

# City of Bolivar, Missouri

## BASIC FINANCIAL STATEMENTS Year Ended December 31, 2019



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## **Independent Auditors' Report**

Honorable Mayor and Board of Aldermen  
City of Bolivar  
Bolivar, Missouri

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of and for the year ended December 31, 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 accounting principles generally accepted in the United States of America; this includes 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

The City of Bolivar, Missouri has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bolivar, Missouri's basic financial statements. The Combining Non-Major Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Combining Non-Major Fund financial statements and Schedule of Expenditures of Federal Awards 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020, on our consideration of the City of Bolivar, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 of Bolivar, Missouri's internal control over financial reporting and compliance.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
June 23, 2020

# City of Bolivar

## Statement of Net Position

December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
<b>Assets</b>				
Current				
Cash and cash equivalents	\$ 2,481,954	\$ 1,132,120	\$ 3,614,074	\$ 146,892
Investments	419,282	-	419,282	71,309
Taxes receivable	910,773	-	910,773	-
Court fines receivable, net	18,848	-	18,848	-
Intergovernmental receivable	24,621	-	24,621	-
Utilities receivable, net	-	431,950	431,950	-
Internal balances	150,000	(150,000)	-	-
Other accounts receivable	30,326	24,208	54,534	-
Prepaid expenses	3,265	-	3,265	-
Noncurrent				
Restricted cash and cash equivalents	74,256	157,633	231,889	-
Restricted investments	91,874	-	91,874	-
Net pension asset	705,751	24,604	730,355	-
Capital assets:				
Non-depreciable	976,336	132,231	1,108,567	480,952
Depreciable, net	19,444,259	14,432,617	33,876,876	-
<b>Total Assets</b>	<b>25,331,545</b>	<b>16,185,363</b>	<b>41,516,908</b>	<b>699,153</b>
<b>Deferred Outflow of Resources</b>				
Deferred pension outflows	212,281	47,590	259,871	-

See accompanying notes to the financial statements.

# City of Bolivar

## Statement of Net Position

December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
<b>Liabilities</b>				
Current				
Accounts payable	156,554	85,362	241,916	-
Accrued expenses	83,195	54,583	137,778	-
Customer deposits payable	2,495	151,289	153,784	-
Court bonds payable	15,392	-	15,392	-
Police evidence payable	25,569	-	25,569	-
Unearned revenue	217,587	-	217,587	-
Accrued interest payable	47,946	44,167	92,113	-
Current portion of long-term debt	366,382	411,281	777,663	-
	915,120	746,682	1,661,802	-
Noncurrent				
Capital leases payable	1,095,473	4,103,163	5,198,636	-
Certificates of participation payable, net	5,297,358	-	5,297,358	-
Compensated absences	45,152	18,698	63,850	-
	6,437,983	4,121,861	10,559,844	-
<b>Total Liabilities</b>	7,353,103	4,868,543	12,221,646	-
<b>Deferred Inflow of Resources</b>				
Deferred pension inflows	337,232	53,866	391,098	-
<b>Net Position</b>				
Net investment in capital assets	13,661,382	10,055,248	23,716,630	480,952
Restricted				
Non-expendable	386,967	-	386,967	-
Expendable	2,718,080	-	2,718,080	-
Unrestricted	1,087,062	1,255,296	2,342,358	218,201
<b>Total Net Position</b>	<u>\$ 17,853,491</u>	<u>\$ 11,310,544</u>	<u>\$ 29,164,035</u>	<u>\$ 699,153</u>

See accompanying notes to the financial statements.



# City of Bolivar

## Statement of Activities

Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses), Revenues and Changes in Net Position			Component Unit Industrial Development Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
Public safety	\$ (1,924,964)	\$ 96,277	56,336	\$ 33,567	\$ (1,738,784)	\$ -	\$ (1,738,784)	\$ -
Municipal court	(112,146)	-	-	-	(112,146)	-	(112,146)	-
Community development	(386,055)	72,458	-	-	(313,597)	-	(313,597)	-
Animal pound	(130,205)	5,767	517	-	(123,921)	-	(123,921)	-
Recreation and parks	(613,578)	6,710	-	-	(606,868)	-	(606,868)	-
Rails to trails	(16,534)	-	-	-	(16,534)	-	(16,534)	-
Aquatic center	(283,285)	94,623	-	-	(188,662)	-	(188,662)	-
Golf course	(170,533)	74,353	-	-	(96,180)	-	(96,180)	-
Fire	(1,162,188)	-	31,797	-	(1,130,391)	-	(1,130,391)	-
Cemetery	(53,571)	33,870	895	-	(18,806)	-	(18,806)	-
Transportation	(1,359,570)	5,832	-	200,000	(1,153,738)	-	(1,153,738)	-
Airport	(624,740)	388,881	-	975,883	740,024	-	740,024	-
Debt service	(331,482)	-	-	-	(331,482)	-	(331,482)	-
<b>Total Governmental Activities</b>	<b>(7,168,851)</b>	<b>778,771</b>	<b>89,545</b>	<b>1,209,450</b>	<b>(5,091,085)</b>	<b>-</b>	<b>(5,091,085)</b>	<b>-</b>
Business-Type Activities								
Water and Sewer	(3,553,569)	4,908,591	-	-	-	1,355,022	1,355,022	-
<b>Total Business-Type Activities</b>	<b>(3,553,569)</b>	<b>4,908,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,355,022</b>	<b>1,355,022</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ (10,722,420)</b>	<b>\$ 5,687,362</b>	<b>\$ 89,545</b>	<b>\$ 1,209,450</b>	<b>(5,091,085)</b>	<b>1,355,022</b>	<b>(3,736,063)</b>	<b>-</b>
Component Unit								
Industrial Development Authority	\$ (20,006)	\$ -	\$ -	\$ -	-	-	-	(20,006)
<b>General Revenues</b>								
Sales taxes					5,351,255	-	5,351,255	-
Motor vehicle taxes					420,513	-	420,513	-
Other taxes					32,621	-	32,621	-
Franchise fees					216,769	-	216,769	-
Interest					39,869	4,702	44,571	756
Other revenue					232,182	-	232,182	-
Transfers					(1,107)	1,107	-	-
<b>Total General Revenues and Transfers</b>					<b>6,292,102</b>	<b>5,809</b>	<b>6,297,911</b>	<b>756</b>
<b>Special Items</b>								
Gain (loss) on disposal of property					(3,234)	9,125	5,891	84,486
Insurance proceeds					14,907	-	14,907	-
<b>Total Special Items</b>					<b>11,673</b>	<b>9,125</b>	<b>20,798</b>	<b>84,486</b>
<i>Changes in Net Position</i>					1,212,690	1,369,956	2,582,646	65,236
Net Position, Beginning of year					16,640,801	9,940,588	26,581,389	633,917
<b>Net Position, End of year</b>					<b>\$ 17,853,491</b>	<b>\$ 11,310,544</b>	<b>\$ 29,164,035</b>	<b>\$ 699,153</b>

See accompanying notes to the financial statements.

## City of Bolivar

### Balance Sheet – Governmental Funds

December 31, 2019

	Special Revenue Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund	Airport Fund		
<b>Assets</b>								
Cash and cash equivalents - unrestricted	\$ 243,799	\$ 1,190,192	\$ 519,469	\$ 200	\$ -	\$ 406,634	\$ 121,660	\$ 2,481,954
Investments - unrestricted	31,951	112,673	-	-	-	-	274,658	419,282
Taxes receivable	370,109	154,692	185,055	88,898	88,904	23,115	-	910,773
Court fines receivable, net	18,848	-	-	-	-	-	-	18,848
Intergovernmental receivable	420	-	-	-	6,790	17,411	-	24,621
Other accounts receivable	10,685	-	-	1,071	-	18,570	-	30,326
Prepaid expenses	135	-	-	-	3,130	-	-	3,265
Due from other funds	-	297,869	150,000	-	-	-	-	447,869
Restricted cash and cash equivalents	71,701	-	-	60	-	2,495	-	74,256
Restricted investments	-	-	-	-	-	-	91,874	91,874
<b>Total Assets</b>	<u>\$ 747,648</u>	<u>\$ 1,755,426</u>	<u>\$ 854,524</u>	<u>\$ 90,229</u>	<u>\$ 98,824</u>	<u>\$ 468,225</u>	<u>\$ 488,192</u>	<u>\$ 4,503,068</u>
<b>Liabilities and Fund Balances (Deficit)</b>								
<b>Liabilities</b>								
Accounts payable	\$ 77,384	\$ 24,056	\$ -	\$ 12,178	\$ 21,480	\$ 21,209	\$ 247	\$ 156,554
Accrued expenses	49,830	11,272	-	7,973	14,107	-	13	83,195
Due to other funds	-	-	-	210,048	-	-	87,821	297,869
Customer deposits payable	-	-	-	-	-	2,495	-	2,495
Court bonds payable	15,392	-	-	-	-	-	-	15,392
Police evidence payable	25,569	-	-	-	-	-	-	25,569
Unearned revenue	-	-	-	65,273	-	152,314	-	217,587
<b>Total Liabilities</b>	<u>168,175</u>	<u>35,328</u>	<u>-</u>	<u>295,472</u>	<u>35,587</u>	<u>176,018</u>	<u>88,081</u>	<u>798,661</u>

See accompanying notes to the financial statements.

# City of Bolivar

## Balance Sheet – Governmental Funds

Year Ended December 31, 2019

	Special Revenue Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund	Airport Fund		
Fund Balances (Deficit)								
Nonspendable:								
Prepaid items	135	-	-	-	3,130	-	-	3,265
Cemetery perpetual care	-	-	-	-	-	-	31,874	31,874
Permanent	-	-	-	-	-	-	355,093	355,093
Restricted for:								
Debt service	-	-	-	60	-	-	-	60
Public safety - drug forfeiture	5,432	-	-	-	-	-	-	5,432
Shop with a cop	15,293	-	-	-	-	-	-	15,293
Dog pound	2,566	-	-	-	-	-	-	2,566
Transportation	-	1,720,098	-	-	-	-	-	1,720,098
Capital improvements	-	-	854,524	-	-	-	-	854,524
Fire	-	-	-	-	60,107	-	-	60,107
Cemetery	-	-	-	-	-	-	60,000	60,000
Assigned to:								
Airport	-	-	-	-	-	292,207	-	292,207
Unassigned	556,047	-	-	(205,303)	-	-	(46,856)	303,888
<b>Total Fund Balances (Deficit)</b>	<b>579,473</b>	<b>1,720,098</b>	<b>854,524</b>	<b>(205,243)</b>	<b>63,237</b>	<b>292,207</b>	<b>400,111</b>	<b>3,704,407</b>
<b>Total Liabilities and Fund Balances (Deficit)</b>	<b>\$ 747,648</b>	<b>\$ 1,755,426</b>	<b>\$ 854,524</b>	<b>\$ 90,229</b>	<b>\$ 98,824</b>	<b>\$ 468,225</b>	<b>\$ 488,192</b>	<b>\$ 4,503,068</b>

See accompanying notes to the financial statements.

## City of Bolivar

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2019

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Fund balance - total governmental funds	\$ 3,704,407
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	32,387,070
Less accumulated depreciation	<u>(11,966,475)</u>
	20,420,595
The net pension asset and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension asset	705,751
Deferred outflows due to pensions	212,281
Deferred inflows due to pensions	<u>(337,232)</u>
	580,800
Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due	(47,946)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(6,804,365)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 17,853,491</u></u>

See accompanying notes to the financial statements.

# City of Bolivar

## Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2019

	General Fund	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
		Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund	Airport Fund		
<b>Revenues</b>								
Taxes	\$ 2,431,806	\$ 1,324,291	\$ 1,091,201	\$ 519,403	\$ 519,409	\$ 135,047	\$ -	\$ 6,021,157
Licenses and permits	78,225	-	-	-	-	-	-	78,225
Charges for services	-	-	-	175,687	-	388,881	25,745	590,313
Intergovernmental revenues	63,865	200,000	-	-	31,797	975,883	-	1,271,545
Fines and forfeitures	114,692	-	-	-	-	-	-	114,692
Interest	38,439	203	-	46	-	-	1,182	39,870
Other	152,720	6,700	-	33,981	6,151	-	74,319	273,871
<b>Total Revenues</b>	<b>2,879,747</b>	<b>1,531,194</b>	<b>1,091,201</b>	<b>729,117</b>	<b>557,357</b>	<b>1,499,811</b>	<b>101,246</b>	<b>8,389,673</b>
<b>Expenditures</b>								
Current								
Public safety	2,081,817	-	-	-	-	-	-	2,081,817
Municipal court	112,880	-	-	-	-	-	-	112,880
Community development	390,565	-	-	-	-	-	-	390,565
Animal pound	131,182	-	-	-	-	-	-	131,182
Recreation and parks	-	-	-	510,162	-	-	-	510,162
Aquatic center	-	-	-	283,285	-	-	-	283,285
Golf course	-	-	-	170,903	-	-	-	170,903
Fire	-	-	-	-	1,008,744	-	-	1,008,744
Cemetery	-	-	-	-	-	-	50,356	50,356
Transportation	-	1,617,098	-	-	-	-	-	1,617,098
Airport	-	-	-	-	-	1,675,327	-	1,675,327
Debt Service	-	-	-	-	-	-	-	-
Principal, interest and fees	-	109,146	-	420,615	338,913	-	-	868,674
<b>Total Expenditures</b>	<b>2,716,444</b>	<b>1,726,244</b>	<b>-</b>	<b>1,384,965</b>	<b>1,347,657</b>	<b>1,675,327</b>	<b>50,356</b>	<b>8,900,993</b>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	163,303	(195,050)	1,091,201	(655,848)	(790,300)	(175,516)	50,890	(511,320)
<b>Other Financing Sources (Uses)</b>								
Lease proceeds	182,734	252,130	-	-	182,734	-	-	617,598
Insurance proceeds	-	-	-	-	-	14,907	-	14,907
Operating transfer in (out)	(408,921)	-	(848,421)	662,843	625,118	-	(31,726)	(1,107)
<b>Total Other Financing Sources (Uses)</b>	<b>(226,187)</b>	<b>252,130</b>	<b>(848,421)</b>	<b>662,843</b>	<b>807,852</b>	<b>14,907</b>	<b>(31,726)</b>	<b>631,398</b>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(62,884)	57,080	242,780	6,995	17,552	(160,609)	19,164	120,078
Fund Balance (Deficit), January 1	642,357	1,663,018	611,744	(212,238)	45,685	452,816	380,947	3,584,329
<b>Fund Balance (Deficit), December 31</b>	<b>\$ 579,473</b>	<b>\$ 1,720,098</b>	<b>\$ 854,524</b>	<b>\$ (205,243)</b>	<b>\$ 63,237</b>	<b>\$ 292,207</b>	<b>\$ 400,111</b>	<b>\$ 3,704,407</b>

See accompanying notes to the financial statements.

## City of Bolivar

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2019

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Net change in fund balances - total governmental funds	\$	120,078
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Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in  
the Statement of Activities the cost of these assets is allocated over their  
estimated useful lives on a straight line basis and reported as depreciation expense.

Capital outlay	1,884,442
Depreciation	(928,041)
Disposal of capital assets, net	(3,234)
	<u>953,167</u>

Some revenues reported in the governmental funds represent current financial  
resources and were recognized in the Statement of Activities when earned. (18,698)

The issuance of long-term debt provides current financial resources to governmental  
funds. The repayment of the principal of long-term debt is a use of current financial  
resources of governmental funds. In the Statement of Activities, interest is accrued  
on outstanding debt whereas, in the governmental funds, an interest expenditure is  
reported when due. The following is the detail of the net effect of these differences.

Discount on certificates of participation	(11,602)
Accrued interest payable	560
Lease proceeds	(617,597)
Repayment of principal on debt	762,418
	<u>133,779</u>

Some expenditures reported in the governmental funds represent the use of current  
financial resources and were recognized in the Statement of Activities when incurred.

Change in pension related costs	31,250
Change in compensated absences	(6,886)
	<u>24,364</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 1,212,690</u></u>

See accompanying notes to the financial statements.

## City of Bolivar

### Statement of Net Position – Enterprise Fund

December 31, 2019

	<u>Water and Sewer Fund</u>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 1,132,120
Utilities receivable, net	431,950
Other accounts receivable	24,208
<b>Total Current Assets</b>	<u>1,588,278</u>
Restricted Assets	
Cash and cash equivalents	157,633
<b>Total Restricted Assets</b>	<u>157,633</u>
Property, Plant and Equipment	
Land	132,231
Equipment and furniture	2,326,526
Water and sewer system	24,153,494
Buildings and improvements	589,993
Less accumulated depreciation	(12,637,396)
<b>Total Property, Plant, and Equipment</b>	<u>14,564,848</u>
Net Pension Asset	24,604
Total Assets	<u>16,335,363</u>
<b>Deferred Outflow of Resources</b>	
Deferred pension outflows	47,590

See accompanying notes to the financial statements.

# City of Bolivar

## Statement of Net Position – Enterprise Fund

December 31, 2019

	<u>Water and Sewer Fund</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts payable	85,362
Accrued expenses	54,583
Customer deposits	151,289
Due to other funds	150,000
Accrued interest payable	44,167
Current portion of long-term debt	411,281
<b>Total Current Liabilities</b>	<u>896,682</u>
Long-Term Liabilities	
Capital leases payable	4,103,163
Compensated absences payable	18,698
<b>Total Long-Term Liabilities</b>	<u>4,121,861</u>
<b>Total Liabilities</b>	<u>5,018,543</u>
<b>Deferred Inflow of Resources</b>	
Deferred pension inflows	<u>53,866</u>
<b>Net Position</b>	
Net investment in capital assets	10,055,248
Unrestricted	1,255,296
<b>Total Net Position</b>	<u><u>\$ 11,310,544</u></u>

See accompanying notes to the financial statements.



# City of Bolivar

## Statement of Revenues, Expenses and Changes in Net Position – Enterprise Fund

Year Ended December 31, 2019

	<u>Water and Sewer Fund</u>
<b>Operating Revenues</b>	
Charges for services	\$ 4,764,281
Other charges	<u>144,310</u>
<b>Total Operating Revenues</b>	4,908,591
<b>Operating Expenses</b>	
Salaries and wages	933,639
Employee benefits	195,702
Materials and supplies	211,985
Trash collection	403,737
Telephone and utilities	291,698
Insurance	85,326
Repairs and maintenance	473,363
Travel and conferences	12,798
Depreciation	744,473
Miscellaneous	<u>64,491</u>
<b>Total Operating Expenses</b>	<u>3,417,212</u>
<i>Operating Income</i>	1,491,379
<b>Nonoperating Revenues (Expenses)</b>	
Interest income	4,702
Gain on disposal of property	9,125
Interest expense	<u>(136,357)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(122,530)</u>
<i>Income Before Operating Transfers</i>	1,368,849
Operating Transfers In	<u>1,107</u>
<i>Net Income</i>	1,369,956
Net Position, January 1	<u>9,940,588</u>
<b>Net Position, December 31</b>	<u><u>\$ 11,310,544</u></u>

See accompanying notes to the financial statements.

# City of Bolivar

## Statement of Cash Flows – Enterprise Fund

Year Ended December 31, 2019

	<b>Water and Sewer Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 4,797,328
Cash paid to employees	(1,126,262)
Cash paid to suppliers	(1,576,867)
<b>Net Cash Provided by Operating Activities</b>	<u>2,094,199</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers from other funds	1,107
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>1,107</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(433,204)
Capital lease proceeds	84,303
Proceeds from sale of assets	26,600
Payment of principal on capital leases	(794,176)
Payment of interest expense	(137,727)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(1,254,204)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	4,702
<b>Net Cash Provided by Investing Activities</b>	<u>4,702</u>
<i>Net Increase in Cash and Cash Equivalents</i>	845,804
Cash and Cash Equivalents, Beginning of year	443,949
Cash and Cash Equivalents, End of year	<u>1,289,753</u>
Less Restricted Cash and Cash Equivalents	(157,633)
<b>Unrestricted Cash and Cash Equivalents</b>	<u><u>\$ 1,132,120</u></u>

See accompanying notes to the financial statements.

## City of Bolivar

### Statement of Cash Flows – Enterprise Fund

Year Ended December 31, 2019

	<u>Sewer Fund</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 1,491,379
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	744,473
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Utilities receivable	(151,367)
Prepaid expenses	1,692
Other accounts receivable	22,055
Net pension asset	(8,414)
Deferred pension outflows	9,306
Accounts payable	(35,161)
Accrued expenses	10,616
Compensated absences	3,929
Customer deposits payable	18,049
Deferred pension inflows	(12,358)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 2,094,199</u></u>

See accompanying notes to the financial statements.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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### 1. Summary of Significant Accounting Policies

The City of Bolivar, Missouri (the City) is a fourth class city under Missouri State Statutes and is governed under a Mayor/Board of Aldermen form of government. The City provides a range of municipal services, including general government administration, public safety, fire, recreation, cemetery, community development, street maintenance, airport facilities, and waterworks and sewerage operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not financially accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. 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 accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Bolivar, Missouri, is a primary government, which is governed by an elected Board of Aldermen. As required by accounting principles generally accepted in the United States of America, 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. The City has determined that the entity described in the following paragraph meets the above criteria and therefore, has been included as a component unit in the City's basic financial statements.

#### Component Unit

##### *Industrial Development Authority*

The Industrial Development Authority (IDA) is a not-for-profit corporation established by resolution of the Board of Aldermen and formed under RSMo Chapter 349, the Industrial Development Corporations Act. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. The IDA Board of Directors is appointed by the Board of Aldermen of the City of Bolivar, Missouri. The City provides the IDA financial and administrative support.

#### Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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### *Government-Wide Financial Statements*

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

### *Fund Financial Statements*

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund 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 not accounted for in other funds.

*Street Fund:* The Street Fund of the City is used to account for resources restricted, committed or assigned for City streets.

*½ Cent Capital Improvement Fund:* This fund is used to account for financial resources restricted, committed or assigned for the acquisition, construction, and maintenance of major capital assets of the City.

*Recreation Facility Fund:* The Recreation Facility Fund is used to account for financial resources restricted, committed or assigned for City recreation and parks.

*Fire Fund:* The Fire Fund is used to account for financial resources restricted, committed or assigned for the City Fire Department.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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*Airport Fund:* The Airport Fund is used to account for financial resources restricted, committed or assigned for the City's airport.

The City reports the following major proprietary fund:

*Water and Sewer Fund:* The Water and Sewer Fund accounts for the activities and capital improvements of the City's water and sewer operations.

### Unearned Revenue

This is future revenue received in advance for the interest subsidy on the 2010B Certificates of Participation to offset interest expense in the Recreation Facility Fund and insurance proceeds received in advance of repairs in the Airport Fund. These revenues will be recognized as income when the interest payment is due on the certificates in the Recreation Facility Fund and when the repairs are performed in the Airport Fund.

### Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the city elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings	40-50 years
Equipment	5-20 years
Vehicles	10-20 years
Water and sewer plant	20-50 years
Infrastructure	30-50 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

### Pooled Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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### Compensated Absences

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

### Use of Estimates

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

### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenue and expenses are considered nonoperating.

### Net Position

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

*Net Investment in Capital Assets:* This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted:* Consists of net position that does not meet the determination of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted amounts.

### Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable Fund Balance:* This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance:* This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance:* This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's Board of Aldermen.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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*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. Assigned fund balances 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:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has one item that qualifies for reporting in this category, deferred amounts relating to employer contributions to the retirement plan.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position. This amount is recognized as an inflow of resources in the period that the amount become available.

### **Pensions**

For purposes of measuring the net pension asset/liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Program Revenues**

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 692) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.



# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### 2. Risks & Uncertainties

Subsequent to year end, a strain of coronavirus (COVID-19) was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet determinable, but will likely be significant for both the local and global economy. The effects of COVID-19 on the City are also not yet determinable, however COVID-19 has been identified as a significant risk and uncertainty that could impact future operations and result in changes in estimates and assumptions in the financial statements.

### 3. Cash & Cash Equivalents

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2019, all bank balances on deposit are entirely insured or collateralized.

### 4. Investments

#### Primary Government

The City's investments as of December 31, 2019, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	4/2/2020 - 10/1/2020	<u>\$ 511,156</u>

#### *Certificates of Deposit*

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2019, all certificates of deposit are entirely insured or collateralized with securities.

#### *Interest Rate Risk*

The City does not have a policy on interest rate risk.

#### Industrial Development Authority

The Industrial Development Authority's investments as of December 31, 2019, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	5/8/2020 - 12/23/2020	<u>\$ 71,309</u>

#### *Certificates of Deposit*

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. As of December 31, 2019, all certificates of deposit are entirely insured or collateralized with securities.

#### *Interest Rate Risk*

The Industrial Development Authority does not have a policy on interest rate risk.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### 5. Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts as follows:

	<b>Accounts Receivable</b>	<b>Allowance</b>	<b>Net Accounts Receivable</b>
<b>Utilities Receivable</b>			
Water and Sewer Fund	\$ 433,847	\$ 1,897	\$ 431,950
<b>Court Fines Receivable</b>			
General Fund	\$ 169,862	\$ 151,014	\$ 18,848

### 6. Restricted Assets

#### Governmental Activities

Cash and investments and fund balance/net position have been restricted in the following funds:

	<b>Restricted Cash and Investments</b>	<b>Restricted Fund Balance/ Net Position</b>
<i>General Fund</i>		
Court bonds	\$ 15,392	\$ -
Drug forfeiture	5,432	5,432
Shop with a cop	15,293	15,293
Dog pound fund	2,566	2,566
Sales tax to developer	7,449	-
Police evidence	25,569	-
	<u>\$ 71,701</u>	<u>\$ 23,291</u>
<i>Street Fund</i>		
Transportation taxes	<u>\$ -</u>	<u>\$ 1,720,098</u>
<i>1/2 Cent Capital Improvement Fund</i>		
Capital improvement taxes	<u>\$ -</u>	<u>\$ 854,524</u>
<i>Recreation Facility Fund</i>		
2016 Certificates of Participation		
Certificate fund	<u>\$ 60</u>	<u>\$ 60</u>
<i>Fire Fund</i>		
Fire taxes	<u>\$ -</u>	<u>\$ 60,107</u>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

	<b>Restricted Cash and Investments</b>	<b>Restricted Fund Balance/ Net Position</b>
<i>Airport Fund</i>		
Airport deposits	\$ 2,495	\$ -
<i>Non-Major Governmental Funds</i>		
Cemetery perpetual care	\$ 31,874	\$ 31,874
Cemetery donations	60,000	60,000
Corbett donation	-	283,921
Bolivar Charitable Trust	-	28,565
Plaza of the Americas	-	42,607
	<u>\$ 91,874</u>	<u>\$ 446,967</u>

### Business-Type Activities

Restricted cash and cash equivalents and net position include cash restricted for wastewater improvements, customer deposits and performance bonds. These restrictions are as follows:

	<b>Restricted Cash and Cash Equivalents</b>	<b>Restricted Net Position</b>
<i>Water and Sewer Fund</i>		
Sewer System Lease Proceeds	\$ 4,844	\$ -
Utility Deposits	151,289	-
Performance Bonds	1,500	-
	<u>\$ 157,633</u>	<u>\$ -</u>

## 7. Long-Term Liabilities – Business-Type Activities

The business-type activities long-term liabilities at December 31, 2019, consists of four capital lease obligations and compensated absences.

### Capital Lease Agreement – Wastewater Treatment Plant Improvements

On April 30, 2013, the City entered into a lease agreement with Clayton Holdings, LLC (Commerce Bank) in the amount of \$1,804,084 to pay off an existing lease for wastewater treatment plant improvements in the amount of \$386,493 and to finance new wastewater treatment plant improvements. The agreement requires semi-annual payments of \$140,202 including interest at 2.29%. In the event of default, by written notice, the lessor may declare all rental payments and other amounts payable to be due.

The City's lease agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancelable capital lease in accordance with GASB Section L20, "Leases".

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

The following is a schedule of future lease payments under the lease (assuming noncancellation):

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2020	\$ 64,925	\$ 743	\$ 65,668

### Capital Lease Agreement – Sewer Lines and Lift Station

On October 30, 2015, the City entered into a lease purchase agreement with Branch Banking and Trust Company in the amount of \$4,204,000 to purchase sewer lines and a lift station. The agreement requires semi-annual principal and interest payments with interest at 2.63%. In the event of default, by written notice, the lessor may declare all rental payments and other amounts payable to be due.

The City's lease agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancelable capital lease in accordance with GASB Section L20, "Leases".

The following is a schedule of future lease payments under the lease (assuming noncancellation):

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2020	\$ 258,700	\$ 83,864	\$ 342,564
2021	265,500	77,016	342,516
2022	272,500	69,987	342,487
2023	279,700	62,774	342,474
2024	287,100	55,369	342,469
2025	294,700	47,769	342,469
2026	302,500	39,967	342,467
2027	310,600	31,958	342,558
2028	318,700	23,737	342,437
2029	327,200	15,300	342,500
2030	335,800	6,638	342,438
	<u>\$ 3,253,000</u>	<u>\$ 514,379</u>	<u>\$ 3,767,379</u>

### Capital Lease Agreement – Water and Sewer Lines

On February 28, 2018, the City entered into a lease purchase agreement with Zion Bank, N.A., in the amount of \$1,231,162 to finance the replacement of water and sewer lines. The agreement requires semi-annual principal and interest payments with interest at 3.38%. In the event of default, by written notice, the lessor may declare all rental payments and other amounts payable to be due.

The City's lease agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancelable capital lease in accordance with GASB Section L20, "Leases".

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

The following is a schedule of future lease payments under the lease (assuming noncancellation):

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2020	\$ 67,568	\$ 37,773	\$ 105,341
2021	69,871	35,470	105,341
2022	72,252	33,089	105,341
2023	74,715	30,626	105,341
2024	77,262	28,079	105,341
2025	79,895	25,446	105,341
2026	82,619	22,722	105,341
2027	85,435	19,906	105,341
2028	88,347	16,994	105,341
2029	91,358	13,983	105,341
2030	94,472	10,869	105,341
2031	97,692	7,649	105,341
2032	101,022	4,319	105,341
2033	51,796	875	52,671
	<u>\$ 1,134,304</u>	<u>\$ 287,800</u>	<u>\$ 1,422,104</u>

### Capital Lease Agreement – Excavator

In January 2019, the City entered into a lease purchase agreement to finance the purchase of an excavator in the amount of \$126,455. \$84,303 was recorded in the business-type activities and \$42,152 was recorded in governmental activities. The agreement requires annual payments with interest at 3.21%. In the event of default, the lessor may declare all rental payments and other amounts payable to be due or take possession of the equipment.

The City's lease agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancelable capital lease in accordance with GASB Section L20, "Leases."

The following is a schedule of future lease payments under the lease (assuming noncancellation):

Year Ending December 31,	Direct Borrowing		
	Principal	Interest	Total
2020	\$ 20,088	\$ 1,997	\$ 22,085
2021	20,732	1,353	22,085
2022	21,398	687	22,085
	<u>\$ 62,218</u>	<u>\$ 4,037</u>	<u>\$ 66,255</u>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

A summary of the changes in long-term liabilities – business-type activities for the year ended December 31, 2019, is as follows:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Amounts Due Within One Year
<b>Capital Leases Payable</b>					
Direct Borrowings					
Water Tower	\$ 23,512	\$ -	\$ 23,512	\$ -	\$ -
Public Works Building	157,036	-	157,036	-	-
Wastewater Treatment Plant	339,124	-	274,199	64,925	64,925
Sewer Lines and Lift Station	3,505,000	-	252,000	3,253,000	258,700
Water and Sewer Lines	1,199,645	-	65,344	1,134,301	67,568
Excavator	-	84,303	22,085	62,218	20,088
	<u>5,224,317</u>	<u>84,303</u>	<u>794,176</u>	<u>4,514,444</u>	<u>411,281</u>
Compensated Absences Payable	14,769	3,929	-	18,698	-
	<u>\$ 5,239,086</u>	<u>\$ 88,232</u>	<u>\$ 794,176</u>	<u>\$ 4,533,142</u>	<u>\$ 411,281</u>

## 8. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at December 31, 2019, consists of six capital lease obligations, Series 2010B Certificate of Participation, Series 2016 Refunding Certificate of Participation, and compensated absences.

### Capital Lease Agreement – Fire Truck

On December 18, 2014, the City entered into a lease purchase agreement to finance the purchase of a fire truck in the amount of \$509,958. The agreement requires monthly payments of \$5,033 including interest at 4%. In the event of default, the lessor may declare all rental payments and other amounts payable to be due together with interest on such amount of 1.5% per month or the maximum permitted by law from the date on which the lessor has declared the lease to be in default or by written notice, request lessee to return the equipment.

### Capital Lease Agreement – Public Safety Building

On January 30, 2014, the City entered into a lease purchase agreement to finance the purchase of a Public Safety Building and land in the amount of \$500,000. On February 8, 2019, the City refinanced the agreement in the amount of \$365,467. The agreement requires monthly payments of \$3,592 including interest at 3.37%. In the event of default, the lessor may declare all rental payments and other amounts payable to be due or take possession of the property.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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### **Capital Lease Agreement – Fire Truck**

On September 29, 2015, the City entered into a lease purchase agreement to finance the purchase of a fire truck in the amount of \$691,898. The agreement requires monthly payments of \$6,446 including interest at 2.25%. In the event of default, the lessor may declare all rental payments and other amounts payable to be due together with interest on such amount of 1.5% per month or the maximum permitted by law from the date on which the lessor has declared the lease to be in default or by written notice, request lessee to return the equipment.

### **Capital Lease Agreement – Dispatch Equipment**

On January 24, 2017, the City entered into a lease purchase agreement to finance the purchase of dispatch equipment. The agreement requires annual payments of \$33,220. The interest rate is 0%. In the event of default, the lessor shall have the right to repossess the property, regardless of the City's lease payments made prior to default.

### **Capital Lease Agreement – Street Sweeper**

On September 15, 2019, the City entered into a lease purchase agreement to finance the purchase of a street sweeper in the amount of \$209,978. The agreement requires annual payments with interest at 3.24%. In the event of default, the lessor may declare all rental payments and other amounts payable to be due or take possession of the equipment.

### **Capital Lease Agreement – Excavator**

In January 2019, the City entered into a lease purchase agreement to finance the purchase of an excavator in the amount of \$126,455. \$84,303 was recorded in the business-type activities and \$42,152 was recorded in governmental activities. The agreement requires annual payments with interest at 3.21%. In the event of default, the lessor may declare all rental payments and other amounts payable to be due or take possession of the equipment.

The City's lease agreements provide for the cancellation of the leases at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancellable capital leases in accordance with GASB Section L20, "Leases."

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

The following is a schedule of the future minimum lease payments under the lease agreements (assuming noncancellation):

Year Ending December 31,	Direct Borrowing						Total
	2014 Fire Truck Lease	Public Safety Building Lease	2015 Fire Truck Lease	Dispatch Equipment Lease	Street Sweeper Lease	Excavator Lease	
2020	\$ 60,402	\$ 43,101	\$ 77,352	\$ 33,220	\$ 44,908	\$ 11,042	\$ 270,025
2021	60,402	43,101	77,352	33,220	44,908	11,042	270,025
2022	60,402	43,101	77,352	33,220	44,908	11,042	270,025
2023	60,402	43,101	77,352	-	44,908	-	225,763
2024	50,335	43,101	77,352	-	-	-	170,788
2025	-	43,101	64,460	-	-	-	107,561
2026	-	43,101	-	-	-	-	43,101
2027	-	43,101	-	-	-	-	43,101
2028	-	43,101	-	-	-	-	43,101
2029	-	7,183	-	-	-	-	7,183
<b>Total Minimum Lease Payments</b>	291,943	395,092	451,220	99,660	179,632	33,126	1,450,673
Less Amount Representing Interest	(17,616)	(55,605)	(28,807)	-	(13,673)	(2,017)	(117,718)
<b>Principal Balance, December 31, 2019</b>	<u>\$ 274,327</u>	<u>\$ 339,487</u>	<u>\$ 422,413</u>	<u>\$ 99,660</u>	<u>\$ 165,959</u>	<u>\$ 31,109</u>	<u>\$ 1,332,955</u>

### Series 2016 Refunding Certificates of Participation

On September 20, 2016, the City issued \$1,344,500 in Series 2016 Refunding Certificates of Participation for the purpose of providing funds to refinance the Series 2010A Certificates of Participation. The certificates bear interest of 2.8%. Interest and principal payments are due semi-annually on May 1 and November 1 of each year. In the event of default, the lessor shall give notice to the lessee to vacate the leased property immediately and may, terminate this lease or the lessee's possessory rights, re-enter the leased property and eject all parties in possession thereof and rent the leased property, or at its option, sell the property or take any action at law or in equity deemed necessary to enforce its rights with respect to the property.

The Certificates of Participation outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 128,900	\$ 24,156	\$ 153,056
2021	137,200	20,488	157,688
2022	145,200	16,590	161,790
2023	152,700	12,471	165,171
2024	159,800	8,147	167,947
2025	171,100	3,593	174,693
	<u>\$ 894,900</u>	<u>\$ 85,445</u>	<u>\$ 980,345</u>



# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### Series 2010B Certificates of Participation

On December 23, 2010, the City issued \$4,775,000 Taxable Certificates of Participation (Build America Bonds – Direct Pay), Series 2010B. The Certificates were issued to provide financing of the costs related to the acquisition, construction, improvement, furnishing and equipping of an aquatic center, certain improvements to the City's golf course and parks and for six police vehicles. The Certificates of Participation bear interest from 7.50% to 8.50% with principal payments due November 1 and interest payments due May 1 and November 1 each year. The City will receive an interest subsidy from the U.S. Treasury semi-annually to offset approximately 35% of the cost of interest payments on the Series 2010B Certificates of Participation. The City is required to file specific forms with the IRS before each interest payment is due in order to receive the subsidy. In the event of default, the lessor shall give notice to the lessee to vacate the leased property immediately and may, terminate this lease or the lessee's possessory rights, re-enter the leased property and eject all parties in possession thereof and rent the leased property, or at its option, sell the property or take any action at law or in equity deemed necessary to enforce its rights with respect to the property.

The Certificates of Participation outstanding at December 31, 2019, are due as follows:

Year Ending December 31,	Direct Borrowing			
	Principal	Interest	Interest Subsidy	Total
2020	\$ -	\$ 404,025	\$ (141,409)	\$ 262,616
2021	-	404,025	(141,409)	262,616
2022	-	404,025	(141,409)	262,616
2023	-	404,025	(141,409)	262,616
2024	-	404,025	(141,409)	262,616
2025	-	404,025	(141,409)	262,616
2026	185,000	404,025	(141,409)	447,616
2027	200,000	390,150	(136,553)	453,597
2028	215,000	373,150	(130,603)	457,547
2029	230,000	354,875	(124,206)	460,669
2030	250,000	335,325	(117,364)	467,961
2031	270,000	314,075	(109,926)	474,149
2032	285,000	291,125	(101,894)	474,231
2033	305,000	266,900	(93,415)	478,485
2034	330,000	240,975	(84,341)	486,634
2035	350,000	212,925	(74,524)	488,401
2036	375,000	183,175	(64,111)	494,064
2037	400,000	151,300	(52,955)	498,345
2038	430,000	117,300	(41,055)	506,245
2039	460,000	80,750	(28,263)	512,487
2040	490,000	41,650	(14,578)	517,072
	<u>\$ 4,775,000</u>	<u>\$ 6,181,850</u>	<u>\$ (2,163,651)</u>	<u>\$ 8,793,199</u>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

A summary of the changes in the long-term liabilities-governmental activities for the year ended December 31, 2019, is as follows:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Amounts Due Within One Year
<b>Capital Leases Payable</b>					
Direct Borrowing					
Public Works Building	\$ 52,346	\$ -	\$ 52,346	\$ -	\$ -
2014 Fire Truck	326,973	-	52,646	274,327	54,010
Public Safety Building	355,962	-	355,962	-	-
Refinanced Public Safety Building	-	365,467	25,980	339,487	32,154
2015 Fire Truck	489,415	-	67,002	422,413	68,529
Dispatch Equipment	132,880	-	33,220	99,660	33,220
Street Sweeper	-	209,978	44,019	165,959	39,525
Excavator	-	42,152	11,043	31,109	10,044
	<u>1,357,576</u>	<u>617,597</u>	<u>642,218</u>	<u>1,332,955</u>	<u>237,482</u>
<b>Certificates of Participation</b>					
Series 2016 Refunding Certificates of Participation	1,015,100	-	120,200	894,900	128,900
Direct Borrowing					
Series 2010B Certificates of Participation	4,775,000	-	-	4,775,000	-
Less: Discount on Certificates of Participation	(255,244)	-	(11,602)	(243,642)	-
	<u>5,534,856</u>	<u>-</u>	<u>108,598</u>	<u>5,426,258</u>	<u>128,900</u>
Compensated Absences Payable	38,266	6,886	-	45,152	-
	<u>\$ 6,930,698</u>	<u>\$ 624,483</u>	<u>\$ 750,816</u>	<u>\$ 6,804,365</u>	<u>\$ 366,382</u>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### 9. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

#### Primary Government

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
<b>Governmental Activities</b>				
Non-depreciable Capital Assets				
Land	\$ 976,336	\$ -	\$ -	\$ 976,336
Construction in progress	69,547	1,103,471	1,173,018	-
<b>Total Non-depreciable Capital Assets</b>	<u>1,045,883</u>	<u>\$ 1,103,471</u>	<u>\$ 1,173,018</u>	<u>976,336</u>
Depreciable Capital Assets				
Buildings and land improvements	11,016,328	\$ 44,566	\$ -	11,060,894
Equipment and furniture	7,299,597	429,561	96,075	7,633,083
Infrastructure	11,236,895	1,479,862	-	12,716,757
<b>Total Depreciable Capital Assets</b>	<u>29,552,820</u>	<u>\$ 1,953,989</u>	<u>\$ 96,075</u>	<u>31,410,734</u>
Less Accumulated Depreciation	<u>(11,131,275)</u>	<u>\$ (928,041)</u>	<u>\$ 92,841</u>	<u>(11,966,475)</u>
<b>Total Depreciable Capital Assets, net</b>	<u>18,421,545</u>			<u>19,444,259</u>
<b>Total Governmental Activities Capital Assets, net</b>	<u>\$ 19,467,428</u>			<u>\$ 20,420,595</u>

Depreciation expense for governmental activities was charged to functions as follows:

Fire	\$ 157,298
Public safety	133,663
Recreation and parks	160,138
Rails to trails	16,534
Golf course	850
Transportation	309,851
Airport	146,492
Cemetery	3,215
	<u>\$ 928,041</u>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
<b>Business-Type Activities</b>				
Non-depreciable Capital Assets				
Land	\$ 132,231	\$ -	\$ -	\$ 132,231
Construction in progress	456,304	153,253	609,557	-
<b>Total Non-depreciable Capital Assets</b>	<u>588,535</u>	<u>\$ 153,253</u>	<u>\$ 609,557</u>	<u>132,231</u>
Depreciable Capital Assets				
Equipment and furniture	2,270,970	\$ 119,751	\$ 64,195	2,326,526
Water and sewer system	23,383,737	769,757	-	24,153,494
Buildings and improvements	589,993	-	-	589,993
<b>Total Depreciable Capital Assets</b>	<u>26,244,700</u>	<u>\$ 889,508</u>	<u>\$ 64,195</u>	<u>27,070,013</u>
Less Accumulated Depreciation	<u>(11,939,643)</u>	<u>\$ (744,473)</u>	<u>\$ 46,720</u>	<u>(12,637,396)</u>
<b>Total Depreciable Capital Assets, net</b>	<u>14,305,057</u>			<u>14,432,617</u>
<b>Total Business-Type Activities Capital Assets, net</b>	<u>\$ 14,893,592</u>			<u>\$ 14,564,848</u>
<b>Industrial Development Authority</b>				
	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Non-depreciable Capital Assets				
Land	\$ 535,965	\$ -	\$ 55,013	\$ 480,952
<b>Total Non-Depreciable Capital Assets</b>	<u>\$ 535,965</u>	<u>\$ -</u>	<u>\$ 55,013</u>	<u>\$ 480,952</u>

## 10. Employee Pension Plan

### General Information about the Pension Plan

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

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

**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 (55 for police and fire) 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 fire) and receive a reduced allowance.

	<b><u>2019 Valuation</u></b>
Benefit multiplier	1.50% for life
Final average salary	3 years
Member contributions	4%

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, which is LAGERS fiscal year end and the latest information available, the following employees were covered by the benefit terms:

	<b><u>General</u></b>	<b><u>Police</u></b>	<b><u>Fire</u></b>
Inactive employees or beneficiaries currently receiving benefits	38	10	2
Inactive employees entitled to but not yet receiving benefits	15	23	9
Active employees	<u>53</u>	<u>21</u>	<u>11</u>
	<u>106</u>	<u>54</u>	<u>22</u>

**Contributions.** The employer 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 contribute 4% to the pension plan. Employer contribution rates are 8.60% (General), 2.0% (Police), and 7.7% (Fire) of annual covered payroll.

**Net Pension Asset.** The employer'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 inflation, 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation for general and police; 3.25% to 7.15% including wage inflation for fire
Investment rate return	7.25% net of investment expenses

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described 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 estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

*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.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### Changes in the Net Pension (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<b>General Division</b>			
Balances at beginning of year	\$ 4,981,122	\$ 5,028,531	\$ (47,409)
Changes for the year:			
Service cost	183,541	-	183,541
Interest	355,160	-	355,160
Difference between expected and actual experiences	6,112	-	6,112
Contributions - employer	-	155,646	(155,646)
Contributions - employee	-	72,390	(72,390)
Net investment income	-	340,081	(340,081)
Benefits paid, including refunds	(351,205)	(351,205)	-
Administrative expenses	-	(12,678)	12,678
Other changes	-	19,408	(19,408)
<i>Net Changes</i>	<u>193,608</u>	<u>223,642</u>	<u>(30,034)</u>
<b>Balances at end of year</b>	<b>5,174,730</b>	<b>5,252,173</b>	<b>(77,443)</b>
<b>Police Division</b>			
Balances at beginning of year	2,072,657	2,618,169	(545,512)
Changes for the year:			
Service cost	85,935	-	85,935
Interest	150,616	-	150,616
Difference between expected and actual experiences	(91,048)	-	(91,048)
Contributions - employer	-	13,413	(13,413)
Contributions - employee	-	35,396	(35,396)
Net investment income	-	167,938	(167,938)
Benefits paid, including refunds	(76,143)	(76,143)	-
Administrative expenses	-	(4,107)	4,107
Other changes	-	(19,704)	19,704
<i>Net Changes</i>	<u>69,360</u>	<u>116,793</u>	<u>(47,433)</u>
<b>Balances at end of year</b>	<b>2,142,017</b>	<b>2,734,962</b>	<b>(592,945)</b>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
<b>Fire Division</b>			
Balances at beginning of year	365,528	410,711	(45,183)
Changes for the year:			
Service cost	51,439	-	51,439
Interest	27,671	-	27,671
Difference between expected and actual experiences	(15,183)	-	(15,183)
Contributions - employer	-	37,865	(37,865)
Contributions - employee	-	19,006	(19,006)
Net investment income	-	27,614	(27,614)
Benefits paid, including refunds	(18,579)	(18,579)	-
Administrative expenses	-	(1,571)	1,571
Other changes	-	(4,203)	4,203
<i>Net Changes</i>	45,348	60,132	(14,784)
Balances at end of year	410,876	470,843	(59,967)
<b>Total Plan Balances at End of Year</b>	<u>\$ 7,727,623</u>	<u>\$ 8,457,978</u>	<u>\$ (730,355)</u>

The net pension (asset) has been allocated as follows:

	Net Pension (Asset)
Governmental Activities	\$ (705,751)
Business-Type Activities	(24,604)
	<u>\$ (730,355)</u>



# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

*Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate.* The following present the net pension asset/liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension asset/liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<b>General Division</b>			
Total Pension Liability	\$ 5,922,334	\$ 5,174,730	\$ 4,565,828
Fiduciary Net Position	5,252,173	5,252,173	5,252,173
Net Pension Liability/(Asset)	670,161	(77,443)	(686,345)
<b>Police Division</b>			
Total Pension Liability	2,560,838	2,142,017	1,813,252
Fiduciary Net Position	2,734,962	2,734,962	2,734,962
Net Pension (Asset)	(174,124)	(592,945)	(921,710)
<b>Fire Division</b>			
Total Pension Liability	513,140	410,876	332,835
Fiduciary Net Position	470,843	470,843	470,843
Net Pension Liability/(Asset)	42,297	(59,967)	(138,008)
<b>Total Net Pension Liability/(Asset)</b>	<u>\$ 538,334</u>	<u>\$ (730,355)</u>	<u>\$ (1,746,063)</u>

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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

For the year ended December 31, 2019, the employer recognized pension expense of \$127,558 in the general division, pension expense of \$15,993 in the police division, and pension expense of \$35,747 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
<b>General Division</b>			
Differences in experiences	\$ 17,597	\$ (41,235)	\$ (23,638)
Differences in assumptions	46,165	-	46,165
Excess investment returns	-	(128,315)	(128,315)
Contributions subsequent to the measurement date*	86,034	-	86,034
	<u>149,796</u>	<u>(169,550)</u>	<u>(19,754)</u>
<b>Police Division</b>			
Differences in experiences	32,785	(105,476)	(72,691)
Differences in assumptions	7,876	-	7,876
Excess investment returns	-	(62,685)	(62,685)
Contributions subsequent to the measurement date*	6,792	-	6,792
	<u>47,453</u>	<u>(168,161)</u>	<u>(120,708)</u>
<b>Fire Division</b>			
Differences in experiences	37,272	(44,781)	(7,509)
Differences in assumptions	4,974	-	4,974
Excess investment returns	-	(8,606)	(8,606)
Contributions subsequent to the measurement date*	20,376	-	20,376
	<u>62,622</u>	<u>(53,387)</u>	<u>9,235</u>
	<u>\$ 259,871</u>	<u>\$ (391,098)</u>	<u>\$ (131,227)</u>

Deferred outflows and inflows have been allocated as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Governmental Activities	\$ 212,281	\$ (337,232)	\$ (124,951)
Business-Type Activities	47,590	(53,866)	(6,276)
	<u>\$ 259,871</u>	<u>\$ (391,098)</u>	<u>\$ (131,227)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ending December 31, 2020.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

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

Year Ending December 31,	Net Deferred Outflow (Inflow) of Resources			
	General	Police	Fire	Total
2020	\$ (9,938)	\$ (34,389)	\$ (1,111)	\$ (45,438)
2021	(62,463)	(48,566)	(3,378)	(114,407)
2022	(42,377)	(28,863)	(1,269)	(72,509)
2023	8,083	(13,829)	1,836	(3,910)
2024	907	(1,853)	1,171	225
Thereafter	-	-	(8,390)	(8,390)
	<u>\$ (105,788)</u>	<u>\$ (127,500)</u>	<u>\$ (11,141)</u>	<u>\$ (244,429)</u>

### Payable to the Pension Plan

At December 31, 2019, the City had no outstanding amounts of contributions to the pension plan required, therefore no payable was reported.

## 11. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

## 12. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of December 31, 2019, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

## 13. Deficit Fund Balance

As of December 31, 2019, the City had a deficit fund balance of \$205,243 in the Recreation Facility Fund.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### 14. Interfund Transfers

Transfers between funds of the City for the year ended December 31, 2019, were as follows:

	Transfers In (Out)
General Fund	\$ (408,921)
1/2 Cent Capital Improvement Fund	(848,421)
Recreation Facility Fund	662,843
Fire Fund	625,118
Non-major Funds	(31,726)
Water and Sewer Fund	1,107
	<u>\$ -</u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them.

### 15. Internal Balances

Internal balances as of December 31, 2019, consisted of the following:

	Water and Sewer Fund	1/2 Cent Capital Improvements Fund	Greenwood Cemetery Fund	Recreation Facility Fund	Street Fund
Internal balances	<u>\$ (150,000)</u>	<u>\$ 150,000</u>	<u>\$ (87,821)</u>	<u>\$ (210,048)</u>	<u>\$ 297,869</u>

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of December 31, 2019, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

### 16. Unearned Revenue

Revenue received but not considered earned is when the appropriate expenses have been incurred. At December 31, 2019, unearned revenue in the Recreation Facility Fund in the amount of \$65,273 is related to an interest subsidy received in advance to offset interest expense on the 2010B Certificates of Participation. Unearned revenue in the Airport Fund is related to insurance proceeds received in advance of repairs in the amount of \$152,314. These amounts and will be recognized as revenue when the interest payment is due and as repairs are made.

# City of Bolivar

## Notes to the Financial Statements

December 31, 2019

### 17. Commitments

In November 2015, the City entered into a five year service and technology agreement with JMark Business Solutions, Inc. The agreement requires monthly payments of \$7,042 through October 2020.

In May 2019, the City entered into a five year copier lease agreement with Corporate Business Solutions. The agreement requires monthly payments of \$1,690 through May 2024.

Future payments are due as follows:

<u>Year Ending December 31,</u>	<u>IT Service Agreement</u>	<u>Copier Lease</u>	<u>Total</u>
2020	\$ 73,938	\$ 20,275	\$ 94,213
2021	-	20,275	20,275
2022	-	20,275	20,275
2023	-	20,275	20,275
2024	-	8,448	8,448
	<u>\$ 73,938</u>	<u>\$ 89,548</u>	<u>\$ 163,486</u>

### 18. Subsequent Event

On June 2, 2020, the voters of the City approved the sale of the City's existing combined waterworks and sewerage system to Liberty Utilities (Missouri Water), LLC and also for the City to enter into a franchise agreement with Liberty Utilities (Missouri Water), LLC for a period not to exceed 20 years.

## Required Supplementary Information

# City of Bolivar

## Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Year Ended December 31, 2019

### Missouri Local Government Employees Retirement System (LAGERS)

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Total Pension Liability</b>					
Service cost	\$ 320,915	\$ 308,710	\$ 279,503	\$ 252,054	\$ 228,133
Interest on the Total Pension Liability	533,447	496,388	462,632	432,438	415,228
Difference between expected and actual experience	(100,119)	62,626	(21,132)	(214,596)	(108,402)
Changes of assumptions	-	-	-	216,327	-
Benefit payments, including refunds	(445,927)	(282,055)	(257,895)	(307,702)	(310,906)
<i>Net Change in Total Pension Liability</i>	<u>308,316</u>	<u>585,669</u>	<u>463,108</u>	<u>378,521</u>	<u>224,053</u>
<b>Total Pension Liability, Beginning</b>	<u>7,419,307</u>	<u>6,833,638</u>	<u>6,370,530</u>	<u>5,992,009</u>	<u>5,767,956</u>
<b>Total Pension Liability, Ending</b>	<u>7,727,623</u>	<u>7,419,307</u>	<u>6,833,638</u>	<u>6,370,530</u>	<u>5,992,009</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	206,924	207,658	203,008	177,671	168,419
Contributions - employee	126,792	131,408	129,707	116,774	100,253
Net investment income	535,633	874,123	745,870	1,997	122,865
Benefit payments, including refunds	(445,927)	(282,055)	(257,895)	(307,702)	(310,906)
Pension plan administrative expense	(18,356)	(11,866)	(12,138)	(11,695)	(12,117)
Other	(4,499)	9,797	(27,288)	(84,785)	8,056
<i>Net Change in Plan Fiduciary Net Position</i>	<u>400,567</u>	<u>929,065</u>	<u>781,264</u>	<u>(107,740)</u>	<u>76,570</u>
Plan Fiduciary Net Position, Beginning	<u>8,057,411</u>	<u>7,128,346</u>	<u>6,347,082</u>	<u>6,454,822</u>	<u>6,378,252</u>
Plan Fiduciary Net Position, Ending	<u>8,457,978</u>	<u>8,057,411</u>	<u>7,128,346</u>	<u>6,347,082</u>	<u>6,454,822</u>
<b>Employer Net Pension Liability (Asset)</b>	<u>\$ (730,355)</u>	<u>\$ (638,104)</u>	<u>\$ (294,708)</u>	<u>\$ 23,448</u>	<u>\$ (462,813)</u>
Plan fiduciary net position as a percentage of the total pension liability	109.45%	108.60%	104.31%	99.63%	107.72%
Covered employee payroll	\$ 3,091,214	\$ 3,239,437	\$ 3,016,021	\$ 2,742,161	\$ 2,524,321
Employer's net pension liability/(asset) as a percentage of covered employee payroll	(23.63)%	(19.70)%	(9.77)%	(.86)%	(18.33)%

This schedule is intended to show information for ten years.

Additional years will be displayed as they become available.

# City of Bolivar

## Schedule of Contributions

Year Ended December 31, 2019

### Missouri Local Government Employees Retirement System (LAGERS)

Year Ending December 31,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2010	\$ 166,114	\$ 89,942	\$ (76,172)	\$ 2,311,546	3.89%
2011	168,320	113,102	(55,218)	2,312,618	4.89%
2012	134,009	101,902	(32,107)	1,853,042	5.50%
2013	140,171	133,883	(6,288)	2,059,056	6.50%
2014	189,711	163,119	(26,592)	2,437,488	6.69%
2015	174,702	174,702	-	2,628,954	6.65%
2016	186,658	186,658	-	3,090,762	6.04%
2017	205,857	205,857	-	3,258,850	6.32%
2018	203,595	203,595	-	3,163,788	6.44%
2019	222,925	222,056	(869)	3,295,183	6.74%



# City of Bolivar

## Notes to the Schedule of Contributions

Year Ended December 31, 2019

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**Valuation Date:** February 28, 2019

**Notes:** The roll-forward of total pension liability from February 28, 2019, to June 30, 2019, reflects expected service cost and interest reduced by actual benefit payments.

### **Methods and Assumptions Used to Determine Contribution Rates**

*Actuarial Cost Method:* Entry Age Normal and Modified Terminal Funding

*Amortization Method:* A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, the amount is amortized over the greater of the greater of (i) the remaining initial amortization period or (ii) 15 years.

*Remaining Amortization Period:* Multiple bases from 10 to 15 years for the general division and 15 years for the police and fire divisions

*Asset Valuation Method:* 5-Year smoothed market; 20% corridor

*Inflation:* 3.25% wage inflation; 2.50% price inflation

*Salary Increases:* 3.25% to 6.55% including wage inflation for the general and police divisions

3.25% to 7.15% including wage inflation for the fire division

*Investment Rate of Return:* 7.25%, net of investment expenses

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition

*Mortality:* The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

*Other Information:* None

# City of Bolivar

## Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Taxes				
Sales tax	\$ 2,193,000	\$ 2,193,000	\$ 2,182,416	\$ (10,584)
Utility franchise tax	231,500	231,500	216,769	(14,731)
Surtax	40,000	40,000	32,621	(7,379)
	<u>2,464,500</u>	<u>2,464,500</u>	<u>2,431,806</u>	<u>(32,694)</u>
Licenses and Permits				
Merchant licenses	20,000	20,000	20,969	969
Building permits	5,000	5,000	16,224	11,224
Liquor licenses	7,000	7,000	8,066	1,066
Inspection fees	20,000	20,000	22,494	2,494
Zoning fees	3,000	3,000	4,705	1,705
Animal license and fees	4,425	4,425	5,767	1,342
	<u>59,425</u>	<u>59,425</u>	<u>78,225</u>	<u>18,800</u>
Intergovernmental Revenues				
Public safety grants	31,700	31,700	63,865	32,165
	<u>31,700</u>	<u>31,700</u>	<u>63,865</u>	<u>32,165</u>
Fines and Forfeitures				
City court fines	122,250	122,250	113,475	(8,775)
Miscellaneous fines and forfeitures	1,900	1,900	1,217	(683)
	<u>124,150</u>	<u>124,150</u>	<u>114,692</u>	<u>(9,458)</u>
Miscellaneous				
Interest	15,050	15,050	38,439	23,389
Other	138,850	132,800	152,720	19,920
	<u>153,900</u>	<u>147,850</u>	<u>191,159</u>	<u>43,309</u>
<b>Total Revenues</b>	<u>2,833,675</u>	<u>2,827,625</u>	<u>2,879,747</u>	<u>52,122</u>

# City of Bolivar

## Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Expenditures</b>				
Current				
Administrative	238,511	237,077	-	237,077
Public safety	1,990,778	2,191,316	2,081,817	109,499
Municipal court	117,607	119,723	112,880	6,843
Community development	387,572	394,709	390,565	4,144
Animal pound	145,986	148,915	131,182	17,733
<b>Total Expenditures</b>	<b>2,880,454</b>	<b>3,091,740</b>	<b>2,716,444</b>	<b>375,296</b>
<i>Excess (Deficit) of Revenues over Expenditures</i>	(46,779)	(264,115)	163,303	427,418
<b>Other Financing Sources (Uses)</b>				
Lease proceeds	-	182,734	182,734	-
Operating transfers in	135,700	219,524	219,524	-
Operating transfers (out)	-	(639,945)	(628,445)	11,500
<b>Total Other Financing Sources (Uses)</b>	<b>135,700</b>	<b>(237,687)</b>	<b>(226,187)</b>	<b>11,500</b>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	88,921	(501,802)	(62,884)	438,918
Fund Balance, January 1	642,357	642,357	642,357	-
<b>Fund Balance, December 31</b>	<b>\$ 731,278</b>	<b>\$ 140,555</b>	<b>\$ 579,473</b>	<b>\$ 438,918</b>

# City of Bolivar

## Budgetary Comparison Schedule – Street Fund

Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Taxes				
Sales tax	\$ 875,000	\$ 875,000	\$ 903,778	\$ 28,778
Motor vehicle tax	417,750	417,750	420,513	2,763
	<u>1,292,750</u>	<u>1,292,750</u>	<u>1,324,291</u>	<u>31,541</u>
Intergovernmental Revenues				
Special road district	265,000	265,000	200,000	(65,000)
Miscellaneous				
Interest	151	151	203	52
Other	-	-	6,700	6,700
	<u>151</u>	<u>151</u>	<u>6,903</u>	<u>6,752</u>
<b>Total Revenues</b>	<u>1,557,901</u>	<u>1,557,901</u>	<u>1,531,194</u>	<u>(26,707)</u>
<b>Expenditures</b>				
Current				
Transportation	1,520,290	1,759,661	1,617,098	142,563
Debt service				
Principal, interest and fees	14,040	14,040	109,146	(95,106)
<b>Total Expenditures</b>	<u>1,534,330</u>	<u>1,773,701</u>	<u>1,726,244</u>	<u>47,457</u>
<i>Excess (Deficit) of Revenues over Expenditures</i>	23,571	(215,800)	(195,050)	20,750
<b>Other Financing Sources</b>				
Lease proceeds	-	252,130	252,130	-
<i>Excess of Revenues and Other Sources Over Expenditures</i>	23,571	36,330	57,080	20,750
Fund Balance, January 1	<u>1,663,018</u>	<u>1,663,018</u>	<u>1,663,018</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 1,686,589</u>	<u>\$ 1,699,348</u>	<u>\$ 1,720,098</u>	<u>\$ 20,750</u>

## City of Bolivar

### Budgetary Comparison Schedule - ½ Cent Capital Improvement Fund

Year Ended December 31, 2019

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Sales tax	\$ 1,075,000	\$ 1,075,000	\$ 1,091,201	\$ 16,201
<b>Total Revenues</b>	<u>1,075,000</u>	<u>1,075,000</u>	<u>1,091,201</u>	<u>16,201</u>
<b>Other Financing (Uses)</b>				
Operating transfers (out)	<u>(1,068,910)</u>	<u>(848,421)</u>	<u>(848,421)</u>	<u>-</u>
<i>Excess of Revenues Over Other (Uses)</i>	6,090	226,579	242,780	16,201
Fund Balance, January 1	<u>611,744</u>	<u>611,744</u>	<u>611,744</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u><u>\$ 617,834</u></u>	<u><u>\$ 838,323</u></u>	<u><u>\$ 854,524</u></u>	<u><u>\$ 16,201</u></u>

# City of Bolivar

## Budgetary Comparison Schedule – Recreation Facility Fund

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Sales tax	\$ 500,000	\$ 500,000	\$ 519,403	\$ 19,403
Charges for services	203,840	203,840	175,687	(28,153)
Interest	-	-	46	46
Other	31,900	31,900	33,981	2,081
<b>Total Revenues</b>	<u>735,740</u>	<u>735,740</u>	<u>729,117</u>	<u>(6,623)</u>
<b>Expenditures</b>				
Current				
Recreation and parks	554,450	542,082	510,162	31,920
Aquatic center	205,611	237,266	283,285	(46,019)
Golf course	229,690	227,757	170,903	56,854
Debt service				
Principal, interest and fees	553,000	553,000	420,615	132,385
<b>Total Expenditures</b>	<u>1,542,751</u>	<u>1,560,105</u>	<u>1,384,965</u>	<u>175,140</u>
<i>(Deficit) of Revenues over Expenditures</i>	(807,011)	(824,365)	(655,848)	168,517
<b>Other Financing Sources</b>				
Operating transfers in	<u>808,500</u>	<u>662,843</u>	<u>662,843</u>	<u>-</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	1,489	(161,522)	6,995	168,517
Fund (Deficit), January 1	-	-	(212,238)	(212,238)
<b>Fund (Deficit), December 31</b>	<u>\$ 1,489</u>	<u>\$ (161,522)</u>	<u>\$ (205,243)</u>	<u>\$ (43,721)</u>

# City of Bolivar

## Budgetary Comparison Schedule – Fire Fund

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Sales tax	\$ 500,000	\$ 500,000	\$ 519,409	\$ 19,409
Intergovernmental revenue	25,000	25,000	31,797	6,797
Other	7,000	950	6,151	5,201
<b>Total Revenues</b>	<u>532,000</u>	<u>525,950</u>	<u>557,357</u>	<u>31,407</u>
<b>Expenditures</b>				
Current				
Fire	1,173,977	1,166,943	1,008,744	158,199
Debt service				
Principal, interest and fees	158,410	335,095	338,913	(3,818)
<b>Total Expenditures</b>	<u>1,332,387</u>	<u>1,502,038</u>	<u>1,347,657</u>	<u>154,381</u>
<i>(Deficit) of Revenues over Expenditures</i>	(800,387)	(976,088)	(790,300)	185,788
<b>Other Financing Sources</b>				
Operating transfers in	815,510	815,510	625,118	(190,392)
Lease proceeds	-	182,734	182,734	-
<b>Total Other Financing Sources</b>	<u>815,510</u>	<u>998,244</u>	<u>807,852</u>	<u>(190,392)</u>
<i>Excess of Revenues and Other Sources Over Expenditures</i>	15,123	22,156	17,552	(4,604)
Fund Balance, January 1	45,685	45,685	45,685	-
<b>Fund Balance, December 31</b>	<u>\$ 60,808</u>	<u>\$ 67,841</u>	<u>\$ 63,237</u>	<u>\$ (4,604)</u>

## City of Bolivar

### Budgetary Comparison Schedule – Airport Fund

Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Sales tax	\$ 132,500	\$ 132,500	\$ 135,047	\$ 2,547
Intergovernmental revenue				
Airport grant	1,305,000	1,305,000	975,883	(329,117)
Charges for services				
Fuel sales	234,600	234,600	254,698	20,098
Rental revenue	117,500	117,500	134,183	16,683
	<u>352,100</u>	<u>352,100</u>	<u>388,881</u>	<u>36,781</u>
<b>Total Revenues</b>	1,789,600	1,789,600	1,499,811	(289,789)
<b>Expenditures</b>				
Current				
Airport	1,953,567	1,953,567	1,675,327	278,240
<b>Total Expenditures</b>	<u>1,953,567</u>	<u>1,953,567</u>	<u>1,675,327</u>	<u>278,240</u>
<i>(Deficit) of Revenues over Expenditures</i>	(163,967)	(163,967)	(175,516)	(11,549)
<b>Other Financing Sources</b>				
Insurance proceeds	<u>-</u>	<u>-</u>	14,907	14,907
<i>(Deficit) of Revenues and Other Sources Over Expenditures</i>	(163,967)	(163,967)	(160,609)	3,358
Fund Balance, January 1	452,816	452,816	452,816	-
<b>Fund Balance, December 31</b>	<u><u>\$ 288,849</u></u>	<u><u>\$ 288,849</u></u>	<u><u>\$ 292,207</u></u>	<u><u>\$ 3,358</u></u>



# City of Bolivar

## Notes to the Budgetary Comparison Schedule

Year Ended December 31, 2019

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### **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January, Administration submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the Board of Aldermen in late November or early December to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to January 1, ordinances are passed by the Board, which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the City Administrator level. The City Administrator may direct transfers of appropriations within a department or between departments. Transfers of appropriations between funds require the express approval of the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by the Board of Aldermen on approved budget adjustment forms.

## Other Financial Information

# City of Bolivar

## Combining Balance Sheet – Non-Major Governmental Funds

December 31, 2019

	Special Revenue Fund	Permanent Funds			
	Greenwood Cemetery Fund	Corbett Donation Fund	Bolivar Charitable Trust Fund	Plaza of the Americas Fund	Total
<b>Assets</b>					
Cash and cash equivalents - unrestricted	\$ 18,368	\$ 33,921	\$ 28,565	\$ 40,806	\$ 121,660
Investments - unrestricted	22,857	250,000	-	1,801	274,658
Restricted investments	91,874	-	-	-	91,874
<b>Total Assets</b>	<u>\$ 133,099</u>	<u>\$ 283,921</u>	<u>\$ 28,565</u>	<u>\$ 42,607</u>	<u>\$ 488,192</u>
<b>Liabilities and Fund Balances</b>					
Liabilities					
Accounts payable	\$ 247	\$ -	\$ -	\$ -	\$ 247
Accrued expenses	13	-	-	-	13
Due to other funds	87,821	-	-	-	87,821
<b>Total Liabilities</b>	<u>88,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,081</u>
Fund Balances					
Nonspendable:					
Cemetery perpetual care	31,874	-	-	-	31,874
Permanent	-	283,921	28,565	42,607	355,093
Restricted for:					
Cemetery	60,000	-	-	-	60,000
Unassigned	(46,856)	-	-	-	(46,856)
<b>Total Fund Balances</b>	<u>45,018</u>	<u>283,921</u>	<u>28,565</u>	<u>42,607</u>	<u>400,111</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 133,099</u>	<u>\$ 283,921</u>	<u>\$ 28,565</u>	<u>\$ 42,607</u>	<u>\$ 488,192</u>

## City of Bolivar

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds

Year Ended December 31, 2019

	Special Revenue Fund	Permanent Funds			
	Greenwood Cemetery Fund	Corbett Donation Fund	Bolivar Charitable Trust Fund	Plaza of the Americas Fund	Total
<b>Revenues</b>					
Charges for services	\$ 25,745	\$ -	\$ -	\$ -	\$ 25,745
Interest	282	613	-	287	1,182
Other	42,803	-	31,516	-	74,319
<b>Total Revenues</b>	<u>68,830</u>	<u>613</u>	<u>31,516</u>	<u>287</u>	<u>101,246</u>
<b>Expenditures</b>					
Current					
Cemetery	50,356	-	-	-	50,356
<b>Total Expenditures</b>	<u>50,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,356</u>
<i>Excess of Revenues over Expenditures</i>	18,474	613	31,516	287	50,890
<b>Other Financing (Uses)</b>					
Operating transfers (out)	-	(210)	(31,516)	-	(31,726)
<i>Excess of Revenues Over Expenditures and Other (Uses)</i>	18,474	403	-	287	19,164
Fund Balance, January 1	26,544	283,518	28,565	42,320	380,947
<b>Fund Balance, December 31</b>	<u><u>\$ 45,018</u></u>	<u><u>\$ 283,921</u></u>	<u><u>\$ 28,565</u></u>	<u><u>\$ 42,607</u></u>	<u><u>\$ 400,111</u></u>

## **Other Reporting Requirements**



**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***

Honorable Mayor and Board of Alderman  
City of Bolivar  
Bolivar, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, and each major fund of the City of Bolivar, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Bolivar, Missouri's basic financial statements, and have issued our report thereon, dated June 23, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Bolivar, Missouri'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 of Bolivar, Missouri'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Bolivar, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 results of that testing, and not to provide an opinion on the effectiveness of the City of Bolivar, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bolivar, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
June 23, 2020



## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Honorable Mayor and Board of Alderman  
City of Bolivar  
Bolivar, Missouri

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

We have audited the City of Bolivar, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2019. The City of Bolivar, Missouri's major federal program is identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the City of Bolivar, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Bolivar, Missouri's compliance.

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

In our opinion, the City of Bolivar, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.



## Report on Internal Control Over Compliance

Management of the City of Bolivar, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
June 23, 2020

# City of Bolivar

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Homeland Security</b>				
State Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMK-2018-EP-00003-SL01	\$ -	\$ 23,387
		EMK-2019-EP-00001-011	-	27,170
Direct			-	50,557
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2014-FF-00208	-	5,244
<b>Total U.S. Department of Homeland Security</b>			-	55,801
<b>U.S. Department of Transportation</b>				
Missouri Department of Transportation				
Airport Improvement Program	20.106	18-088A-1	-	824,357
		18-088A-2	-	151,526
			-	975,883
Missouri Department of Transportation Highway Safety and Traffic Division				
Highway Safety Cluster				
State and Community Highway Safety	20.600	19-PT-02-036	-	6,437
University of Central Missouri				
Highway Safety Cluster				
State and Community Highway Safety	20.600	19-PT-02-067	-	477
			-	6,914
University of Central Missouri				
Alcohol Open Container Requirements	20.607	19-154-AL-019	-	537
		20-154-AL-017	-	358
Missouri Department of Transportation Highway Safety and Traffic Division				
Alcohol Open Container Requirements	20.607	19-154-AL-035	-	5,253
			-	6,148
<b>Total U.S. Department of Transportation</b>			-	988,945
<b>U.S. Department of Justice</b>				
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-LLEBG-005	-	9,563
<b>Total U.S. Department of Justice</b>			-	9,563
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 1,054,309

# City of Bolivar

## Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

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### 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Bolivar, Missouri, under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Bolivar, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Bolivar, Missouri.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Bolivar, Missouri, has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### 3. Subrecipients

The City of Bolivar, Missouri, did not provide funds to subrecipients in the current year.

# City of Bolivar

## Summary Schedule of Findings & Questioned Costs

Year Ended December 31, 2019

### Section I – Summary of Audit Results

<b>Financial Statements</b>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
<b>Federal Awards</b>		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditor's report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal program:		
<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>	
20.106	Airport Improvement Program	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

### Section II – Financial Statement Findings

None

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

None

## City of Bolivar

Schedule of Prior Audit Findings

Year Ended December 31, 2019

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There were no prior audit findings.