

**CITY OF SMITHVILLE, MISSOURI**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED OCTOBER 31, 2020**



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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Aldermen and Mayor  
City of Smithville, Missouri

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Smithville, Missouri (the City), as of and for the year ended October 31, 2020, 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 City'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 City'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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Smithville, Missouri as of October 31, 2020, and the respective changes in financial position – modified cash basis and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Smithville, Missouri's basic financial statements. The budgetary comparison schedules and schedule of contributions, the combining nonmajor governmental funds balance sheet – modified cash basis, and the combining nonmajor governmental funds revenues, expenditures, and changes in fund balances – modified cash basis are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental funds balance sheet – modified cash basis, and the combining nonmajor governmental funds revenues, expenditures, and changes in fund balances – modified cash basis are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental funds balance sheet – modified cash basis, and the combining nonmajor governmental funds revenues, expenditures, and changes in fund balances – modified cash basis are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budgetary comparison schedules and schedule of contributions have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



**CliftonLarsonAllen LLP**

St. Joseph, Missouri  
March 10, 2021

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF NET POSITION — MODIFIED CASH BASIS**  
**OCTOBER 31, 2020**

	Primary Government		
	Governmental	Business-	
	Activities	Type	Total
		Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,646,831	\$ 1,641,456	\$ 5,288,287
Restricted Cash and Investments	3,198,688	2,942,127	6,140,815
Capital Assets:			
Nondepreciable	1,652,257	1,705,780	3,358,037
Depreciable, Net	10,506,215	21,505,279	32,011,494
Total Assets	19,003,991	27,794,642	46,798,633
<b>LIABILITIES</b>			
Developer Escrow	23,478	-	23,478
Liabilities Payable from Restricted Assets	3,053	-	3,053
Customer Deposits	29,924	342,658	372,582
Long-Term Liabilities:			
Due Within One Year	170,705	331,548	502,253
Due In More Than One Year	5,828,337	8,134,838	13,963,175
Total Liabilities	6,055,497	8,809,044	14,864,541
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,419,916	14,779,705	22,199,621
Restricted for Law Enforcement	21,258	-	21,258
Restricted for Transportation	762,606	-	762,606
Restricted for Capital Projects	347,270	2,845,579	3,192,849
Restricted for Debt Service	231,262	61,516	292,778
Restricted for Pandemic	588,259	-	588,259
Restricted for Other Purposes	14,501	-	14,501
Unrestricted	3,563,422	1,298,798	4,862,220
Total Net Position	\$ 12,948,494	\$ 18,985,598	\$ 31,934,092

See accompanying Notes to Financial Statements.



**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF ACTIVITIES — MODIFIED CASH BASIS**  
**YEAR ENDED OCTOBER 31, 2020**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>PRIMARY GOVERNMENT</b>							
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 1,000,319	\$ 57,270	\$ -	\$ -	\$ (943,049)	\$ -	\$ (943,049)
Public Works	1,075,087	40,574	-	-	(1,034,513)	-	(1,034,513)
Pandemic	100,064	-	945,400	-	845,336	-	845,336
Police	1,835,043	221,323	1,105	-	(1,612,615)	-	(1,612,615)
Community and Economic Development	607,162	261,292	-	-	(345,870)	-	(345,870)
Parks and Recreation	631,215	213,244	-	-	(417,971)	-	(417,971)
Interest and Fiscal Charges	205,018	-	-	-	(205,018)	-	(205,018)
Total Governmental Activities	5,453,908	793,703	946,505	-	(3,713,700)	-	(3,713,700)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Water and Sewer	3,185,572	4,107,090	-	304,540	-	1,226,058	1,226,058
Sanitation	813,356	831,293	-	-	-	17,937	17,937
Total Business-Type Activities	3,998,928	4,938,383	-	304,540	-	1,243,995	1,243,995
Total Primary Government	<u>\$ 9,452,836</u>	<u>\$ 5,732,086</u>	<u>\$ 946,505</u>	<u>\$ 304,540</u>	<u>(3,713,700)</u>	<u>1,243,995</u>	<u>(2,469,705)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes					895,583	-	895,583
Sales Taxes					2,942,607	-	2,942,607
Franchise Taxes					710,418	-	710,418
Motor Fuel and Road Taxes					272,844	-	272,844
Tower Lease					-	38,686	38,686
Investment Earnings					117,521	15,954	133,475
Miscellaneous					29,106	-	29,106
Transfers In (Out)					174,520	(174,520)	-
Total General Revenues					<u>5,142,599</u>	<u>(119,880)</u>	<u>5,022,719</u>
<b>CHANGE IN NET POSITION</b>					1,428,899	1,124,115	2,553,014
Net Position - Beginning of Year					11,519,595	17,861,483	29,381,078
<b>NET POSITION - END OF YEAR</b>					<u>\$ 12,948,494</u>	<u>\$ 18,985,598</u>	<u>\$ 31,934,092</u>

See accompanying Notes to Financial Statements.

**CITY OF SMITHVILLE, MISSOURI  
BALANCE SHEET — MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
OCTOBER 31, 2020**

	General	Transportation Sales Tax	Capital Improvements	CARES Act Stimulus Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 3,614,525	\$ -	\$ -	\$ -	\$ 32,306	\$ 3,646,831
Restricted Cash	-	762,606	1,261,031	588,259	586,792	3,198,688
Total Assets	<u>\$ 3,614,525</u>	<u>\$ 762,606</u>	<u>\$ 1,261,031</u>	<u>\$ 588,259</u>	<u>\$ 619,098</u>	<u>\$ 6,845,519</u>
<b>LIABILITIES</b>						
Developer Escrow	\$ 23,478	\$ -	\$ -	\$ -	\$ -	\$ 23,478
Payable from Restricted Assets, Municipal Court Bonds	3,053	-	-	-	-	3,053
Deposits	<u>29,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,924</u>
Total Liabilities	56,455	-	-	-	-	56,455
<b>FUND BALANCES</b>						
Restricted:						
Law Enforcement	-	-	-	-	21,258	21,258
Transportation	-	762,606	-	-	-	762,606
Capital Improvement	-	-	1,261,031	-	347,270	1,608,301
Debt Service	-	-	-	-	231,262	231,262
Pandemic	-	-	-	588,259	-	588,259
Other Purposes	-	-	-	-	14,501	14,501
Committed:						
Law Enforcement Technology Upgrades	-	-	-	-	4,807	4,807
Unassigned	<u>3,558,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,558,070</u>
Total Fund Balances	<u>3,558,070</u>	<u>762,606</u>	<u>1,261,031</u>	<u>588,259</u>	<u>619,098</u>	<u>6,789,064</u>
Total Liabilities and Fund Balances	<u>\$ 3,614,525</u>	<u>\$ 762,606</u>	<u>\$ 1,261,031</u>	<u>\$ 588,259</u>	<u>\$ 619,098</u>	<u>\$ 6,845,519</u>

See accompanying Notes to Financial Statements.

**CITY OF SMITHVILLE, MISSOURI  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET —  
MODIFIED CASH BASIS — GOVERNMENTAL FUNDS TO THE STATEMENT OF  
NET POSITION — MODIFIED CASH BASIS  
OCTOBER 31, 2020**

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 6,789,064</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	12,158,472
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Capital Leases Payable	(137,081)
Bonds Payable	(5,861,961)
	(5,861,961)

<b>Total Net Position - Governmental Activities</b>	<b>\$ 12,948,494</b>
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**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE — MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED OCTOBER 31, 2020**

	General	Transportation Sales Tax	Capital Improvement	CARES Act Stimulus Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 895,583	\$ -	\$ -	\$ -	\$ -	\$ 895,583
Sales and Use Taxes	1,772,267	582,359	-	-	587,981	2,942,607
Franchise Taxes	710,418	-	-	-	-	710,418
Licenses, Fees, and Permits	390,263	-	-	-	2,706	392,969
Intergovernmental Revenues	298,712	-	-	945,400	-	1,244,112
Charges for Services	214,339	-	-	-	-	214,339
Fines and Forfeits	144,336	-	-	-	-	144,336
Interest	116,770	-	-	751	-	117,521
Other Revenue	46,400	-	-	-	-	46,400
Total Revenues	4,589,088	582,359	-	946,151	590,687	6,708,285
<b>EXPENDITURES</b>						
Current:						
General Government	977,265	-	-	-	-	977,265
Police	1,787,509	-	-	-	7,352	1,794,861
Public Works	603,849	120,158	52,931	-	-	776,938
Pandemic	-	-	-	253,783	-	253,783
Parks and Recreation	542,594	-	-	-	-	542,594
Community and Economic Development	442,792	-	-	-	-	442,792
Senior Center	16,295	-	-	-	-	16,295
Capital Outlay	563,725	17,256	646,575	104,109	-	1,331,665
Debt Service:						
Principal	-	30,607	-	-	120,000	150,607
Interest and Fiscal Charges	-	7,669	-	-	205,018	212,687
Total Expenditures	4,934,029	175,690	699,506	357,892	332,370	6,499,487
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(344,941)	406,669	(699,506)	588,259	258,317	208,798
<b>OTHER FINANCING SOURCES</b>						
Transfers In	174,520	-	-	-	556,280	730,800
Transfers Out	-	-	-	-	(556,280)	(556,280)
Total Other Financing Sources (Uses)	174,520	-	-	-	-	174,520
<b>NET CHANGE IN FUND BALANCES</b>	(170,421)	406,669	(699,506)	588,259	258,317	383,318
Fund Balances - Beginning Of Year	3,728,491	355,937	1,960,537	-	360,781	6,405,746
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,558,070</u>	<u>\$ 762,606</u>	<u>\$ 1,261,031</u>	<u>\$ 588,259</u>	<u>\$ 619,098</u>	<u>\$ 6,789,064</u>

See accompanying Notes to Financial Statements.

**CITY OF SMITHVILLE, MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS — MODIFIED CASH BASIS  
BASIS TO THE STATEMENT OF ACTIVITIES — MODIFIED CASH BASIS  
YEAR ENDED OCTOBER 31, 2020**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 383,318</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the expenditures are capitalized.

Capital Outlays	1,331,665
Depreciation Expense	(444,800)

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities on the statement of net position. In the current period, this amount consists of:

Premium Amortization	8,109
Debt Principal Retirement	150,607
	158,716

<b>Change in Net Position - Governmental Activities</b>	<b>\$ 1,428,899</b>
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**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF NET POSITION — MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**OCTOBER 31, 2020**

	Water and Wastewater	Sanitation	Total Proprietary Funds
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,586,020	\$ 55,436	\$ 1,641,456
<b>RESTRICTED ASSETS</b>			
Cash and Cash Equivalents	<u>2,942,127</u>	<u>-</u>	<u>2,942,127</u>
<b>CAPITAL ASSETS</b>			
Nondepreciable	1,705,780	-	1,705,780
Depreciable, Net	<u>21,505,279</u>	<u>-</u>	<u>21,505,279</u>
Capital Assets, Net	<u>23,211,059</u>	<u>-</u>	<u>23,211,059</u>
Total Assets	<u><u>\$ 27,739,206</u></u>	<u><u>\$ 55,436</u></u>	<u><u>\$ 27,794,642</u></u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Customer Deposits	\$ 342,658	\$ -	\$ 342,658
Current Maturities of Long-Term Liabilities	<u>331,548</u>	<u>-</u>	<u>331,548</u>
Total Current Liabilities	674,206	-	674,206
<b>LONG-TERM LIABILITIES</b>			
Long-Term Liabilities, Less Current Maturities Above	<u>8,134,838</u>	<u>-</u>	<u>8,134,838</u>
Total Liabilities	8,809,044	-	8,809,044
<b>NET POSITION</b>			
Net Investment in Capital Assets	14,779,705	-	14,779,705
Restricted for Debt Service	61,516	-	61,516
Restricted for Capital Projects	2,845,579	-	2,845,579
Unrestricted	<u>1,243,362</u>	<u>55,436</u>	<u>1,298,798</u>
Total Net Position	<u>18,930,162</u>	<u>55,436</u>	<u>18,985,598</u>
Total Liabilities and Net Position	<u><u>\$ 27,739,206</u></u>	<u><u>\$ 55,436</u></u>	<u><u>\$ 27,794,642</u></u>

See accompanying Notes to Financial Statements.

**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION — MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED OCTOBER 31, 2020**

	Water and Wastewater	Sanitation	Total Proprietary Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 4,107,090	\$ 831,293	\$ 4,938,383
<b>OPERATING EXPENSES</b>			
Personnel Services	1,042,339	-	1,042,339
Contractual Services	381,300	813,356	1,194,656
Operations	543,130	-	543,130
Repair and Maintenance	254,998	-	254,998
Depreciation and Amortization	661,095	-	661,095
Total Operating Expenses	<u>2,882,862</u>	<u>813,356</u>	<u>3,696,218</u>
<b>OPERATING INCOME</b>	1,224,228	17,937	1,242,165
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Tower Lease	38,686	-	38,686
Interest Income	15,954	-	15,954
Interest Expense and Fiscal Charges	(302,668)	-	(302,668)
Other Expense	(42)	-	(42)
Total Nonoperating Revenues (Expenses)	<u>(248,070)</u>	<u>-</u>	<u>(248,070)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Transfers Out	(174,520)	-	(174,520)
Impact Fees	304,540	-	304,540
Total Capital Contributions and Transfers	<u>130,020</u>	<u>-</u>	<u>130,020</u>
<b>CHANGE IN NET POSITION</b>	1,106,178	17,937	1,124,115
Net Position - Beginning of Year	<u>17,823,984</u>	<u>37,499</u>	<u>17,861,483</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 18,930,162</u></u>	<u><u>\$ 55,436</u></u>	<u><u>\$ 18,985,598</u></u>

See accompanying Notes to Financial Statements.

**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF CASH FLOWS — MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED OCTOBER 31, 2020**

	Water and Wastewater	Sanitation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 4,119,966	\$ 831,293	\$ 4,951,259
Cash Paid to Suppliers	(1,179,428)	(813,356)	(1,992,784)
Cash Paid to Employees	(1,042,339)	-	(1,042,339)
Net Cash Provided by Operating Activities	<u>1,898,199</u>	<u>17,937</u>	<u>1,916,136</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Other Nonoperating Revenue	38,644	-	38,644
Cash Transferred to Other Funds	<u>(174,520)</u>	<u>-</u>	<u>(174,520)</u>
Net Cash Used by Noncapital Financing Activities	(135,876)	-	(135,876)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	(2,438,756)	-	(2,438,756)
Cash Received from Impact Fees	304,540	-	304,540
Payments on Long-Term Debt	(305,000)	-	(305,000)
Interest Paid on Long-Term Debt	<u>(308,845)</u>	<u>-</u>	<u>(308,845)</u>
Net Cash Used by Capital and Related Financing Activities	(2,748,061)	-	(2,748,061)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>15,954</u>	<u>-</u>	<u>15,954</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(969,784)	17,937	(951,847)
Cash - Beginning of Year	<u>5,497,931</u>	<u>37,499</u>	<u>5,535,430</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 4,528,147</u></u>	<u><u>\$ 55,436</u></u>	<u><u>\$ 4,583,583</u></u>

See accompanying Notes to Financial Statements.



**CITY OF SMITHVILLE, MISSOURI**  
**STATEMENT OF CASH FLOWS — MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED OCTOBER 31, 2020**

	Combined Water and Wastewater	Sanitation	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 1,224,228	\$ 17,937	\$ 1,242,165
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	661,095	-	661,095
Change in:			
Customer Deposits	12,876	-	12,876
Net Cash Provided by Operating Activities	<u>\$ 1,898,199</u>	<u>\$ 17,937</u>	<u>\$ 1,916,136</u>
<b>CASH REPORTED ON THE STATEMENT OF NET POSITION</b>			
Cash	\$ 1,586,020	\$ 55,436	\$ 1,641,456
Restricted Cash and Cash Equivalents	<u>2,942,127</u>	<u>-</u>	<u>2,942,127</u>
Total Cash and Cash Equivalents	<u>\$ 4,528,147</u>	<u>\$ 55,436</u>	<u>\$ 4,583,583</u>

See accompanying Notes to Financial Statements.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Smithville (the City) was incorporated in 1867 and covers an area of approximately 13.8 square miles in Clay County and Platte County, Missouri. The City is a fourth class city and operates under the aldermen-administrator form of government. The City Administrator is the chief administrative officer of the City. The City provides services to more than 8,400 residents in many areas, including law enforcement, water and sewer services, refuse and recycling services, parks and recreation services, community enrichment and development, and various administrative functions.

The financial statements of the City of Smithville, Missouri, have been prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates incorporated within the City's financial statements include the factors utilized in determining depreciation of the City's capital assets. Actual results could differ from those estimates.

**Principles Used to Determine the Reporting Entity**

The City's policy is to include in the financial statements all funds, departments, agencies, boards, commissions, and other component units for which the City is considered to be financially accountable.

Component units are legally separate entities for which the City (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include: whether or not the primary government appoints the voting majority of the potential component units governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally dependent upon by the potential component unit.

The City is not aware of any organization to which the City is financially accountable. Management has considered all potential component units and has determined there are no entities outside of the primary government that should be blended into or discretely presented with the City's financial statements.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statement Presentation**

The government-wide financial statements (i.e., the statement of net position – modified cash basis and the statement of activities – modified cash basis) report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales for support.

The statement of activities – modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate 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.

Proprietary funds are used to report business-type activities carried on by the City.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using modified cash basis of accounting and the economic resources measurement focus, as limited by the modified cash basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when received and expenses are recorded when paid.

Governmental fund financial statements are reported on the “current financial resources” measurement focus, as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period.

The City accounts for all activities using the modified cash basis of accounting, modified with respect to capitalization and depreciation of property and equipment, and the recording of liabilities for long-term debt. Consequently, accounts receivable and accounts payable are not recorded. Therefore, certain revenue and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statements are not intended to present financial position and change in net position in conformity with generally accepted accounting principles.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund balances, and revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

**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.

- **Transportation Sales Tax Fund**

The Transportation Sales Tax Fund is a special revenue fund that accounts for the revenues received from a 0.5% sales tax to be used specifically for transportation purposes.

- **Capital Improvement Fund**

The Capital Improvement Fund is a capital projects fund that accounts for the proceeds from the issuance of 2018 general obligation bonds and the related capital improvement projects.

- **CARES Act Stimulus Fund**

The CARES Act Stimulus Fund is a special revenue fund that accounts for grant revenue received from the CARES Act and tracks related expenditures.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

**Major Proprietary Funds**

- **Enterprise Funds**

Enterprise Funds are used to account for those operations of the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

- **Combined Water and Wastewater Fund**

The Combined Water and Wastewater Fund accounts for the provision of water and sewer utility services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

- **Sanitation Fund**

The Sanitation Fund accounts for the provision of sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service.

**Pooled Cash and Temporary Investments**

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which are managed by the Finance Director. Investments accounts consist primarily of certificates of deposit carried at cost. Interest income earned on the pooled account is allocated to general fund. Missouri state law permits the City to invest in prime money market instruments and securities, such as U.S. Government obligations, repurchase agreements, Missouri bank certificates of deposit, demand accounts, and savings accounts. As of October 31, 2020, the City has cash in demand deposits, money market instruments, and certificates of deposit.

The City maintains a cash and investment pool, which is available for use by most funds. Each fund's portion of this pool is displayed as pooled cash and investments or in restricted assets. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

**Restricted Assets**

Cash from bond proceeds is restricted in the Capital Improvement fund to be used on capital projects. Cash in funds resulting from certain taxes is also presented as restricted cash. Cash and investments are restricted in the Proprietary Fund for revenue bond reserves because their use is limited by applicable debt obligation covenants. See Note 4 for further information.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Statement of Cash Flows**

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Capital Assets**

The City's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. Capital and intangible assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Governmental activities capital and intangible assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are typically sold for an immaterial amount when declared as no longer needed for public purpose by the City, no salvage value is taken into consideration for depreciation purposes. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Governmental Activities:	
Building and Improvements	40
Machinery and Equipment	5 to 20
Vehicles	5
Infrastructure	40
Business-Type Activities:	
Machinery and Equipment	5 to 10
Water and Sewer Lines	40 to 50
Water Towers	40
Water and Sewer Plant	40 to 50
Vehicles	5

The City has elected to prospectively report infrastructure assets in the governmental activities, as allowed by Governmental Accounting Standards Board Statement No. 34.

Capital and intangible assets not being depreciated include land, construction in progress, and permanent easements, if any.

**Long-Term Obligations**

In the government-wide financial statements and the enterprise fund statement of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed when incurred.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Government-Wide and Proprietary Fund Net Position**

Net Position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – Consists of restricted assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of the government; or (b) law through constitutional provisions or enabling legislation.

Unrestricted – Consists of the net amounts of the assets that are not included in the determination of “net investment in capital assets” or the “restricted” component of net position.

It is the City’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Impact fees assessed by the City by ordinance are reported as capital contributions in the Proprietary Fund.

**Governmental Fund Balances**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Balances (Continued)**

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Aldermen-the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Aldermen removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Aldermen and the City Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

**Compensated Absences**

Under terms of the City’s personnel policy, employees are granted vacation and sick leave in varying amounts based upon length of service. In the event of termination, an employee forfeits unused sick leave. Unused vacation can be accumulated up to a limit of 150% of the annual amounts earned, and is payable on separation of service. Under the modified cash basis of accounting, no liability is reported in the financial statements for the value of unused vacation time.

**NOTE 2 BUDGETARY DATA**

Budgets for the City are prepared and adopted on the modified cash basis (budget basis) for all governmental and proprietary funds. The City Administrator is authorized to transfer budgeted amounts within departments in any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the Board of Aldermen. The department level constitutes that City’s legal level of budgetary control. Reported budget amounts are as originally adopted or amended by board resolution. Annual operating budgets are adopted for the governmental and proprietary funds. Appropriations lapse at fiscal year-end, but may be re-appropriated in the following fiscal year.



**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS**

A summary of the carrying values of deposits, investments, and petty cash at October 31, 2020 is as follows:

Cash on Hand	\$ 700
Demand Deposits	9,352,033
Certificates of Deposit	1,979,821
Total Cash Deposits	<u>11,332,554</u>
Short-Term Investments Held in Trust	96,548
Total Cash Deposits and Investments	<u><u>\$ 11,429,102</u></u>

These carrying values are reflected on the statement of net position as follows:

Cash and Cash Equivalents	\$ 5,288,287
Restricted Cash and Cash Investments	6,140,815
Total	<u><u>\$ 11,429,102</u></u>

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Statutes require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or an independent third-party, and must be of the kind prescribed by state statutes.

At October 31, 2020, the carrying amount of the City's demand deposits and certificates of deposit in financial institutions was \$11,347,564. The bank balances totaled \$11,785,401 of which \$251,817 was FDIC insured and \$11,533,584 was collateralized by pledged collateral held in the name of the City.

**Investment Policies**

The City has a formal investment policy, and also follows state statutes as defined in the accounting policy Note 1. Restricted assets are invested by the bond trustees in accordance with the bond indentures.

**Credit Risk**

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization such as Standard & Poor's above.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City has no policy to limit the holdings of an outside party.

At October 31, 2020, the City's investments consisted of restricted investments held in the City's name by the bond trustee in accordance with the related bond indentures.

**Concentration of Credit Risk**

The City does not have a policy which limits the amounts that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of money market funds shown above.

**Fair Value Measurements**

In determining fair value, the City uses various valuation approaches within GASBS 72 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

GASBS 72 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. GASBS 72 defines levels within the hierarchy based on the reliability of inputs as follows:

*Level 1* – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and

*Level 2* – Valuations based on quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data; and

*Level 3* – Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

*Money Market Mutual Funds:* Valued at last sales price, if listed on a national market or exchange, or if there is no sale and the market is still considered active, at the last transaction price before year-end. In less active markets, the valuation is based on the most recent price of the equivalent quoted yield for such securities. These are classified as Level 1 within the valuation hierarchy.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

The carrying amounts, maturity segment, ratings and fair value levels for the City's investments at October 31, 2020, consisted of the following:

<u>Investment</u>	<u>Maturity Under One Year</u>	<u>Rating</u>	<u>Fair Value Hierarchy Level</u>
Restricted Investments, Proprietary Fund, Fidelity Treasury Money Market Funds	<u>\$ 96,548</u>	AAAm	Level 1

**NOTE 4 RESTRICTED CASH**

Restricted cash at October 31, 2020 consisted of the following:

	<u>Transportation Sales Tax</u>	<u>Capital Improvements</u>	<u>CARES Act Stimulus Fund</u>	<u>Other Governmental Funds</u>	<u>Combined Water &amp; Wastewater</u>	<u>Total</u>
Debt Service	\$ -	\$ -	\$ -	\$ 231,262	\$ 61,516	\$ 292,778
Bond Proceeds	-	-	-	-	35,032	35,032
Capital Projects	-	1,261,031	-	347,270	2,845,579	4,453,880
Transportation	762,606	-	-	-	-	762,606
Pandemic	-	-	588,259	-	-	588,259
Other Purposes	-	-	-	8,260	-	8,260
Total	<u>\$ 762,606</u>	<u>\$ 1,261,031</u>	<u>\$ 588,259</u>	<u>\$ 586,792</u>	<u>\$ 2,942,127</u>	<u>\$ 6,140,815</u>

The City's combined water and wastewater revenue bond trust indentures require the City to establish various debt services and reserve accounts. At October 31, 2020, these reserve accounts were fully funded.

All new connections to the City's water and sewer system are assessed an impact fee. All impact fees are kept in a fund to be used only for capital improvement projects that expand capacity of the system, including, but not limited to, new sewer lines, upsizing existing sewer lines, removing or replacing sewer lift stations, or upgrading sewer lift stations. This cash is considered to be restricted for capital projects.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 5 CAPITAL ASSETS**

The changes in capital asset activity, resulting from modified cash basis transactions, for the year ended October 31, 2020 are as follows:

	Balance November 1, 2019	Additions	Disposals	Transfers	Balance October 31, 2020
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,178,387	\$ -	\$ -	\$ -	\$ 1,178,387
Construction in Progress	3,808,466	341,129	-	(3,675,725)	473,870
Total Capital Assets, Not Being Depreciated	4,986,853	341,129	-	(3,675,725)	1,652,257
Capital Assets, Being Depreciated:					
Buildings and Improvements	2,982,452	100,915	-	-	3,083,367
Machinery and Equipment	1,453,250	79,537	-	545	1,533,332
Vehicles	875,936	-	-	(545)	875,391
Infrastructure	4,587,070	810,084	-	3,675,725	9,072,879
Total Capital Assets, Being Depreciated	9,898,708	990,536	-	3,675,725	14,564,969
Total Capital Assets	14,885,561	1,331,665	-	-	16,217,226
Less: Accumulated Depreciation	3,613,954	444,800	-	-	4,058,754
Governmental Activities Capital Assets, Net	<u>\$ 11,271,607</u>	<u>\$ 886,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,158,472</u>
<b>Business-Type Activities</b>					
Capital Assets, Not Being Depreciated:					
Land and Easements	\$ 220,930	\$ -	\$ -	\$ -	\$ 220,930
Construction in Progress	6,197,203	1,406,938	-	(6,119,291)	1,484,850
Total Capital Assets, Not Being Depreciated	6,418,133	1,406,938	-	(6,119,291)	1,705,780
Capital Assets, Being Depreciated:					
Water Towers	2,698,077	-	-	-	2,698,077
Water and Sewer Lines	8,114,544	842,221	-	5,652,725	14,609,490
Machinery and Equipment	522,835	140,665	-	466,566	1,130,066
Vehicles	702,984	-	-	-	702,984
Plant	9,661,322	48,932	-	-	9,710,254
Total Capital Assets, Being Depreciated	21,699,762	1,031,818	-	6,119,291	28,850,871
Total Capital Assets	28,117,895	2,438,756	-	-	30,556,651
Less: Accumulated Depreciation	6,684,497	661,095	-	-	7,345,592
Business-Type Activities Capital Assets, Net	<u>\$ 21,433,398</u>	<u>\$ 1,777,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,211,059</u>

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions as follows in the Statement of Activities:

**Governmental Activities**

General Government	\$ 22,973
Police	53,633
Public Works	271,869
Parks and Recreation	83,250
Community and Economic Development	13,075
Total Depreciation Expense, -	
Governmental Activities	<u>\$ 444,800</u>

**Business-Type Activities**

Water and Wastewater	<u>\$ 661,095</u>
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**NOTE 6 DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

**Benefits Provided**

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (age 55 for police members) 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 (age 50 for police members) and receive a reduced allowance.

	2020
	Valuation
Benefit Multiplier	<u>1.50%</u>
Final Average Salary	3 Years
Member Contributions	4%

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 6    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Benefits Provided (Continued)**

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 February 29, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled to but not yet Receiving Benefits	24
Active Employees	<u>53</u>
Total	<u><u>88</u></u>

**Contributions**

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates were 9.2% of annual covered payroll for the general division, and 9.1% of annual covered payroll for the police division, for the year ended October 31, 2020. For the year ended October 31, 2020, the City made contributions to the plan totaling \$292,948, which is equal to the City's pension expense, in accordance with the modified cash basis of accounting.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 7 LONG-TERM INDEBTEDNESS**

The City's long-term debt arising from modified cash basis transactions or events consisted of the following as of October 31, 2020:

<u>Description</u>	<u>Amount</u>
<b>Governmental Activities</b>	
\$235,232 capital lease for the purpose of purchasing a street sweeper. Annual installments of \$38,276 plus interest through 2024; interest at 4.48%. At October 31, 2020, the City had capital assets related to this lease with a cost of \$235,232, and those assets had related accumulated depreciation of \$58,808.	\$ 137,081
\$2,000,000 2018 General Operating Bond. Annual principal payments of \$40,000 to \$195,000 through 2038; interest at 3.6% with a premium of \$75,886 issued with the debt.	2,039,558
\$3,625,000 2019 General Operating Bond. Annual principal payments of \$85,000 to \$500,000 through 2038; interest from 3.5% to 5.0% with a premium of \$258,372 issued with the debt.	3,822,403
Total Governmental Activities	<u>\$ 5,999,042</u>
<b>Business-Type Activities</b>	
\$530,000 Series 2012, Certificate of Participation, for the purpose of water pollution control improvements. Annual installments of \$50,000 to \$60,000 through 2021; interest at 2.63%.	\$ 115,000
\$8,635,000 Series 2018, Certificate of Participation, for the purpose of water pollution control improvements. Annual installments of \$265,000 to \$600,000 through 2038; interest at 4.2% to 4.6% with a premium of \$213,370 issued with the debt.	8,351,386
Total Business-Type Activities	<u>\$ 8,466,386</u>

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 7 LONG-TERM INDEBTEDNESS (CONTINUED)**

Changes in the City's long-term debt arising from modified cash basis transactions or events for the year ended October 31, 2020 were as follows:

	Balance November 1, 2019	Additions	Retired	Balance October 31, 2020	Current Portion	Long-Term Portion
<b>Governmental Activities:</b>						
Capital Lease - Street Sweeper	\$ 167,688	\$ -	\$ 30,607	\$ 137,081	\$ 32,007	105,074
2018 General Obligation Bonds	2,000,000	-	35,000	1,965,000	40,000	1,925,000
2018 General Obligation Bonds Premium	75,886	-	1,328	74,558	1,518	73,040
2019 General Obligation Bonds	3,625,000	-	85,000	3,540,000	90,000	3,450,000
2019 General Obligation Bonds Premium	289,184	-	6,781	282,403	7,180	275,223
Total	<u>\$ 6,157,758</u>	<u>\$ -</u>	<u>\$ 158,716</u>	<u>\$ 5,999,042</u>	<u>\$ 170,705</u>	<u>\$ 5,828,337</u>
<b>Business-Type Activities:</b>						
2012 Certificates of Participation	\$ 170,000	\$ -	\$ 55,000	\$ 115,000	\$ 60,000	\$ 55,000
2018 Certificates of Participation	8,400,000	-	250,000	8,150,000	265,000	7,885,000
2018 Certificates of Participation Premium	207,563	-	6,177	201,386	6,548	194,838
Total	<u>\$ 8,777,563</u>	<u>\$ -</u>	<u>\$ 311,177</u>	<u>\$ 8,466,386</u>	<u>\$ 331,548</u>	<u>\$ 8,134,838</u>



**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 7 LONG-TERM INDEBTEDNESS (CONTINUED)**

Aggregate annual principal and interest payments applicable to long-term debt are:

Year Ending October 31,	Governmental Activities											
	Street Sweeper Capital Lease			2018 General Obligation Bond			2019 General Obligation Bond			Total		
	Principal Maturities	Interest Maturities	Total	Principal Maturities	Interest Maturities	Total	Principal Maturities	Interest Maturities	Total	Principal Maturities	Interest Maturities	Total
2021	\$ 32,007	\$ 6,269	\$ 38,276	\$ 40,000	\$ 68,080	\$ 108,080	\$ 90,000	\$ 131,775	\$ 221,775	\$ 162,007	\$ 206,124	\$ 368,131
2022	33,471	4,805	38,276	45,000	67,187	112,187	100,000	127,025	227,025	178,471	199,017	377,488
2023	35,001	3,275	38,276	50,000	66,141	116,141	105,000	121,900	226,900	190,001	191,316	381,317
2024	36,602	1,674	38,276	55,000	64,932	119,932	115,000	116,400	231,400	206,602	183,006	389,608
2025	-	-	-	60,000	63,325	123,325	120,000	110,525	230,525	180,000	173,850	353,850
2026-2030	-	-	-	405,000	281,944	686,944	570,000	460,962	1,030,962	975,000	742,906	1,717,906
2031-2035	-	-	-	755,000	177,744	932,744	1,505,000	280,500	1,785,500	2,260,000	458,244	2,718,244
2036-2038	-	-	-	555,000	33,188	588,188	935,000	49,963	984,963	1,490,000	83,151	1,573,151
Total	<u>\$ 137,081</u>	<u>\$ 16,023</u>	<u>\$ 153,104</u>	<u>\$ 1,965,000</u>	<u>\$ 822,541</u>	<u>\$ 2,787,541</u>	<u>\$ 3,540,000</u>	<u>\$ 1,399,050</u>	<u>\$ 4,939,050</u>	<u>\$ 5,642,081</u>	<u>\$ 2,237,614</u>	<u>\$ 7,879,695</u>

  

Year Ending October 31,	Business-Type Activities								
	2012 Certificates of Participation			2018 Certificates of Participation			Total		
	Principal Maturities	Interest Maturities	Total	Principal Maturities	Interest Maturities	Total	Principal Maturities	Interest Maturities	Total
2021	\$ 60,000	\$ 2,236	\$ 62,236	\$ 265,000	\$ 297,600	\$ 562,600	\$ 325,000	\$ 299,836	\$ 624,836
2022	55,000	723	55,723	335,000	284,350	619,350	390,000	285,073	675,073
2023	-	-	-	355,000	267,600	622,600	355,000	267,600	622,600
2024	-	-	-	365,000	249,850	614,850	365,000	249,850	614,850
2025	-	-	-	385,000	231,600	616,600	385,000	231,600	616,600
2026-2030	-	-	-	2,170,000	935,300	3,105,300	2,170,000	935,300	3,105,300
2031-2035	-	-	-	2,535,000	572,044	3,107,044	2,535,000	572,044	3,107,044
2036-2038	-	-	-	1,740,000	125,450	1,865,450	1,740,000	125,450	1,865,450
Total	<u>\$ 115,000</u>	<u>\$ 2,959</u>	<u>\$ 117,959</u>	<u>\$ 8,150,000</u>	<u>\$ 2,963,794</u>	<u>\$ 11,113,794</u>	<u>\$ 8,265,000</u>	<u>\$ 2,966,753</u>	<u>\$ 11,231,753</u>

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 8 TAXES**

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

The assessed valuation of the tangible property for the purpose of local taxation for the budget year ending October 31, 2020 was \$156,812,165.

The tax levy per \$100 of assessed valuation of tangible real and personal property for the budget year ending October 31, 2020 was \$0.4484 for general fund purposes.

Sales tax revenue consists of a 1% general sales tax on all receipts from the retail sale of tangible personal property or taxable services within the City subject to taxation by the State of Missouri, a one-half of 1% levy for the purpose of street maintenance, and a one-half of 1% levy for the purpose of capital improvement. In addition, a general purpose use tax of 2% is levied on the sale of tangible personal property stored, used, or consumed in the City.

The City is subject to property tax abatements through various programs implemented by Platte County, which include Tax Increment Financing (TIF). The enacting authority for TIF is Chapter 99, RSMO. A TIF project diverts tax revenue, above an established base level of taxes, to a special allocation fund that allows certain project costs to be reimbursed to developers for up to 23 years. Most commonly, the sources of funds that are diverted are Payments In Lieu of Taxes (PILOTs) and Economic Activity Taxes (EATs). Generally, 100% of PILOTs (real property based taxes) and 50% of EATs (sales, utilities, and earnings based taxes) are diverted. A basic requirement, as outlined in Section 99.810.1 (1), RSMO, is: "The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing." Each agreement will vary from project to project. Taxes abated related to the projects totaled \$8,260 during the year ending October 31, 2020.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 9 INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue during fiscal year ended October 31, 2020 consisted of the following:

	General Fund	CARES Act Stimulus Fund	Total
<b>State:</b>			
Motor Vehicle Fuel Tax	\$ 215,415	\$ -	\$ 215,415
<b>County:</b>			
Road and Bridge Tax	57,429	-	57,429
<b>School District:</b>			
School Resource Officer	24,763	-	24,763
<b>Federal:</b>			
Public Safety Grants	1,105	-	1,105
Pandemic Grants	-	945,400	945,400
Total	<u>\$ 298,712</u>	<u>\$ 945,400</u>	<u>\$ 1,244,112</u>

**NOTE 10 RISK MANAGEMENT**

The City is a member of MPR (formerly MARCIT), a nonprofit corporation consisting of governmental entities incorporated in 1984 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverages for its members including property, casualty, general liability, and workers' compensation. The City participates in medical, dental, property, casualty, general liability, and workers' compensation insurance coverage. MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest-bearing deposits, U.S. Treasury strips, U.S. governmental agency obligations, and collateralized mortgage obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during such year; and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year; and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessments, irrespective of whether or not the City is a member of MPR at the time of such assessment. MPR was not in a deficit situation during the past year.

There has been no significant reduction in insurance coverage from the previous year in any of the City's policies. In addition, there have been no settlements in excess of the City insurance coverage in any of the prior three years.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
OCTOBER 31, 2020**

**NOTE 11 COMMITMENTS**

**U.S. Army Corps of Engineers**

The City has entered into various agreements with U.S. Army Corps of Engineers (the Corps). One agreement, paid from the General Fund, is for the use of the Smith's Fork public use area and is payable in installments which began in 1999 that increases annually over a period of 50 years. The amount paid for the year ended October 31, 2020 was \$35,103.

The water and wastewater fund is responsible for two agreements, one to reimburse the Corps for a percentage of their maintenance costs for the dam at the Corps' Smithville Lake where the City has its water intake line, and another for access to water from the lake for the City's water supply. The total amount paid for both agreements for the year ended October 31, 2020 was \$12,626.

Future minimum payments under the agreements are as follows:

<u>Year Ending October 31,</u>	<u>Smith's Fork Park Rent</u>	<u>Water Supply Agreement</u>
2021	\$ 36,853	\$ 12,626
2022	38,701	12,684
2023	40,636	-
2024	53,335	-
2025	56,002	-
2026-2030	324,918	-
2031-2035	414,687	-
2036-2040	528,075	-
2041-2045	675,281	-
2046-2048	491,850	-
Total	<u>\$ 2,660,338</u>	<u>\$ 25,310</u>

**Redevelopment Agreement**

The City and its Tax Increment Financing (TIF) Commission have approved the formation of a redevelopment area and entered into a TIF redevelopment agreement. Under the terms of the agreement, the City, subject to the developer satisfying various conditions as specified in the agreement, will reimburse the developer approximately \$4.8 million of its eligible costs. The reimbursement is payable solely from 50% of the future incremental property and sales tax revenues generated by the project. As of October 31, 2020, no reimbursements have been made.

**Grants**

At October 31, 2020, the City had committed, but not yet paid, approximately \$142,000 of its remaining CARES Act funding to other organizations.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 11 COMMITMENTS (CONTINUED)**

**Operating Lease**

The City entered into an operating lease for the use of a skid steer loader. The lease was entered into on September 30, 2019 and continues until September 30, 2024. Lease expense for the year ended October 31, 2020 was \$6,959. Annual payments under the lease are due each September 30th as follows:

<u>Year Ending October 31,</u>	<u>Amount</u>
2021	\$ 6,959
2022	6,959
2023	6,959
Total	<u>\$ 20,877</u>

**Construction Projects**

In connection with the Main Street Trail project, the City has commitments approximating \$1,073,000 at October 31, 2020.

In connection with the Main Street water line project, the City has commitments approximating \$161,000 at October 31, 2020.

In connection with the raw water pump station project, the City has commitments approximating \$220,495 at October 31, 2020.

**NOTE 12 RENTAL INCOME**

The City leases space on its water towers for cell phone companies to place antennas. The total rents received from tenants were \$38,686 for the year ended October 31, 2020. Future rents to be received under current leases are as follows:

<u>Year Ending October 31,</u>	<u>Amount</u>
2021	<u>\$ 5,315</u>

The City also leases a portion of a building to the Smithville Senior Citizen Center for \$1 a year. The lease, originally entered into in August 2013, has an initial term of 10 years, and may be renewed for successive renewal terms of five years each.

**CITY OF SMITHVILLE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**OCTOBER 31, 2020**

**NOTE 13 PLEDGED REVENUES**

The proprietary fund has pledged future revenues, net of specified operating expenses, to repay certificates of participation that were issued for the purpose of improvements. The certificates of participation are payable solely from the fund's net revenues and are payable through 2037. The total principal and interest to be repaid on the certificates of participation is \$11,231,753. Scheduled payments of principal and interest for the current year was \$607,668 on the certificates of participation. Total proprietary fund net revenues for the current year were \$1,787,904.

**NOTE 14 RESERVE LEVEL POLICY**

The City has adopted a reserve policy goal which sets aside 40% of General Fund budgeted expenditures and 20% of proprietary operating revenues. Reserve amounts are reported as unassigned fund balance for the General Fund and unrestricted net position for the Proprietary Fund.

**NOTE 15 ECONOMIC RISKS**

During fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness, shortages of personnel, and loss of revenues. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

## OTHER INFORMATION

**CITY OF SMITHVILLE, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE — MODIFIED CASH BASIS**  
**GENERAL FUND**  
**YEAR ENDED OCTOBER 31, 2020**

	Original Budget	Final Budget	Actual	Variances with Budget Over (Under)
<b>REVENUES</b>				
Taxes	\$ 3,243,920	\$ 3,243,920	\$ 3,378,268	\$ 134,348
Licenses, Fees, and Permits	382,690	382,690	390,263	7,573
Intergovernmental Revenues	325,940	325,940	298,712	(27,228)
Charges for Services	272,090	272,090	214,339	(57,751)
Fines and Forfeitures	167,310	167,310	144,336	(22,974)
Interest	150,000	150,000	116,770	(33,230)
Other Revenue	3,580	3,580	46,400	42,820
Total Revenues	<u>4,545,530</u>	<u>4,545,530</u>	<u>4,589,088</u>	<u>43,558</u>
<b>EXPENDITURES</b>				
General Government	1,016,340	1,016,340	977,265	(39,075)
Police	1,883,030	1,883,030	1,787,509	(95,521)
Public Works	606,360	606,360	603,849	(2,511)
Parks and Recreation	597,840	622,840	542,594	(80,246)
Community and Economic Development	502,790	502,790	442,792	(59,998)
Senior Center	22,000	22,000	16,295	(5,705)
Capital Outlay	567,500	811,230	563,725	(247,505)
Total Expenditures	<u>5,195,860</u>	<u>5,464,590</u>	<u>4,934,029</u>	<u>(530,561)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(650,330)	(919,060)	(344,941)	574,119
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	-	174,520	174,520
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>174,520</u>	<u>174,520</u>
<b>NET CHANGE IN FUND BALANCE</b>	(650,330)	(919,060)	(170,421)	748,639
Fund Balance - Beginning of Year	<u>3,728,491</u>	<u>3,728,491</u>	<u>3,728,491</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,078,161</u>	<u>\$ 2,809,431</u>	<u>\$ 3,558,070</u>	<u>\$ 748,639</u>

See accompanying Notes to Other Information.



**CITY OF SMITHVILLE, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE — MODIFIED CASH BASIS**  
**TRANSPORTATION SALES TAX FUND**  
**YEAR ENDED OCTOBER 31, 2020**

	Original Budget	Final Budget	Actual	Variances with Budget Over (Under)
<b>REVENUES</b>				
Taxes	\$ 475,080	\$ 475,080	\$ 582,359	\$ 107,279
Total Revenues	475,080	475,080	582,359	107,279
<b>EXPENDITURES</b>				
Public Works	372,000	411,000	120,158	(290,842)
Capital Outlay	8,000	8,000	17,256	9,256
Debt Service	-	-	38,276	38,276
Total Expenditures	380,000	419,000	175,690	(243,310)
<b>NET CHANGE IN FUND BALANCES</b>	95,080	56,080	406,669	350,589
Fund Balance - Beginning of Year	355,937	355,937	355,937	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 451,017</u>	<u>\$ 412,017</u>	<u>\$ 762,606</u>	<u>\$ 350,589</u>

See accompanying Notes to Other Information.

**CITY OF SMITHVILLE, MISSOURI  
BUDGETARY COMPARISON SCHEDULE — MODIFIED CASH BASIS  
CARES ACT STIMULUS FUND  
YEAR ENDED OCTOBER 31, 2020**

	Original Budget	Final Budget	Actual	Variances with Budget Over (Under)
<b>REVENUES</b>				
Grant Revenue	\$ -	\$ 945,400	\$ 945,400	\$ -
Interest	-	-	751	751
Total Revenues	<u>-</u>	<u>945,400</u>	<u>946,151</u>	<u>751</u>
<b>EXPENDITURES</b>				
Public Safety	-	945,400	253,783	(691,617)
Capital Outlay	-	-	104,109	104,109
Total Expenditures	<u>-</u>	<u>945,400</u>	<u>357,892</u>	<u>(587,508)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	588,259	588,259
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,259</u>	<u>\$ 588,259</u>

See accompanying Notes to Other Information.

**CITY OF SMITHVILLE, MISSOURI  
NOTES TO OTHER INFORMATION  
YEAR ENDED OCTOBER 31, 2020**

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

- A. Prior to October 31 of each year, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following November 1. The operating budget includes proposed expenditures and the means of financing them. The City adopts the proposed budget as amended and adjusted by the Board of Aldermen.
- B. Public hearings on the City's budget are conducted to obtain taxpayer comments. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
- C. On or before October 31, the final budget is legally enacted by City Ordinance.
- D. Subsequent to its formal approval of the budget, the Board of Aldermen has the authority to make necessary adjustments to the budget by formal vote of the board.
- E. Management is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen. Reported budget amounts are as originally adopted or amended by the Board of Aldermen.
- F. In accordance with Chapter 67, RSMo., the City adopts a budget for each fund. The proposed budget includes estimated revenues and proposed expenditure for all city funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Actual expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, miscellaneous services and charges, and capital outlay) within each program. All amounts over budget have been approved by the Board of Aldermen through the disbursement process.
- G. Budgets for the general, certain special revenue funds, and the debt service fund are adopted on a basis consistent with a budgetary basis of accounting. Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen. The City may use encumbrances where the expenditure may occur prior to the disbursement of cash.

**CITY OF SMITHVILLE, MISSOURI  
SCHEDULE OF CONTRIBUTIONS  
YEAR ENDED OCTOBER 31, 2020**

Fiscal Year Ending October 31,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 91,571	\$ 90,425	\$ 1,146	\$ 1,695,758	5.4%
2012	129,002	129,002	-	1,666,035	7.7
2013	135,882	135,882	-	1,630,264	8.3
2014	140,913	140,913	-	1,784,036	7.9
2015	160,040	160,040	-	2,009,670	8.0
2016	225,202	225,202	-	2,193,483	10.3
2017	214,857	214,857	-	2,260,587	9.5
2018	264,323	264,323	-	2,516,884	10.5
2019	285,158	285,158	-	2,739,287	10.4
2020	292,948	292,948	-	3,021,638	9.7

## **SUPPLEMENTARY INFORMATION**

**CITY OF SMITHVILLE, MISSOURI**  
**COMBINING BALANCE SHEET — MODIFIED CASH BASIS — NONMAJOR GOVERNMENTAL FUNDS**  
**OCTOBER 31, 2020**

	Special Revenue						Capital Improvement Sales Tax	Debt Service	Total Nonmajor Governmental Funds
	Police Training	DWI Recovery	Technology Upgrade	Judicial Education	Special Allocation	Appointed Council			
<b>ASSETS</b>									
Cash	\$ 10,830	\$ 10,428	\$ 4,807	\$ 3,446	\$ -	\$ 2,795	\$ -	\$ -	\$ 32,306
Restricted Cash	-	-	-	-	8,260	-	347,270	231,262	586,792
Total Assets	<u>\$ 10,830</u>	<u>\$ 10,428</u>	<u>\$ 4,807</u>	<u>\$ 3,446</u>	<u>\$ 8,260</u>	<u>\$ 2,795</u>	<u>\$ 347,270</u>	<u>\$ 231,262</u>	<u>\$ 619,098</u>
<b>FUND BALANCES</b>									
Restricted	\$ 10,830	\$ 10,428	\$ -	\$ 3,446	\$ 8,260	\$ 2,795	\$ 347,270	\$ 231,262	\$ 614,291
Committed	-	-	4,807	-	-	-	-	-	4,807
Total Fund Balances	<u>\$ 10,830</u>	<u>\$ 10,428</u>	<u>\$ 4,807</u>	<u>\$ 3,446</u>	<u>\$ 8,260</u>	<u>\$ 2,795</u>	<u>\$ 347,270</u>	<u>\$ 231,262</u>	<u>\$ 619,098</u>

**CITY OF SMITHVILLE, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**MODIFIED CASH BASIS — NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED OCTOBER 31, 2020**

	Special Revenue							Total Nonmajor Governmental Funds
	Police Training	DWI Recovery	Technology Upgrade	Judicial Education	Special Allocation	Appointed Council	Capital Improvement Sales Tax	Debt Service
<b>REVENUES</b>								
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,260	\$ -	\$ 579,721	\$ -
Licenses, Fees, and Permits	2,306	400	-	-	-	-	-	-
Total Revenues	2,306	400	-	-	8,260	-	579,721	-
<b>EXPENDITURES</b>								
Current:								
Police	836	3,316	3,200	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	120,000
Interest	-	-	-	-	-	-	-	205,018
Total Expenditures	836	3,316	3,200	-	-	-	-	325,018
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,470	(2,916)	(3,200)	-	8,260	-	579,721	(325,018)
<b>OTHER FINANCING USES</b>								
Transfers In	-	-	-	-	-	-	-	556,280
Transfers Out	-	-	-	-	-	-	(556,280)	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(556,280)	556,280
<b>NET CHANGE IN FUND BALANCES</b>	1,470	(2,916)	(3,200)	-	8,260	-	23,441	231,262
Fund Balances - Beginning of Year	9,360	13,344	8,007	3,446	-	2,795	323,829	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10,830</u>	<u>\$ 10,428</u>	<u>\$ 4,807</u>	<u>\$ 3,446</u>	<u>\$ 8,260</u>	<u>\$ 2,795</u>	<u>\$ 347,270</u>	<u>\$ 231,262</u>

