,667	(442,333)
	<u>1,126,773</u>	<u>633,137</u>	<u>(493,636)</u>
Total expenditures			
Excess of revenues over expenditures	<u>84,227</u>	<u>571,400</u>	<u>487,173</u>
OTHER FINANCING USES			
Transfers out	<u>(537,567)</u>	<u>(537,567)</u>	<u>-</u>
Total other financing uses	<u>(537,567)</u>	<u>(537,567)</u>	<u>-</u>
Net change in fund balance	(453,340)	33,833	487,173
Fund balance - beginning	<u>1,210,739</u>	<u>1,210,739</u>	<u>-</u>
Fund balance - ending	<u>\$ 757,399</u>	<u>\$ 1,244,572</u>	<u>\$ 487,173</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
PARKS AND RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance
REVENUES			
Taxes:			
Property	\$ 518,000	\$ 512,538	\$ (5,462)
Other	4,750	4,356	(394)
Charges for goods and services	322,500	314,863	(7,637)
Grants and contributions	7,200	-	(7,200)
Miscellaneous	7,000	42,891	35,891
Total revenues	859,450	874,648	15,198
EXPENDITURES			
Parks and recreation	1,529,237	1,628,388	99,151
Capital outlay	304,868	285,354	(19,514)
Total expenditures	1,834,105	1,913,742	79,637
Deficiency of revenues under expenditures	(974,655)	(1,039,094)	(64,439)
OTHER FINANCING SOURCES			
Transfers in	975,055	1,035,306	60,251
Total other financing sources	975,055	1,035,306	60,251
Net change in fund balance	400	(3,788)	(4,188)
Fund balance - beginning	4,955	4,955	-
Fund balance - ending	\$ 5,355	\$ 1,167	\$ (4,188)

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
PARK SALES TAX TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes:			
Sales	\$ 1,200,000	\$ 1,182,605	\$ (17,395)
Other	52,500	49,590	(2,910)
Interest	10,000	12,045	2,045
Total revenues	<u>1,262,500</u>	<u>1,244,240</u>	<u>(18,260)</u>
EXPENDITURES			
Debt service:			
Principal	525,295	1,026,125	500,830
Interest	2,300	5,511	3,211
Total expenditures	<u>527,595</u>	<u>1,031,636</u>	<u>504,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>734,905</u>	<u>212,604</u>	<u>(522,301)</u>
OTHER FINANCING USES			
Transfers out	<u>(974,055)</u>	<u>(1,083,556)</u>	<u>(109,501)</u>
Total other financing uses	<u>(974,055)</u>	<u>(1,083,556)</u>	<u>(109,501)</u>
Net change in fund balance	(239,150)	(870,952)	(631,802)
Fund balance - beginning	<u>1,557,508</u>	<u>1,557,508</u>	-
Fund balance - ending	<u>\$ 1,318,358</u>	<u>\$ 686,556</u>	<u>\$ (631,802)</u>

CITY OF MOBERLY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
BUDGET AND ACTUAL
TRANSPORTATION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Sales taxes	\$ 1,200,000	\$ 1,183,089	\$ (16,911)
Grants and contributions	1,500,000	176,306	(1,323,694)
Interest	10,000	19,126	9,126
Miscellaneous	47,000	76,173	29,173
	<u>2,757,000</u>	<u>1,454,694</u>	<u>(1,302,306)</u>
EXPENDITURES			
Transportation	2,588,390	957,706	(1,630,684)
Capital outlay	660,000	386,844	(273,156)
	<u>3,248,390</u>	<u>1,344,550</u>	<u>(1,903,840)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(491,390)</u>	<u>110,144</u>	<u>601,534</u>
OTHER FINANCING SOURCES			
Transfers in	414,000	-	(414,000)
	<u>414,000</u>	<u>-</u>	<u>(414,000)</u>
Net change in fund balance	(77,390)	110,144	187,534
Fund balance - beginning	1,322,579	1,322,579	-
Fund balance - ending	<u>\$ 1,245,189</u>	<u>\$ 1,432,723</u>	<u>\$ 187,534</u>

**CITY OF MOBERLY
LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
June 30, 2019**

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 507,622	\$ 480,252	\$ 432,367	\$ 438,332	\$ 457,447
Interest on the total pension liability	1,965,673	1,930,051	1,857,428	1,803,146	1,767,608
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(225,346)	(294,174)	336,659	(684,226)	(339,359)
Changes in assumptions	-	-	-	733,161	-
Benefit payments, including refunds	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)	(1,396,636)
Net change in total pension liability	556,050	529,692	918,433	915,134	489,060
Total pension liability beginning	27,694,498	27,164,806	26,246,373	25,331,239	24,842,179
Total pension liability ending	\$ 28,250,548	\$ 27,694,498	\$ 27,164,806	\$ 26,246,373	\$ 25,331,239
Plan fiduciary net position					
Contributions - employer	\$ 465,987	\$ 440,592	\$ 399,480	\$ 430,772	\$ 441,997
Contributions - employee	-	-	-	-	-
Pension plan net investment income	1,964,625	3,328,352	3,186,635	(89,900)	538,229
Benefit payments, including refunds	(1,691,899)	(1,586,437)	(1,708,021)	(1,375,279)	(1,396,636)
Pension plan administrative expense	(35,485)	(25,265)	(24,355)	(24,221)	(26,469)
Other	179,769	(597,566)	(65,932)	(7,007)	(494,508)
Net change in plan fiduciary net position	882,997	1,559,676	1,787,807	(1,065,635)	(937,387)
Plan fiduciary net position beginning	30,298,275	28,738,599	26,950,792	28,016,427	28,953,814
Plan fiduciary net position ending	\$ 31,181,272	\$ 30,298,275	\$ 28,738,599	\$ 26,950,792	\$ 28,016,427
City's net pension liability (asset)	\$ (2,930,724)	\$ (2,603,777)	\$ (1,573,793)	\$ (704,419)	\$ (2,685,188)
Plan fiduciary net position as a percentage of the total pension liability	110.37%	109.40%	105.79%	102.68%	110.60%
Covered payroll	\$ 4,522,902	\$ 4,743,678	\$ 4,284,169	\$ 4,265,295	\$ 4,294,269
City's net pension liability (asset) as a percentage of covered payroll	64.80%	54.89%	36.74%	16.52%	62.53%

Note: This schedule will ultimately contain ten years of data.

**CITY OF MOBERLY
LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS –
LAST TEN FISCAL YEARS
June 30, 2019**

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 510,279	\$ 465,319	\$ 434,062	\$ 480,456	\$ 508,558
Contributions in relation to the actuarially determined contribution	465,367	441,189	400,244	429,843	442,617
Contribution deficiency (excess)	<u>\$ 44,912</u>	<u>\$ 24,130</u>	<u>\$ 33,818</u>	<u>\$ 50,613</u>	<u>\$ 65,941</u>
Covered payroll	\$ 4,522,902	\$ 4,743,678	\$ 4,284,169	\$ 4,265,295	\$ 4,294,269
Contributions as a percentage of covered payroll	10.29%	9.30%	9.34%	10.08%	10.31%
	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 514,476	\$ 545,032	\$ 529,895	\$ 506,477	\$ 265,676
Contributions in relation to the actuarially determined contribution	420,065	376,259	342,657	296,314	265,676
Contribution deficiency (excess)	<u>\$ 94,411</u>	<u>\$ 168,773</u>	<u>\$ 187,238</u>	<u>\$ 210,163</u>	<u>\$ -</u>
Covered payroll	\$ 4,216,293	\$ 4,216,066	\$ 4,346,395	\$ 4,333,491	\$ 4,541,195
Contributions as a percentage of covered payroll	9.96%	8.92%	7.88%	6.84%	5.85%

INTERNAL CONTROL AND COMPLIANCE

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

To the City Council
City of Moberly

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of each major fund and the aggregate remaining fund information of the City of Moberly (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, as described below, that we consider to be a significant deficiency.

Preparation of Financial Statements

Management is responsible for establishing and maintaining internal control, which includes internal control over the selection and application of accounting principles, adjustment of the underlying general ledger, and preparation of the financial statements. In our capacity as external auditors, we cannot also be considered to be part of an entity's system of internal control. As part of our engagement, we prepared the City's financial statements. The financial statements were submitted to management for review, comment, and ultimately acceptance as management's representation.

The preparation of the financial statements upon the conclusion of the audit is consistent with our engagement agreement with the City and is a common practice by us and other audit firms for clients who do not have personnel on staff with the necessary expertise to the financial statements.

However, consistent with current auditing standards, we are required to determine whether this meets the definition of a material weakness or a significant deficiency. In our evaluation, we consider those aspects of an entity's financial statement preparation that we believe management does not have the means to perform without our assistance and that could have a material or a significant impact on the financial statements. We believe the following constitute a significant deficiency:

- Identification of significant adjustments to the books and records used to prepare the financial statements.
 - In the current year, we proposed an entry to roll equity as a result of the City: 1) not correcting misstatements detected as a result of the prior auditors' procedures in prior years and 2) not writing off various asset (receivable) and liability (payable) accounts in accordance with the modified cash basis of accounting.
 - In the current year, we also proposed entries to record activity related to restricted cash and cash equivalents and restricted investment accounts that were not recorded on the City's books.
- Preparation of the financial statements, including the note disclosures, so as to be complete and free of significant error under current accounting standards.
 - In the current year, we adjusted the financial statements for a fund that was included in the City's financial statements in the prior year that was not recorded on the City's books in the current year.

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 as 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.

City's Response: The City's prior audit firm advised the City that because the adjustments were maintained in their records, they didn't need to be recorded on the City's books, so the City followed their recommendation. Going forward, the City's Finance Director will ensure that adjustments proposed by the current audit firm, Williams-Keepers LLC, are recorded on the City's books.

We also noted other matters involving internal control over financial reporting that we have reported to management in a separate letter dated December 18, 2019.

City's Response to Findings

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

Compliance and Other Matters

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

Purpose of this Report

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

William Keepers UC

December 18, 2019

CITY OF MOBERLY

SUMMARY REPORT

JUNE 30, 2019

December 18, 2019

To the City Council
City of Moberly

We appreciate the opportunity to assist the City of Moberly (the City) in its governance and oversight function by providing annual audit services. Our audit reports for the year ended June 30, 2019, have been provided to management and include the following:

Annual Financial Report

This document contains the City's annual financial statements for the year ended June 30, 2019, along with our report on those financial statements. Highlights are as follows:

- We issued an "unmodified" or a "clean" opinion on the financial statements. In our opinion, the financial statements present fairly, in all material respects, the respective financial position of each major fund of the City as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting. The modified cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles (GAAP); however, our opinion is not modified with respect to this matter.
- Management is responsible for the preparation and fair presentation of the financial statements, including the design and implementation of internal control. We prepared the financial statements, which were reviewed and approved by management.
- We used our judgment in determining how to audit the City. That judgment was based on our risk assessment performed on the City's balances, transactions, processes, and controls. We focused our attention on areas where the financial statements might potentially be misstated.
- We evaluated the appropriateness of accounting policies, the reasonableness of significant accounting estimates, and the overall financial statement presentation.
- Typically, government financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the City's financial statements have been prepared using the modified cash basis of accounting, the fund financial statement information is presented in the same manner as government-wide financial statements would be, only with more detail. Therefore, the City's basic financial statements include: 1) fund financial statements and 2) notes to the financial statements.

- The following summarizes the highlights from the governmental funds' financial statements as of and for the years ended June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Total assets	<u>\$ 7,810,952</u>	<u>\$ 8,423,219</u>
Total liabilities	<u>\$ 218,066</u>	<u>\$ 17,956</u>
Fund balances:		
Nonspendable	343,627	-
Restricted for debt service purposes	-	507,191
Assigned for special revenue purposes	1,975,690	5,424,079
Unassigned	<u>5,273,569</u>	<u>2,473,993</u>
Total fund balances	<u>7,592,886</u>	<u>8,405,263</u>
Total liabilities and fund balances	<u>\$ 7,810,952</u>	<u>\$ 8,423,219</u>

- Total assets decreased \$612,267 (7%), due to the negative net change in fund balances.
- Total liabilities increased \$200,110 (1114%), due to an increase in interfund payables from the City's governmental funds to the City's proprietary funds.
- Total fund balances decreased \$812,377 (10%) – see further discussion below.

	<u>2019</u>	<u>2018</u>
Total revenues	\$ 13,655,994	\$ 13,704,799
Total expenditures	<u>13,930,804</u>	<u>12,225,666</u>
Excess (deficiency) of revenues over (under) expenditures	(274,810)	1,479,133
Total other financing uses	<u>(537,567)</u>	<u>(207,833)</u>
Net change in fund balances	(812,377)	1,271,300
Fund balances - beginning	<u>8,405,263</u>	<u>7,133,963</u>
Fund balances - ending	<u>\$ 7,592,886</u>	<u>\$ 8,405,263</u>

- Total revenues were stable (decreased \$48,805 (<1%)).
- Total expenditures increased \$1,705,138 (14%), primarily due to an increase in debt service expenditures.
- Total other financing uses increased \$329,734 (159%), due to an increase in interfund transfers from the City's governmental funds to the City's proprietary funds.

- The following summarizes the highlights from the proprietary funds' financial statements as of and for the years ended June 30, 2019 and 2018.

	2019	2018
Total assets	\$ 6,280,170	\$ 5,945,932
Total liabilities	189,478	189,479
Net position:		
Restricted for debt service	3,508,725	3,241,407
Unrestricted	2,581,967	2,515,046
Total net position	\$ 6,090,692	\$ 5,756,453

- Total assets increased \$334,238 (6%), due to an increase in interfund receivables to the City's proprietary funds from the City's governmental funds, as well as due to the positive change in net position.
- Total liabilities were stable (decreased \$1 (<1%)).
- Total net position increased \$334,239 (6%) – see further discussion below.

	2019	2018
Total revenues	\$ 7,366,765	\$ 7,622,721
Total operating expenses	7,701,441	7,177,969
Operating income (loss)	(334,676)	444,752
Total non-operating revenues (expenses)	668,915	(396,430)
Change in net position	334,239	48,322
Total net position - beginning	5,756,453	5,708,131
Total net position - ending	\$ 6,090,692	\$ 5,756,453

- Total revenues were stable (decreased \$255,956 (3%)).
- Total operating expenses increased \$523,472 (7%), primarily due to debt service expenses being classified as operating during 2019 (such expenses were classified as non-operating during 2018).
- Total non-operating revenues (expenses) increased \$1,065,345 (269%) due to an increase in interfund transfers to the City's proprietary funds from the City's governmental funds, as well as due to the reclassification of debt service expenses discussed above.

Auditors' Communication Letter

This letter consists of comments about the audit process and its results that are required under our professional standards to be communicated to an audit or similar committee of the governing board of an organization or entity. Highlights are as follows:

- We noted no transactions that we considered both unusual and significant, and there were no changes in accounting policies during the year.
- We evaluated the estimates affecting the financial statements and found them reasonable in relation to the financial statements as a whole.
- We evaluated the disclosures in the financial statements and found them to be neutral, consistent, and clear. All required disclosures are included.
- We found the accounting records to be in good order, but we proposed a few significant audit adjustments as a result of our procedures.
- We had no disagreements with management on accounting or auditing issues, we had no difficulties in performing our audit, and we felt we received full cooperation from the City's staff.

Management Letter

This letter is used to communicate any findings we may have about the City's internal controls and certain other matters that are, in our opinion, significant enough to warrant your attention. Highlights are as follows:

- Although the scope of our engagement was not directed towards an opinion on the adequacy of internal control, we considered internal control as a basis for designing our audit procedures.
- A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.
- 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. We consider the following deficiency in the City's internal control to be a significant deficiency:
 - Preparation of financial statements – identification of significant adjustments to the books and records used to prepare the financial statements; and preparation of the financial statements, including the note disclosures, so as to be complete and free of significant error under current accounting standards.

- In addition, we became aware of matters that are opportunities for strengthening internal control and operating efficiency but did not meet the definition of a significant deficiency or material weakness:
 - Access to the accounting software – we recommend the City review the access granted to the accounting software. In general, employees should only be given access to the modules in the software to which they have a logical need for such access.
 - Bank reconciliations – we recommend the City monitor accounts that normally don't have a bank balance at the end of the month and if they have a bank balance at the end of the month, they should be reconciled and recorded on the City's books.
 - Information technology – we recommend the City develop a formal IT or security policy, including a password policy.
 - Interfund balances – we recommend the City's funds either repay each other or the City record interfund transfers in order to remove the balances receivable and payable between the City's funds.
 - Prepaid expenses – we recommend the City either: 1) continue modifying the cash basis financial statements by recording the City's annual payment to MIRMA as prepaid expenses at yearend or 2) discontinue modifying the cash basis financial statements by recording the City's annual payment to MIRMA as expenditures/expenses in the year in which the payment is made.
 - Special revenue funds – we recommend the City assess which special revenue funds need to be accounted for/tracked separately and consider combining the other funds into one fund for accounting and financial reporting purposes.

Report for MIRMA

This document contains the City's schedule of payroll reportable to MIRMA for the year ended December 31, 2018, along with our report on the schedule. We issued an "unmodified" or a "clean" opinion on the schedule.

We wish to thank the City and its personnel for their cooperation and assistance during our audit. The information in this audit report is intended solely for the use of management and the City Council.

Sincerely,

William F. Keepers UC

WILLIAMS-KEEPERS LLC