



# **City of Nevada, Missouri**

## **Annual Financial Report**

December 31, 2022



**City of Nevada, Missouri**  
**December 31, 2022**

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# City of Nevada, Missouri

## Principal Officials

### Mayor/City Council

George Knox .....Mayor  
Dr. Carol Clyde-Gallagher ..... Mayor Pro Tem/Council Member  
Ryan Watts ..... Council Member  
Brian Leonard..... Council Member  
Lyndon Eberhard ..... Council Member

### Administration

Gary Edwards ..... City Manager  
Bill Denman..... City Treasurer  
Michael Fields ..... Finance Director

## Independent Auditor's Report

The Honorable Mayor and  
Members of the City Council  
City of Nevada, Missouri

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Nevada, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the aggregate discretely presented component units, Nevada Regional Medical Center and Nevada City Nursing Home, were not audited in accordance with *Government Auditing Standards*.

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, on January 1, 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, on July 1, 2021, the Nevada City Hospital, d/b/a Nevada Regional Medical Center, a component unit of the City of Nevada with a June 30 fiscal year end, adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Substantial Doubt About the Nursing Home's Ability to Continue as a Going Concern***

The accompanying financial statements of Nevada City Nursing Home (the Nursing Home), a discretely presented component unit included with the aggregate discretely presented component units have been prepared assuming that the Nursing Home will continue as a going concern. As discussed in Note 19 to the financial statements, the Nursing Home has suffered recurring losses from operations and negative cash flows from operating activities, which raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the conditions and events and management's plans in regard to these matters are also described in Note 19. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

### ***Substantial Doubt About the Medical Center's Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming Nevada City Hospital, d/b/a Nevada Regional Medical Center (the Medical Center), a discretely presented component unit included in the aggregate discretely presented component units, will continue as a going concern. As discussed in Note 20 to the financial statements, the Medical Center has suffered recurring losses from operations and has a decrease in liquidity and has stated that substantial doubt exists about the Medical Center's ability continue as a going concern. Management's evaluation of the conditions and events and management's plans regarding these matters are also described in Note 20. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

Management has omitted the Management's Discussion and Analysis (MD&A) 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 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements of nonmajor governmental and fiduciary funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements of nonmajor governmental and fiduciary funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the budgetary comparison of nonmajor governmental funds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

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

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

***Forvis Mazars, LLP***

**Kansas City, Missouri  
November 25, 2025**

**City of Nevada, Missouri**  
**Statement of Net Position**  
**December 31, 2022**

	Primary Government			As of 6/30/2022
	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Pooled cash and investments	\$ 4,028,566	\$ 3,711,384	\$ 7,739,950	\$ 10,461,902
Cash and investments-restricted	104,366	1,897,761	2,002,127	756,621
Taxes receivable, net	1,419,876	87,701	1,507,577	-
Accounts receivable, net	527,558	627,878	1,155,436	7,890,913
Special assessments receivable	12,578	-	12,578	-
Inventories	59,521	271,543	331,064	1,026,776
Prepaid expenses	207,721	93,338	301,059	1,898,558
Net pension asset	3,439,916	642,447	4,082,363	11,152,355
Capital assets, nondepreciable	1,911,800	243,983	2,155,783	745,201
Capital assets, depreciable, net	18,711,237	20,619,961	39,331,198	10,122,479
Lease assets, net	-	-	-	1,508,006
Total assets	<u>30,423,139</u>	<u>28,195,996</u>	<u>58,619,135</u>	<u>45,562,811</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Debt refunding	43,050	-	43,050	954,420
Pensions	337,590	76,930	414,520	1,811,558
Total assets and deferred outflows of resources	<u>\$ 30,803,779</u>	<u>\$ 28,272,926</u>	<u>\$ 59,076,705</u>	<u>\$ 48,328,789</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 644,023	\$ 175,327	\$ 819,350	\$ 9,799,574
Salaries and benefits payable	282,236	34,871	317,107	608,924
Liabilities payable from restricted assets	1,351	320,109	321,460	-
Unearned revenue	1,309,942	-	1,309,942	-
Long-term liabilities:				
Due within one year:				
Bonds, finance obligations, lease liabilities, and contracts	545,741	762,400	1,308,141	3,121,013
Compensated absences	55,025	18,896	73,921	992,662
Accrued interest	23,497	110,020	133,517	129,875
Due in more than one year:				
Bonds, finance obligations, lease liabilities, and contracts	3,796,196	5,987,299	9,783,495	12,778,539
Compensated absences	220,102	60,209	280,311	-
Post closure costs	-	157,326	157,326	-
Total liabilities	<u>6,878,113</u>	<u>7,626,457</u>	<u>14,504,570</u>	<u>27,430,587</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	813,707	-	813,707	-
Pensions	660,255	107,203	767,458	2,519,008
Total deferred inflows of resources	<u>1,473,962</u>	<u>107,203</u>	<u>1,581,165</u>	<u>2,519,008</u>
<b>NET POSITION</b>				
Net investment in capital assets	16,073,094	14,065,487	30,138,581	667,582
Restricted for:				
Capital projects	1,021,599	-	1,021,599	-
Parks and recreation	409,817	-	409,817	-
Animal control	104,000	-	104,000	-
Debt service	3,097	1,577,652	1,580,749	756,621
Street	632,345	-	632,345	-
Economic development	265,122	-	265,122	-
Police and court	7,391	-	7,391	-
Pension benefits	3,439,916	642,447	4,082,363	11,152,355
Unrestricted	495,323	4,253,680	4,749,003	5,802,636
Total net position	<u>22,451,704</u>	<u>20,539,266</u>	<u>42,990,970</u>	<u>18,379,194</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 30,803,779</u>	<u>\$ 28,272,926</u>	<u>\$ 59,076,705</u>	<u>\$ 48,328,789</u>

**City of Nevada, Missouri**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Primary Government		As of 6/30/22	
					Operating Contributions	Governmental Activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 1,252,213	\$ 720,062	\$ 36,889	\$ 792,955	\$ 297,693	\$ -	\$ 297,693	\$ -
Public transportation	66,000	-	21,254	-	(44,746)	-	(44,746)	-
Public safety	3,205,047	7,303	38,277	-	(3,159,467)	-	(3,159,467)	-
Emergency management	7,593	-	-	-	(7,593)	-	(7,593)	-
Municipal court	145,215	70,883	-	-	(74,332)	-	(74,332)	-
Animal control	152,947	4,170	-	-	(148,777)	-	(148,777)	-
Planning and zoning	44,930	2,651	-	-	(42,279)	-	(42,279)	-
Culture and recreation	1,383,095	270,377	-	-	(1,112,718)	-	(1,112,718)	-
Street	815,466	-	-	-	(815,466)	-	(815,466)	-
Interest on long-term debt	157,145	-	-	-	(157,145)	-	(157,145)	-
Total governmental activities	<u>7,229,651</u>	<u>1,075,446</u>	<u>96,420</u>	<u>792,955</u>	<u>(5,264,830)</u>	<u>-</u>	<u>(5,264,830)</u>	<u>-</u>
Business-type activities:								
Water and sewer	4,402,363	4,851,044	-	-	-	448,681	448,681	-
Nonmajor funds	30	-	-	-	-	(30)	(30)	-
Total business-type activities	<u>4,402,393</u>	<u>4,851,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448,651</u>	<u>448,651</u>	<u>-</u>
Total primary government	<u>\$ 11,632,044</u>	<u>\$ 5,926,490</u>	<u>\$ 96,420</u>	<u>\$ 792,955</u>	<u>(5,264,830)</u>	<u>448,651</u>	<u>(4,816,179)</u>	<u>-</u>
Total component units	<u>\$ 55,521,294</u>	<u>\$ 48,184,258</u>	<u>\$ 9,781</u>	<u>\$ -</u>				<u>\$ (7,327,255)</u>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					941,942	-	941,942	-
Franchise and other taxes					1,547,225	-	1,547,225	-
Sales taxes					4,230,957	1,036,712	5,267,669	978,493
Payment in lieu of tax					36,677	-	36,677	-
Grants from other governments - unrestricted					297,571	-	297,571	2,985,118
Investment earnings (loss)					(9,349)	112,707	103,358	31,073
Employee retention tax credit revenue					-	-	-	1,440,113
Gain on debt extinguishment - PPP loan					-	-	-	3,000,000
Miscellaneous					156,668	27,560	184,228	-
Gain (loss) on disposal of assets					155,073	68,234	223,307	(35,616)
Transfers					442,234	(442,234)	-	-
Total general revenues and transfers					<u>7,798,998</u>	<u>802,979</u>	<u>8,601,977</u>	<u>8,399,181</u>
Change in net position					2,534,168	1,251,630	3,785,798	1,071,926
Net position - Beginning of year					19,917,536	19,287,637	39,205,173	17,307,268
Net position - End of year					<u>\$ 22,451,704</u>	<u>\$ 20,539,267</u>	<u>\$ 42,990,971</u>	<u>\$ 18,379,194</u>

**City of Nevada, Missouri**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	General Fund	Street Fund	Parks Fund	ARPA Fund	Airport Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Pooled cash and investments	\$ 481,585	\$ 597,220	\$ 348,707	\$ 1,306,653	\$ -	\$ 1,294,401	\$ 4,028,566
Cash and investments-restricted	104,366	-	-	-	-	-	104,366
Taxes receivable, net	1,230,277	90,220	94,875	-	-	4,504	1,419,876
Special assessments receivable	-	-	-	-	21	12,557	12,578
Other receivables	116,926	23,822	345	-	386,043	422	527,558
Inventories	-	59,521	-	-	-	-	59,521
Prepaid expenses	155,505	19,878	30,904	-	1,434	-	207,721
Total assets	<u>\$ 2,088,659</u>	<u>\$ 790,661</u>	<u>\$ 474,831</u>	<u>\$ 1,306,653</u>	<u>\$ 387,498</u>	<u>\$ 1,311,884</u>	<u>\$ 6,360,186</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 140,787	\$ 73,319	\$ 15,861	\$ -	\$ 208,841	\$ 5,215	\$ 444,023
Due to Nursing Home	200,000	-	-	-	-	-	200,000
Salaries and benefits payable	238,769	20,866	22,601	-	-	-	282,236
Unearned revenue	-	-	-	1,309,942	-	-	1,309,942
Payable from restricted assets	1,351	-	-	-	-	-	1,351
Total liabilities	<u>580,907</u>	<u>94,185</u>	<u>38,462</u>	<u>1,309,942</u>	<u>208,841</u>	<u>5,215</u>	<u>2,237,552</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes	813,707	-	-	-	-	-	813,707
Unavailable revenues	60,413	877	-	-	385,963	9,826	457,079
Total deferred inflows of resources	<u>874,120</u>	<u>877</u>	<u>-</u>	<u>-</u>	<u>385,963</u>	<u>9,826</u>	<u>1,270,786</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Prepays	155,505	19,878	30,904	-	1,434	-	207,721
Inventories	-	59,521	-	-	-	-	59,521
Restricted:							
Capital projects	-	-	-	-	-	1,021,599	1,021,599
Parks and recreation	-	-	409,817	-	-	-	409,817
Animal control	104,000	-	-	-	-	-	104,000
Debt service	366	-	-	-	-	2,731	3,097
Street	-	632,345	-	-	-	-	632,345
Economic development	-	-	-	-	-	265,122	265,122
Police and court	-	-	-	-	-	7,391	7,391
Unassigned	373,761	(16,145)	(4,352)	(3,289)	(208,740)	-	141,235
Total fund balances	<u>633,632</u>	<u>695,599</u>	<u>436,369</u>	<u>(3,289)</u>	<u>(207,306)</u>	<u>1,296,843</u>	<u>2,851,848</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,088,659</u>	<u>\$ 790,661</u>	<u>\$ 474,831</u>	<u>\$ 1,306,653</u>	<u>\$ 387,498</u>	<u>\$ 1,311,884</u>	<u>\$ 6,360,186</u>

**City of Nevada, Missouri**  
**Reconciliation of the Balance Sheet – Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2022**

Fund balances - total governmental funds	\$	2,851,848
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position</p>		20,623,037
<p>Some of the City's revenues will be collected after year end, are not available to pay for current period expenditures and, therefore, are deferred in the funds</p>		457,079
<p>Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. This amount represents the net of discounts and premiums on long-term obligations and the City's net pension asset:</p>		
Net pension asset		3,439,916
<p>Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due</p>		(23,497)
<p>Deferred pension inflows and outflows are not included in the fund financial statements, but are included in the governmental activities Statement of Net Position:</p>		
Inflows		(660,255)
Outflows		337,590
		(322,665)
<p>Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the government-wide statements:</p>		
Deferred loss on refunding		43,050
Net premiums and discounts		3,187
Bonds and finance obligations		(4,345,124)
Compensated absences		(275,127)
		(4,574,014)
Net Position of Governmental Activities in the Statement of Net Position	\$	22,451,704

**City of Nevada, Missouri**  
**Statement of Revenues, Expenditures and Changes in Fund Balances –**  
**Governmental Funds**  
**For the Year Ended December 31, 2022**

	General Fund	Street Fund	Parks Fund	ARPA Fund	Airport Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 4,062,138	\$ 1,435,146	\$ 1,085,236	\$ -	\$ -	\$ 137,604	\$ 6,720,124
Licenses and permits	183,073	-	-	-	-	-	183,073
Intergovernmental	96,420	-	-	297,571	406,992	-	800,983
Charges for services	529,392	-	270,377	-	-	3,070	802,839
Fees and fines	82,356	-	-	-	-	-	82,356
Investment earnings (loss)	8,596	(6,869)	(2,395)	(2,263)	-	(6,418)	(9,349)
Payment in lieu of tax	36,677	-	-	-	-	-	36,677
Other	128,798	318	12,165	-	11,527	6,355	159,163
Total revenues	<u>5,127,450</u>	<u>1,428,595</u>	<u>1,365,383</u>	<u>295,308</u>	<u>418,519</u>	<u>140,611</u>	<u>8,775,866</u>
<b>EXPENDITURES</b>							
General government	1,002,904	-	-	-	-	11,029	1,013,933
Municipal court	165,590	-	-	-	-	-	165,590
Public transportation	71,912	-	-	-	-	-	71,912
Public safety	3,028,647	-	-	297,571	-	-	3,326,218
Emergency management	7,593	-	-	-	-	-	7,593
Animal control	292,304	-	-	-	-	-	292,304
Planning and zoning	45,429	-	-	-	-	-	45,429
Culture and recreation	-	-	1,089,927	-	14,709	46,078	1,150,714
Street	-	612,225	-	-	-	-	612,225
Capital outlay	617,478	711,840	274,578	-	830,231	-	2,434,127
Debt service:							
Principal	472,625	-	91,082	-	-	5,526	569,233
Interest and other charges	136,809	-	11,499	-	-	928	149,236
Total expenditures	<u>5,841,291</u>	<u>1,324,065</u>	<u>1,467,086</u>	<u>297,571</u>	<u>844,940</u>	<u>63,561</u>	<u>9,838,514</u>
Excess (deficiency) of revenues over expenditures	<u>(713,841)</u>	<u>104,530</u>	<u>(101,703)</u>	<u>(2,263)</u>	<u>(426,421)</u>	<u>77,050</u>	<u>(1,062,648)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Sale of capital assets	34,456	93,658	76,070	-	-	-	204,184
Transfers in	548,838	-	5,000	-	208,531	3,819	766,188
Transfers out	(212,350)	-	-	-	-	(111,604)	(323,954)
Total other financing sources and uses	<u>370,944</u>	<u>93,658</u>	<u>81,070</u>	<u>-</u>	<u>208,531</u>	<u>(107,785)</u>	<u>646,418</u>
Net change in fund balance	(342,897)	198,188	(20,633)	(2,263)	(217,890)	(30,735)	(416,230)
Fund balances - beginning of year	976,529	497,411	457,002	(1,026)	10,584	1,327,578	3,268,078
Fund balances - end of year	<u>\$ 633,632</u>	<u>\$ 695,599</u>	<u>\$ 436,369</u>	<u>\$ (3,289)</u>	<u>\$ (207,306)</u>	<u>\$ 1,296,843</u>	<u>\$ 2,851,848</u>

**City of Nevada, Missouri**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2022**

Net change in fund balances - total governmental funds: \$ (416,230)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which depreciation expense and the loss on disposal of capital assets exceeded capital outlays, which are over the capitalization threshold:

Capital outlay	2,603,319
Gain on disposal of assets	155,073
Sale of capital assets	(204,184)
Depreciation expense	(1,143,026)
	1,411,182

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned

390,490

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Net Position reports repayment as a reduction to long-term liabilities. This is the amount by which repayments exceed proceeds:

Amortization of deferred loss on refunding	(10,991)
Repayment of principal	569,233
	558,242

Governmental funds report premiums and discounts as other financing sources. In contrast, those items are capitalized on the Statement of Net Position and amortized over the life of the bonds on the Statement of Activities. This is the net amount of premiums, discounts, and amortization:

Amortization of premiums/discounts	(355)
	(355)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Net pension asset	(1,479,679)
Deferred inflow and outflow - pensions	2,097,086
Accrued interest not reflected on governmental funds	3,437
Compensated absences	(30,005)
	590,839

Change in net position of governmental activities \$ 2,534,168

**City of Nevada, Missouri**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	Water and Sewer	Landfill (Nonmajor)	Total
<b>ASSETS</b>			
Current assets:			
Pooled cash and investments	\$ 3,638,938	\$ 72,446	\$ 3,711,384
Cash and investments-restricted	1,897,761	-	1,897,761
Accounts receivable, net	627,878	-	627,878
Taxes receivable	87,701	-	87,701
Inventories	271,543	-	271,543
Prepaid expenses	93,323	15	93,338
Total current assets	<u>6,617,144</u>	<u>72,461</u>	<u>6,689,605</u>
Noncurrent assets:			
Net pension asset	642,447	-	642,447
Capital assets:			
Construction in progress	154,200	-	154,200
Land and improvements	89,783	-	89,783
Improvements other than buildings	16,268,264	-	16,268,264
Buildings	19,536,426	-	19,536,426
Equipment and vehicles	4,403,059	-	4,403,059
Total capital assets at cost	<u>40,451,732</u>	<u>-</u>	<u>40,451,732</u>
Less accumulated depreciation	<u>(19,587,788)</u>	<u>-</u>	<u>(19,587,788)</u>
Capital assets, net	<u>20,863,944</u>	<u>-</u>	<u>20,863,944</u>
Total noncurrent assets	<u>21,506,391</u>	<u>-</u>	<u>21,506,391</u>
Total assets	<u>28,123,535</u>	<u>72,461</u>	<u>28,195,996</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	76,930	-	76,930
Total assets and deferred outflows of resources	<u>\$ 28,200,465</u>	<u>\$ 72,461</u>	<u>\$ 28,272,926</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 175,327	\$ -	\$ 175,327
Salaries and benefits payable	34,871	-	34,871
Accrued interest payable	110,020	-	110,020
Customer deposits	320,109	-	320,109
Compensated absences	18,896	-	18,896
Bonds, notes, and finance obligations	762,400	-	762,400
Total current liabilities	<u>1,421,623</u>	<u>-</u>	<u>1,421,623</u>
Noncurrent liabilities:			
Compensated absences	60,209	-	60,209
Postclosure costs	-	157,326	157,326
Bonds, notes, and finance obligations	5,987,299	-	5,987,299
Total noncurrent liabilities	<u>6,047,508</u>	<u>157,326</u>	<u>6,204,834</u>
Total liabilities	<u>7,469,131</u>	<u>157,326</u>	<u>7,626,457</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	107,203	-	107,203
<b>NET POSITION</b>			
Net investment in capital assets	14,065,487	-	14,065,487
Restricted for:			
Debt service	1,577,652	-	1,577,652
Pension benefits	642,447	-	642,447
Unrestricted	4,338,545	(84,865)	4,253,680
Total net position	<u>20,624,131</u>	<u>(84,865)</u>	<u>20,539,266</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 28,200,465</u>	<u>\$ 72,461</u>	<u>\$ 28,272,926</u>

**City of Nevada, Missouri**  
**Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	<b>Water and Sewer</b>	<b>Landfill (Nonmajor)</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,851,044	\$ -	\$ 4,851,044
<b>OPERATING EXPENSES</b>			
Personnel services	1,304,188	-	1,304,188
Contractual services	168,453	-	168,453
Materials and supplies	229,077	-	229,077
Maintenance and repairs	438,869	-	438,869
Insurance	166,669	30	166,699
Utilities	314,106	-	314,106
Depreciation	998,437	-	998,437
Administration	516,075	-	516,075
	<u>4,135,874</u>	<u>30</u>	<u>4,135,904</u>
Operating income (loss)	<u>715,170</u>	<u>(30)</u>	<u>715,140</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	112,707	-	112,707
Miscellaneous income	18,251	9,309	27,560
Sales tax	1,036,712	-	1,036,712
Interest expense	(266,489)	-	(266,489)
Gain on disposal of assets	68,234	-	68,234
	<u>969,415</u>	<u>9,309</u>	<u>978,724</u>
Net nonoperating revenues	<u>969,415</u>	<u>9,309</u>	<u>978,724</u>
Income before transfers	<u>1,684,585</u>	<u>9,279</u>	<u>1,693,864</u>
Transfers out	<u>(442,234)</u>	<u>-</u>	<u>(442,234)</u>
Increase in net position	1,242,351	9,279	1,251,630
Total Net Position - Beginning of year	<u>19,381,781</u>	<u>(94,144)</u>	<u>19,287,637</u>
Total Net Position - End of year	<u>\$ 20,624,132</u>	<u>\$ (84,865)</u>	<u>\$ 20,539,267</u>

**City of Nevada, Missouri**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended December 31, 2022**

	Water and Sewer	Nonmajor Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers and users	\$ 4,943,394	\$ -	\$ 4,943,394
Payments to employees and fringe benefits	(1,486,250)	-	(1,486,250)
Payments to suppliers	(1,897,568)	(30)	(1,897,598)
Other receipts	38,329	9,359	47,688
Net cash provided by operating activities	<u>1,597,905</u>	<u>9,329</u>	<u>1,607,234</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Net transfers from (to) other funds	<u>(442,234)</u>	<u>-</u>	<u>(442,234)</u>
Net cash used in noncapital financing activities	<u>(442,234)</u>	<u>-</u>	<u>(442,234)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	113,661	-	113,661
Acquisition and construction of capital assets	(630,850)	-	(630,850)
Principal paid on capital debt and finance obligations	(795,201)	-	(795,201)
Proceeds from capital sales tax receipts	1,021,685	-	1,021,685
Interest paid on capital debt and leases	<u>(309,055)</u>	<u>-</u>	<u>(309,055)</u>
Net cash used in capital and related financing activities	<u>(599,760)</u>	<u>-</u>	<u>(599,760)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>112,707</u>	<u>-</u>	<u>112,707</u>
Net cash provided by investing activities	<u>112,707</u>	<u>-</u>	<u>112,707</u>
Net increase in cash and cash equivalents	668,618	9,329	677,947
Cash and cash equivalents, beginning of year	<u>4,867,041</u>	<u>63,117</u>	<u>4,930,158</u>
Cash and cash equivalents, end of year	<u>\$ 5,535,659</u>	<u>\$ 72,446</u>	<u>\$ 5,608,105</u>
Components of cash and cash equivalents			
Unrestricted	\$ 3,638,938	\$ 72,446	\$ 3,711,384
Restricted	<u>1,897,761</u>	<u>-</u>	<u>1,897,761</u>
	<u>\$ 5,536,699</u>	<u>\$ 72,446</u>	<u>\$ 5,609,145</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>\$ 715,170</u>	<u>\$ (30)</u>	<u>\$ 715,140</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	998,437	-	998,437
Miscellaneous nonoperating income	18,251	9,309	27,560
Changes in assets and liabilities:			
Accounts receivable	92,350	50	92,400
Net pension asset	129,911	-	129,911
Deferred inflows - pensions	(318,524)	-	(318,524)
Deferred outflows - pensions	(42,733)	-	(42,733)
Customer deposits	20,078	-	20,078
Inventory and other prepayments	(135,660)	-	(135,660)
Accounts payable and accrued liabilities	79,404	-	79,404
Compensated absences	<u>41,221</u>	<u>-</u>	<u>41,221</u>
Total adjustments	<u>882,735</u>	<u>9,359</u>	<u>892,094</u>
Net cash provided by operating activities	<u>\$ 1,597,905</u>	<u>\$ 9,329</u>	<u>\$ 1,607,234</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Capital assets acquisitions included in accounts payable	\$ 6,178	\$ -	\$ 6,178

See Notes to Financial Statements

**City of Nevada, Missouri**  
**Discretely Presented Component Units**  
**Combining Statement of Net Position**  
**June 30, 2022**

	<b>COMPONENT UNITS</b>		
	<u>Medical Center</u>	<u>Nursing Home</u>	<u>Total</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 9,509,285	\$ 952,617	\$ 10,461,902
Cash and investments-restricted	756,621	-	756,621
Accounts receivable	5,683,136	2,007,777	7,690,913
Due from City	200,000	-	200,000
Inventories	937,993	88,783	1,026,776
Prepaid expenses and other	949,679	948,879	1,898,558
Net pension asset	9,192,971	1,959,384	11,152,355
Capital assets, net	9,430,049	1,437,631	10,867,680
Lease assets, net	1,508,006	-	1,508,006
Total assets	<u>38,167,740</u>	<u>7,395,071</u>	<u>45,562,811</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Debt refunding	954,420	-	954,420
Pensions	1,748,389	63,169	1,811,558
Total assets and deferred outflows of resources	<u>\$ 40,870,549</u>	<u>\$ 7,458,240</u>	<u>\$ 48,328,789</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 8,871,599	\$ 927,975	\$ 9,799,574
Salaries and benefits payable	547,640	61,284	608,924
Long-term liabilities:			
Due within one year:			
Bonds, loans, finance obligations, and lease liabilities	3,121,013	-	3,121,013
Compensated absences	839,155	153,507	992,662
Accrued interest	129,875	-	129,875
Due in more than one year:			
Bonds, loans, finance obligations, and lease liabilities	12,778,539	-	12,778,539
Total liabilities	<u>26,287,821</u>	<u>1,142,766</u>	<u>27,430,587</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	2,131,948	387,060	2,519,008
<b>NET POSITION</b>			
Net investment in capital assets	(770,049)	1,437,631	667,582
Restricted for:			
Debt service	756,621	-	756,621
Pension benefits	9,192,971	1,959,384	11,152,355
Unrestricted	3,271,237	2,531,399	5,802,636
Total net position	<u>12,450,780</u>	<u>5,928,414</u>	<u>18,379,194</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 40,870,549</u>	<u>\$ 7,458,240</u>	<u>\$ 48,328,789</u>

**City of Nevada, Missouri**  
**Discretely Presented Component Units**  
**Combining Statement of Activities**  
**For the Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Medical Center</u>	<u>Nursing Home</u>	<u>Total</u>
<b>Component Units</b>							
Medical Center	\$ 47,677,350	\$ 42,390,031	\$ 9,781	\$ -	\$ (5,277,538)	\$ -	\$ (5,277,538)
Nursing Home	7,843,944	5,794,227	-	-	-	(2,049,717)	(2,049,717)
Total component units	<u>\$ 55,521,294</u>	<u>\$ 48,184,258</u>	<u>\$ 9,781</u>	<u>\$ -</u>	<u>(5,277,538)</u>	<u>(2,049,717)</u>	<u>(7,327,255)</u>
<b>General revenues:</b>							
Sales taxes					978,493	-	978,493
Investment earnings					29,096	1,977	31,073
Grants from governments - unrestricted					2,667,918	317,200	2,985,118
Employee retention tax credit revenue					-	1,440,113	1,440,113
Gain on debt extinguishment - PPP loan					3,000,000	-	3,000,000
Loss on disposal of assets					(35,616)	-	(35,616)
Total general revenues					<u>6,639,891</u>	<u>1,759,290</u>	<u>8,399,181</u>
Change in net position					<u>1,362,353</u>	<u>(290,427)</u>	<u>1,071,926</u>
Net position - beginning of year					<u>11,088,427</u>	<u>6,218,841</u>	<u>17,307,268</u>
Net position - end of year					<u>\$ 12,450,780</u>	<u>\$ 5,928,414</u>	<u>\$ 18,379,194</u>

**City of Nevada, Missouri**  
**Statement of Fiduciary Net Position**  
**December 31, 2022**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Pooled cash and investments	\$ 3,034
Taxes receivable, net	89,059
Total assets	\$ 92,093
<b>NET POSITION</b>	
Restricted for individuals and other organizations	\$ 92,093
Total net position	\$ 92,093

**City of Nevada, Missouri**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended December 31, 2022**

	<b>Custodial Funds</b>
<b>REVENUES</b>	
Taxes	\$ 1,326,306
Fees and fines	1,442
	1,327,748
Total revenues	1,327,748
<b>EXPENDITURES</b>	
Culture and recreation	240,792
Debt service:	
Principal	1,011,561
	1,252,353
Total expenditures	1,252,353
Excess of revenues over expenditures	75,395
Increase in net position	75,395
Net position - beginning of year	16,698
Net position - end of year	\$ 92,093

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

**Note 1: Summary of Significant Accounting Policies**

The financial statements of the City of Nevada, Missouri (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

***Reporting Entity***

The City of Nevada, Missouri, located in Vernon County, Missouri, is a municipal corporation incorporated under the Home Rule provision of the Constitution of the State of Missouri. Nevada is a charter city and operates under a Council/Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants. The City Manager is the chief administrative officer of the City. The accompanying financial statements present the City's primary government and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

The accounting and reporting policies of the City conform to generally accepted accounting principles applicable to local governments.

***Discretely Presented Component Units***

The component units' column in the financial statements includes the financial data of the City's discretely presented component units. They are reported in a separate column to emphasize they are legally separate from the City and are reported based on their June 30 fiscal year-end.

Nevada City Hospital, d/b/a Nevada Regional Medical Center (the "Medical Center"), owns and operates an acute care hospital in Nevada, Missouri. The City Council of Nevada appoints all members of the Medical Center's Board of Directors and it is able to impose its will on the Medical Center through the ability to modify certain decisions. The complete financial statements may be obtained by writing to the Medical Center at 800 South Ash Street, Nevada, Missouri 64772 or by calling 417.667.3355.

Nevada City Nursing Home (the "Nursing Home") operates Moore-Few Care Center, a skilled nursing facility, and certain property used for rental purposes. The City Council of Nevada appoints all members of the Nursing Home Board of Directors and it is able to impose its will on the Nursing Home through the ability to modify certain decisions. The complete financial statements may be obtained by writing to the Nursing Home at 901 South Adams Street, Nevada, Missouri 64772 or by calling 417.448.3841.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

***Blended Component Unit***

The following legally separate entity is a component unit that is, in substance, a part of the City's general operations.

Nevada Animal Shelter Corporation (the Animal Shelter) is governed by the City Council. Although it is legally separate from the City, the Animal Shelter is reported as if it were part of the primary government because its sole function is to house animals for the City. The activities of the Animal Shelter are included in the accompanying financial statements as a part of the general fund. The Animal Shelter does not have separately issued financial statements.

***Government-Wide and Fund Financial Statements***

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the City and its component units. *Governmental activities* which are normally supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative charges where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds include other Special Revenue and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

***Measurement Focus, Basis of Accounting and Basis of Presentation***

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims and judgments are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represents the 2022 levy plus any uncollected amounts from the 2021 levy. Property taxes that are not available for current year operations are shown as a deferred inflow.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

The government reports the following major governmental funds:

The General Fund is the primary operating fund. Expenditures from this fund provide basic City services, such as police and fire protection, planning, inspection, engineering, animal control, civil defense, municipal court, and overall basic services such as finance and data processing, personnel, and general administration of the City.

Revenue sources include taxes, which include property taxes, sales taxes, and franchise taxes. Other revenues include other fees and licenses, and revenue gathered from the municipal court and investment earnings.

The Street Fund accounts for the operation and maintenance of streets, curbs, etc.

The Parks Fund accounts for taxes collected and expended for operations and improvements to the City's parks, pool, and golf course.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

The ARPA Fund accounts for the governmental grant funding provided to the City through the Coronavirus State and Local Fiscal Recovery Funds grant program, which resulted from the *American Rescue Plan Act of 2021* (the “Act”). Funding was provided to states, counties and local governments to respond to the COVID-19 public health emergency or its negative economic impacts.

The Airport Fund accounts for the governmental grant funding provided to the City for use in the operation and maintenance of the City’s airport.

Proprietary fund level financial statements are used to account for activities, which are similar to those found in the private-sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City’s proprietary funds are as follows:

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

Landfill Fund (nonmajor) accounts for activities of the landfill.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, *i.e.*, charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Nonoperating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Fiduciary funds are custodial in nature and apply the accrual basis of accounting.

Custodial Funds: These are used to account for assets that the City holds for others in a custodial capacity. The City has the following custodial funds:

Hospital Custodial Fund – To account for the sales tax remitted to the City held for the benefit of the Medical Center.

Inmate Security Fund – To account for funds held for the benefit of individuals.

Library Custodial Fund – To account for the property tax levies remitted to the City held for the benefit of the Library, a separate entity.

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***Net Position - Government-Wide Statements***

Net Position is displayed in three components:

- (1) Net investment in capital assets: Consists of capital and lease assets net of accumulated depreciation and amortization and reduced by the outstanding balances of any borrowings used to finance the purchase, use or construction of those assets.
- (2) Restricted: Consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) Unrestricted: Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of “net investment in capital assets” or the “restricted” component of net position.

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

***Fund Balance***

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- (1) *Nonspendable* - This classification reflects the amounts of resources that cannot be spent. Examples of nonspendable resources are inventory and prepaids.
- (2) *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.
- (3) *Committed fund balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council - the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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- (4) *Assigned fund balance* - This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council and the City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- (5) *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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order, as needed.

***Budgets***

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. Missouri law requires budgets to be adopted for all governmental funds. The City prepares its budgets on the modified accrual basis of accounting for its governmental funds and the accrual basis for its proprietary funds. The City Council has performed the following procedures in establishing the City's budget:

- (1) Prior to November 30, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to January 1, the budget is legally enacted through the passage of an ordinance.
- (4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. This constitutes the City's legal level of budgetary control.
- (5) Appropriations lapse at year-end, but may be reappropriated in the following fiscal year.

***Pooled Cash, Investments and Restricted Assets***

State statutes authorize the City to invest in banking institutions and obligations of municipalities, repurchase agreements, U.S. government agency obligations, and obligations of the U.S. Treasury. Cash resources of the individual governmental fund types are combined to form a pool of cash and investments. At December 31, 2022, the City's cash was deposited in demand accounts and certificates of deposit. Investments with maturities of less than one year are stated at amortized cost,

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which approximates fair value. All other investments are stated at fair value. Interest income on pooled cash and investments is allocated based upon each fund's respective average cash balance.

Certain proceeds of federal grants are classified as restricted assets on the balance sheet because their use is limited by applicable grant agreements. Assets are also restricted for court bonds, debt service reserve requirements, and refunding customer meter deposits.

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

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future reporting period and will not be recognized as outflow of resources, or expense/expenditure, until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net assets that applies to a future reporting period and will not be recognized as an inflow of resources, until then.

The balance sheet – governmental funds reports unavailable revenues as deferred inflows of resources.

***Statement of Cash Flows***

A statement of cash flows has been presented in accordance with Governmental Accounting Standards Board Statement 9 for the Proprietary Funds. For purposes of the statement of cash flows, demand deposits, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

***Accounts Receivable***

Accounts receivable for water and sewer services are accounted for in the Water and Sewer Funds and include billed amounts as well as an accrual for the earned but unbilled services from the previous billing date through December 31, 2022. Accounts receivable in the General Fund represents charges for the mowing of weeds and fire protection. All accounts receivable are stated net of allowances.

***Interfund Receivables and Payables***

Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables. Short-term amounts owed between funds are classified as due to/from other funds.

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***Interfund Transactions***

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of both Governmental and Proprietary Funds.

***Prepaid Items***

Prepaid items consist of expenditures paid in the current year but will be used in the following year(s).

***Inventory***

Inventory, which consists principally of maintenance supplies, is valued at cost using the first-in/first-out (FIFO) method.

***Capital Assets***

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$5,000 or more. Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization on all assets is computed using the straight-line method over the following estimated lives:

<u>Major Assets</u>	
Buildings	40 years
Plant, structure and lines	50-60 years
Infrastructure	50 years
Equipment and vehicles	3-10 years

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***Compensated Absences***

Accumulated vacation and sick leave, that is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a liability within the proprietary fund type and the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

***Long-Term Liabilities***

In the government-wide financial statements and the fund financial statements for proprietary fund types, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

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

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

***Program Revenues***

In the Statement of Activities, revenues that are derived directly from each activity or from parties other than the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General government	Licenses, permits, fees and grants
Municipal court	Fines
Public transportation	Grants
Public safety	Fees, fines and grants
Animal control	Licenses
Planning and zoning	Fees
Culture and recreation	Fees

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***Pensions***

For purposes of measuring the net pension asset and liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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. The City, Medical Center and Nursing Home participate in LAGERS.

***Change in Accounting Principle***

On January 1, 2022, the City adopted GASB Statement No. 87, *Leases*, using a retrospective method of adoption to all leases in place and not yet completed at the beginning of the earliest period presented. The statement requires lessees to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset and remove old capital leases. The adoption of GASB 87, *Leases*, did not impact the City’s beginning net position.

On July 1, 2021, the City’s aggregate discretely presented component units, the Medical Center and Nursing Home, adopted GASB Statement No. 87, *Leases*. The adoption of GASB 87, *Leases*, did not impact the beginning net position of the Nursing Home. The Medical Center used a retrospective method of adoption to all leases in place and not yet completed at July 1, 2021. The July 1, 2021, financial statement disclosures were restated to reflect the impact of the adoption on the aggregate discretely presented component units. The adoption of GASB 87, *Leases*, did not impact the beginning net position of the Medical Center.

**Note 2: Deposits and Investments**

At December 31, 2022, the carrying amount of the City’s cash on hand, demand deposits and certificates of deposit in financial institutions was \$2,107, \$3,869,054 and \$1,305,139, respectively. At December 31, 2022, demand deposits were insured with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits were held by a qualified depository.

At December 31, 2022, the City’s investments consisted of the following:

	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Investment Rating</b>
U.S. Treasury Notes	\$ 4,568,810	\$ 4,568,810	AA+
Negotiable Certificates of Deposit	1,305,139	1,305,139	Not applicable
	<u>\$ 5,873,949</u>	<u>\$ 5,873,949</u>	

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**Interest Rate Risk**

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

**Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

At December 31, 2022, the City had the following investments and maturities:

	<b>Investment maturities (in years)</b>			
	<b>Value</b>	<b>Less than one</b>	<b>1-5</b>	<b>&gt;5</b>
Investment type,				
U.S. Treasury Notes	\$ 4,568,810	\$ 2,826,507	\$ 1,742,303	\$ -
Negotiable Certificates of Deposit	1,305,139	1,305,139	-	-
	<u>\$ 5,873,949</u>	<u>\$ 4,131,646</u>	<u>\$ 1,742,303</u>	<u>\$ -</u>

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by

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U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The City’s general credit risk policy is to apply the prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probability safety of their capital, as well as the probable income to be derived.

At December 31, 2022, the carrying value of deposits and investments are summarized as follows:

Investments	\$ 5,873,949
Deposits	<u>3,871,162</u>
Total	<u><u>\$ 9,745,111</u></u>

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

Government-wide statement of net position:	
Pooled cash and investments	\$ 7,739,950
Restricted cash	2,002,127
Custodial funds:	
Pooled cash and investments	<u>3,034</u>
Total	<u><u>\$ 9,745,111</u></u>

**Note 3: Accounts Receivable**

Accounts receivable consists of grants and payments owed from vendors. Accounts receivable is recorded net of estimated uncollectible accounts.

As a result of providing water and sanitation services to its citizens, the City has extended credit to them. Accounts receivable are presented net of allowance for doubtful accounts for the Water and Sewer Fund.

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**Note 4: Capital and Lease Assets**

Capital asset activity for the year ended December 31, 2022, consisted of the following:

	<u>Balance January 1,</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance December 31, 2022</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 765,346	\$ 139,781	\$ (29,610)	\$ -	\$ 875,517
Construction in progress	7,152	1,031,006	(1,875)	-	1,036,283
Total capital assets not being depreciated	<u>772,498</u>	<u>1,170,787</u>	<u>(31,485)</u>	<u>-</u>	<u>1,911,800</u>
Capital assets being depreciated:					
Buildings	11,716,070	530,390	-	-	12,246,460
Equipment and vehicles	5,271,490	319,798	(260,295)	-	5,330,993
Software	214,224	12,031	-	-	226,255
Infrastructure	14,298,698	570,313	-	-	14,869,011
Total capital assets being depreciated	<u>31,500,482</u>	<u>1,432,532</u>	<u>(260,295)</u>	<u>-</u>	<u>32,672,719</u>
Less accumulated depreciation:					
Buildings	4,327,467	258,167	-	-	4,585,634
Equipment and vehicles	3,409,916	342,005	(242,669)	-	3,509,252
Software	214,224	3,342	-	-	217,566
Infrastructure	5,109,518	539,512	-	-	5,649,030
Total accumulated depreciation	<u>13,061,125</u>	<u>1,143,026</u>	<u>(242,669)</u>	<u>-</u>	<u>13,961,482</u>
Total capital assets being depreciated, net	<u>18,439,357</u>	<u>289,506</u>	<u>(17,626)</u>	<u>-</u>	<u>18,711,237</u>
Governmental activities capital assets, net	<u>\$ 19,211,855</u>	<u>\$ 1,460,293</u>	<u>\$ (49,111)</u>	<u>\$ -</u>	<u>\$ 20,623,037</u>

Depreciation expense was charged to the function/programs of the primary government as follows:

Government activities:	
General government	\$ 290,957
Public safety	297,424
Culture and recreation	268,863
Street	<u>285,782</u>
Total depreciation expense, governmental	<u>\$ 1,143,026</u>

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Capital asset activity for the year ended December 31, 2022, consisted of the following:

	<b>Balance January 1,</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance December 31, 2022</b>
Business-type activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 89,783	\$ -	\$ -	\$ -	\$ 89,783
Construction in progress	429,021	154,200	-	(429,021)	154,200
Total capital assets not being depreciated	<u>518,804</u>	<u>154,200</u>	<u>-</u>	<u>(429,021)</u>	<u>243,983</u>
Capital assets being depreciated:					
Buildings	19,427,850	108,576	-	-	19,536,426
Equipment and vehicles	4,099,478	374,252	(70,671)	-	4,403,059
Plant, structure and lines	15,839,243	-	-	429,021	16,268,264
Total capital assets being depreciated	<u>39,366,571</u>	<u>482,828</u>	<u>(70,671)</u>	<u>429,021</u>	<u>40,207,749</u>
Less accumulated depreciation:					
Water and sewer	18,614,594	998,437	(25,243)	-	19,587,788
Total accumulated depreciation	<u>18,614,594</u>	<u>998,437</u>	<u>(25,243)</u>	<u>-</u>	<u>19,587,788</u>
Total capital assets being depreciated, net	<u>20,751,977</u>	<u>(515,609)</u>	<u>(45,428)</u>	<u>429,021</u>	<u>20,619,961</u>
Business-type activities capital assets, net	<u>\$ 21,270,781</u>	<u>\$ (361,409)</u>	<u>\$ (45,428)</u>	<u>\$ -</u>	<u>\$ 20,863,944</u>

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Capital asset activity for the year ended June 30, 2022, consisted of the following:

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance June 30, 2022</b>
<b>Nursing Home</b>					
Land and land improvements	\$ 333,962	\$ 5,725	\$ -	\$ -	\$ 339,687
Buildings and leasehold improvements	6,049,342	-	-	-	6,049,342
Furnishings and equipment	987,581	136,003	-	-	1,123,584
Construction in progress	111,419	69,583	(111,020)	-	69,982
	<u>7,482,304</u>	<u>211,311</u>	<u>(111,020)</u>	<u>-</u>	<u>7,582,595</u>
Less accumulated depreciation					
Land improvements	287,810	2,042	-	-	289,852
Buildings and leasehold improvements	4,906,657	92,745	-	-	4,999,402
Furnishings and equipment	782,591	73,119	-	-	855,710
	<u>5,977,058</u>	<u>167,906</u>	<u>-</u>	<u>-</u>	<u>6,144,964</u>
	<u>\$ 1,505,246</u>	<u>\$ 43,405</u>	<u>\$ (111,020)</u>	<u>\$ -</u>	<u>\$ 1,437,631</u>
	<b>Balance July 1, 2021 (as restated)</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance June 30, 2022</b>
<b>Medical Center</b>					
Land and land improvements	\$ 1,062,275	\$ -	\$ (30,000)	\$ -	\$ 1,032,275
Buildings and leasehold improvements	31,991,585	-	(177,778)	45,463	31,859,270
Furnishings and equipment	20,950,001	1,425,942	(186,268)	182,341	22,372,016
Construction in progress	260,318	-	-	(227,804)	32,514
	<u>54,264,179</u>	<u>1,425,942</u>	<u>(394,046)</u>	<u>-</u>	<u>55,296,075</u>
Less accumulated depreciation					
Land improvements	318,888	9,821	-	-	328,709
Buildings and leasehold improvements	25,947,712	850,929	(177,778)	-	26,620,863
Furnishings and equipment	18,255,399	780,705	(119,650)	-	18,916,454
	<u>44,521,999</u>	<u>1,641,455</u>	<u>(297,428)</u>	<u>-</u>	<u>45,866,026</u>
	<u>\$ 9,742,180</u>	<u>\$ (215,513)</u>	<u>\$ (96,618)</u>	<u>\$ -</u>	<u>\$ 9,430,049</u>

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Lease assets activity for the year ended June 30, 2022, consisted of the following:

	<b>Balance July 1, 2021 (as restated)</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance June 30, 2022</b>
<b>Medical Center</b>					
Equipment	\$ 1,366,041	\$ 801,739	\$ -	\$ -	\$ 2,167,780
Less accumulated amortization	158,633	501,141	-	-	659,774
Lease assets, net	<u>\$ 1,207,408</u>	<u>\$ 300,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,508,006</u>

**Note 5: Pension Plan**

***General Information about the Pension Plan***

Plan Description

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

Benefits Provided

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

	<b><u>2022 Valuation</u></b>
Benefit Multiplier	1.5%
Final Average Salary	5 years
Member Contributions	0%

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Benefit terms provide for annual postretirement 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.

**Primary Government**

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	64
Active employees	70
	242

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 do not contribute to the pension plan. Employer contribution rates are 7.3% General, 12.0% Police and 3.1% Fire of annual covered payroll. The City contributed \$195,119 for the year-ended December 31, 2022.

Net Pension Asset

The employer’s net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2022, rolled forward to June 30, 2022.

Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increases	2.75% to 6.75%, including wage inflation
Net investment rate of return	7.00%

For 2022, the healthy retiree mortality tables for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Table.

The preretirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of general groups and 75% of the PubS-2010 Employee Mortality Table for males and females of police, fire, and public safety groups.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	39.00%	4.16%
Fixed Income	28.00%	1.05%
Real Assets	33.00%	2.09%

**Discount Rate**

The discount rate used to measure the total pension liability is 7%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to 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 Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

***Changes in the Net Pension Liability (Asset)***

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Changes in Net Pension Liability (Asset) (a) - (b)</b>
Balances as of January 1, 2022	\$ 17,007,498	\$ 22,699,451	\$ (5,691,953)
Changes for the year:			
Service cost	304,424	-	304,424
Interest on total pension liability	1,163,202	-	1,163,202
Difference between expected and actual experience	372,635	-	372,635
Changes of assumptions	-	-	-
Benefit payments	(1,098,522)	(1,098,522)	-
Employer contributions	-	265,894	(265,894)
Employee contributions	-	-	-
Net investment income	-	15,684	(15,684)
Administrative expenses	-	(24,306)	24,306
Other changes	-	(26,601)	26,601
Net changes	741,739	(867,851)	1,609,590
Balances as of December 31, 2022	\$ 17,749,237	\$ 21,831,600	\$ (4,082,363)

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

The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6%), or one percentage point higher (8%), than the current rate.

	<b>1% Decrease 6.00%</b>	<b>Current Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
	Net pension liability (asset)	\$ (1,724,772)	\$ (4,082,363)

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

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

For the year ended December 31, 2022, the employer recognized a pension expense of (\$852,965). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 274,669	\$ (165,828)
Changes of assumptions	-	(139,261)
Net difference between projected and actual earnings on pension plan investments	-	(462,369)
Contributions subsequent to the measurement date*	139,851	-
Total	<u>\$ 414,520</u>	<u>\$ (767,458)</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, 2023.

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

<b>Year Ending</b>	<b>Net Deferred (Inflows)/Outflows of Resources</b>
2023	\$ (268,167)
2024	(136,257)
2025	(396,938)
2026	308,573
Total	<u>\$ (492,789)</u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

***Discretely Presented Component Units***

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	270
Inactive employees entitled to but not yet receiving benefits	179
Active employees	312
	761

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 do not contribute to the pension plan. Employer contribution rates are 6.4% for the Nursing Home and 3.6% for the Medical Center of annual covered payroll. The Nursing Home contributed \$166,704 and the Medical Center contributed \$644,969 for the year-ended June 30, 2022.

Net Pension Asset

The employer's net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2022, rolled forward to June 30, 2022.

Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increases	2.75% to 6.75%, including wage inflation
Net investment rate of return	7.00%

For 2022, the healthy retiree mortality tables for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Table.

The preretirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of general groups and 75% of the PubS-2010 Employee Mortality Table for males and females of police, fire, and public safety groups.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	39.00%	4.16%
Fixed Income	28.00%	1.05%
Real Assets	33.00%	2.09%

**Discount Rate**

The discount rate used to measure the total pension liability is 7%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to 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 Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

***Changes in the Net Pension Liability (Asset) – Discretely Presented Component Units***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Changes in Net Pension Liability (Asset) (a) - (b)
Balances as of July 1, 2021	\$ 40,447,564	\$ 57,136,036	\$ (16,688,472)
Changes for the year:			
Service cost	1,045,924	-	1,045,924
Interest on total pension liability	2,792,471	-	2,792,471
Difference between expected and actual experience	2,272,627	-	2,272,627
Benefit payments	-	811,673	(811,673)
Employer contributions	-	35,874	(35,874)
Net investment income	-	6,507	(6,507)
Changes in assumptions	(2,175,272)	(2,175,272)	-
Administrative expenses	-	(78,120)	78,120
Other changes	-	(201,029)	201,029
Net changes	3,935,750	(1,600,367)	5,536,117
Balances as of June 30, 2022	\$ 44,383,314	\$ 55,535,669	\$ (11,152,355)

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

The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6%), or one percentage point higher (8%), than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
	Net pension liability (asset)	\$ (4,816,810)	\$ (11,152,355)

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

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

For the year ended June 30, 2022, the employer recognized a pension expense of (\$847,976). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,811,558	\$ 540,427
Changes of assumptions	-	783,936
Net difference between projected and actual earnings on pension plan investments	-	1,194,645
Total	\$ 1,811,558	\$ 2,519,008

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

<b>Year Ending</b>	<b>Net Deferred (Inflows)/Outflows of Resources</b>
2023	\$ (490,120)
2024	(524,516)
2025	(795,991)
2026	1,103,177
Total	\$ (707,450)

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

**Note 6: Long-Term Obligations**

Changes in long-term obligations of the City for the year ended December 31, 2022, consisted of the following:

<b>Governmental Activities</b>					
	<b>Balance January 1, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance December 31, 2022</b>	<b>Amounts Due Within One Year</b>
Bonds payable	\$ 23,473	\$ -	\$ 5,526	\$ 17,947	\$ 5,744
Certificates of participation	3,390,000	-	270,000	3,120,000	275,000
Finance obligations	1,500,884	-	293,707	1,207,177	264,997
Bond premium/(discount)	(3,542)	-	(355)	(3,187)	-
	<u>4,910,815</u>	<u>-</u>	<u>568,878</u>	<u>4,341,937</u>	<u>545,741</u>
Other liabilities, Compensated absences	<u>245,122</u>	<u>79,029</u>	<u>49,024</u>	<u>275,127</u>	<u>55,025</u>
	<u>\$ 5,155,937</u>	<u>\$ 79,029</u>	<u>\$ 617,902</u>	<u>\$ 4,617,064</u>	<u>\$ 600,766</u>
<b>Business-Type Activities</b>					
	<b>Balance January 1, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance December 31, 2022</b>	<b>Amounts Due Within One Year</b>
2007B SRF revenue bonds	\$ 5,385,000	\$ -	\$ 620,000	\$ 4,765,000	\$ 635,000
2015 SRF revenue bonds	2,032,100	-	124,400	1,907,700	127,400
Finance obligations	50,801	-	50,801	-	-
Bond premium/discount	89,628	-	12,629	76,999	-
	<u>7,557,529</u>	<u>-</u>	<u>807,830</u>	<u>6,749,699</u>	<u>762,400</u>
Other liabilities Compensated absences	<u>37,884</u>	<u>26,289</u>	<u>7,576</u>	<u>56,597</u>	<u>11,319</u>
	<u>\$ 7,595,413</u>	<u>\$ 26,289</u>	<u>\$ 815,406</u>	<u>\$ 6,806,296</u>	<u>\$ 773,719</u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

Changes in long-term obligations of the Component Units for the year ended June 30, 2022, consisted of the following:

	Component Units				
	Balance June 30, 2021 (as restated)	Additions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
Bonds payable	\$ 12,970,000	\$ -	\$ 965,000	\$ 12,005,000	\$ 1,005,000
Paycheck protection program loan	3,000,000	-	3,000,000	-	-
Finance obligations	1,093,218	-	219,497	873,721	94,127
Nursing Home loan	1,650,000	-	-	1,650,000	1,650,000
Lease liabilities	1,123,775	801,739	554,683	1,370,831	371,886
	<u>\$ 19,836,993</u>	<u>\$ 801,739</u>	<u>\$ 4,739,180</u>	<u>\$ 15,899,552</u>	<u>\$ 3,121,013</u>

The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The liability for compensated absences has been calculated using the vesting method, which leaves amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

Total City debt at December 31, 2022, consisted of the following:

Governmental activities:

\$96,940, Series 2005A neighborhood improvement district bond (NID), issued for road and curb improvements, due in annual installments of \$6,442, through March 1, 2025; interest at 3.95%	\$	17,947
\$165,000, Series 2014 refunding certificates of participation, issued to refund Series 2011 certificates of participation, due in annual installments of \$7,013, through December 2033, with a balloon payment of \$165,000 due in 2033; interest at 4.25%		165,000
\$2,875,000, Series 2020 certificates of participation, issued to refinance the Series 2011 certificates of participation, due in annual installments of \$137,000 to \$230,000, through December 2031; interest at 2.75%		2,235,000
\$895,000, Series 2012 certificates of participation, issued for construction of a Public Safety Building and payments of 2011 certificates of participation, due in annual installments of \$40,000 to \$75,000, through December 2031; interest at 2% to 4%		560,000
\$160,000, Series 2013 refunding certificates of participation, issued to refund Series 2011 certificates of participation, due in annual installments of \$8,800 to \$8,922, through December 2032; interest at 5.5%		160,000
Various finance obligations with U.S. Bancorp, Clayton Holdings and Metz Bank through March 2031 with interest rates ranging from 1.47% to 3.21%		1,207,177
Total governmental activities	\$	4,345,124

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

Business-Type activities:

\$12,000,000, Series 2007B Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program), due in annual installments of \$500,000 to \$715,000, through January 1, 2029; interest at 4% to 5%	\$ 4,765,000
\$2,722,000, Series 2015 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri - Direct Loan Program), due in semi-annual installments through July 1, 2035; interest at 1.3%	<u>1,907,700</u>
Total business-type activities	<u><u>\$ 6,672,700</u></u>

Discretely presented component units:

\$21,730,800, Series 2007 Revenue Bonds payable consists of health facilities revenue bonds due in annual installments through October 1, 2031; interest at 3.70% to 4.375%	\$ 12,005,000
Various finance obligations through 2035 with interest ranging from 1.50% to 6.71%	873,721
Total discretely presented component units secured note with no interest; due if meets certain days cash on hand amounts	<u>1,650,000</u>
Total discretely presented component units	<u><u>\$ 14,528,721</u></u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

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

<b>Years ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>NID Bonds</b>
2023	\$ 5,744	\$ 709	\$ 6,453
2024	5,970	483	6,453
2025	6,233	247	6,480
	<u>\$ 17,947</u>	<u>\$ 1,439</u>	<u>\$ 19,386</u>

<b>Years ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Certificates of Participation</b>
2023	\$ 275,000	\$ 96,873	\$ 371,873
2024	285,000	88,911	373,911
2025	290,000	80,744	370,744
2026	300,000	72,288	372,288
2027	310,000	63,519	373,519
2028-2032	1,495,000	173,675	1,668,675
2033	165,000	7,013	172,013
	<u>\$ 3,120,000</u>	<u>\$ 583,023</u>	<u>\$ 3,703,023</u>

<b>Years ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Finance Obligations</b>
2023	\$ 264,697	\$ 21,834	\$ 286,531
2024	232,687	16,098	248,785
2025	218,887	11,412	230,299
2026	223,391	6,909	230,300
2027	149,121	2,292	151,413
2028-2032	118,394	283	118,677
	<u>\$ 1,207,177</u>	<u>\$ 58,828</u>	<u>\$ 1,266,005</u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

<b>Years ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Water/Sewer Revenue Bonds</b>
2023	\$ 762,400	\$ 235,245	\$ 997,645
2024	780,400	203,461	983,861
2025	798,400	170,521	968,921
2026	821,200	136,719	957,919
2027	840,200	102,042	942,242
2028-2032	2,177,000	125,372	2,302,372
2033-2035	493,100	11,361	504,461
	<u>\$ 6,672,700</u>	<u>\$ 984,721</u>	<u>\$ 7,657,421</u>

<b>Years ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Component Units</b>
2023	\$ 1,005,000	\$ 498,145	\$ 1,503,145
2024	1,045,000	454,583	1,499,583
2025	1,085,000	409,049	1,494,049
2026	1,125,000	361,534	1,486,534
2027	1,170,000	312,191	1,482,191
2028-2032	6,575,000	740,170	7,315,170
	<u>\$ 12,005,000</u>	<u>\$ 2,775,672</u>	<u>\$ 14,780,672</u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

Bond Reserve Accounts

Under the Series 2007B Combined Waterworks/Sewerage System Revenue Bonds (State Revolving Fund Program), the City is required to deposit monies into a debt service account sufficient to meet maturity dates of principal and interest. Further, after providing funds for current operations and principal and interest, excess funds will be deposited monthly into a depreciation and replacement account until a balance of \$461,030 is reached. In addition, the City will make a monthly reserve deposit until a balance of \$356,000 is met.

At December 31, 2022, the City was in compliance with the requirements.

Rates and fees established and charged were sufficient to satisfy bond covenant responsibilities for the Water and Sewer Fund for the year ended December 31, 2022.

Conduit Debt

The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. The debt is payable solely from payments received from the private businesses involved. As of December 31, 2022, there was one issue of industrial revenue bonds outstanding. This issue has an original issue amount of approximately \$50.1 million and a balance as of December 31, 2022 of approximately \$18.6 million.

Revenue Bonds Payable of the Component Unit

The Series 2007 Revenue Bonds payable consists of Health Facilities Revenue Bonds in the original amount of \$21,730,800 dated March 15, 2007, which bear interest at 3.700% to 4.375%. The Bonds are payable in graduated annual installments commencing October 1, 2009, and ending October 1, 2031. The Medical Center is required to make minimum monthly deposits of one-sixth of the amount of interest becoming due on all Bonds on the next succeeding interest payment date and one-twelfth of the principal of the Bonds becoming due on the next October 1 to the debt service fund held by the trustee. The Bonds are payable, both as to principal and interest, solely out of the net income and revenues arising from the operation of the Medical Center facility after providing for the costs of operation and maintenance thereof, and from all other income made available to the Board of Directors including investment income and gifts, bequests, contributions, grants, and all other monies, except to the extent otherwise limited by the donor or grantor. The City of Nevada and Board of Directors have pledged said net Medical Center income and revenues and other income for the payment of such principal and interest. Payments of bond principal are also secured by an insurance policy issued by a commercial insurer.

The indenture agreement requires that certain funds be established with the trustee. Accordingly, these funds are included as assets held by trustee for debt service in the balance sheets. The indenture agreement also requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a historical debt-service coverage ratio of at least 1.15, certain days cash on hand, and restrictions on incurrence of additional debt.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
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Paycheck Protection Program (PPP) Loan of the Component Unit

The Medical Center had a note payable dated April 30, 2020, in the amount of \$3,000,000 at 1.0% interest, monthly payments of \$167,971 payable for a period of seventeen months beginning on November 30, 2020, with a final payment on April 30, 2022. These proceeds were issued by the Small Business Administration (SBA) through the Paycheck Protection Program.

During 2022, the loan was forgiven. Any forgiveness of the loan is recognized as a gain in the financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any gain recognized.

Refunding and Defeased Debt

The City completed a defeasance and redemption of the outstanding certificate of participation Series 2011 by placing deposits in an irrevocable trust to provide all future debt service payments on these series. Accordingly, neither the trust accounts nor the liability for the COP defeased are included in the City's financial statements. The amount of outstanding debt from this series that is still outstanding at December 31, 2022, is \$2,235,000.

Unfunded Commitments

On December 14, 2022, the Nevada Animal Shelter entered into a line of credit agreement with a local bank. The line of credit has a maximum borrowing limit of \$1,144,000, bears an interest rate of 6.75% and matures September 14, 2023. The line of credit is secured by a deed of trust for certain property owned by the animal shelter. At December 31, 2022, there were no draws on this line of credit.

**Note 7: Restricted Cash**

Restricted cash and investments at December 31, 2022, consisted of the following:

<u>Account</u>	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
Municipal court	\$ 366	\$ -	\$ 366
Animal shelter	104,000	-	104,000
Customer deposits	-	320,109	320,109
Bond reserve accounts	-	819,954	819,954
Reserve for debt service	-	757,698	757,698
	<u>\$ 104,366</u>	<u>\$ 1,897,761</u>	<u>\$ 2,002,127</u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
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**Note 8: Legal Matters**

There are a number of claims and/or lawsuits to which the City is a party as a result of certain law enforcement activities, injuries, and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel believe that the potential claims against the City not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the City.

**Note 9: Tax Revenues**

The tax revenue, including interest and penalties collected thereon, for the year ended December 31, 2022, is as follows:

Type	General Fund	Special Revenue Funds	Water & Sewer Fund
Property	\$ 891,957	\$ -	\$ -
Railroad	49,985	-	-
Franchise	1,071,457	-	-
Cigarette	-	62,846	-
City Sales	2,048,739	-	-
Capital Improvement Sales	-	-	1,036,712
Park Sales	-	1,022,390	-
Transportation Sales	-	1,022,390	-
Motor Vehicle	-	412,922	-
Occupancy	-	137,438	-
	<u>\$ 4,062,138</u>	<u>\$ 2,657,986</u>	<u>\$ 1,036,712</u>

The assessed valuation of the tangible property for the purpose of local taxation as of May 31, 2022, was as follows:

Real estate	\$ 70,851,890
Personal property	30,561,535
Railroad and utility	<u>9,194,739</u>
	<u>\$ 110,608,164</u>

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
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The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2022 was as follows:

General Fund	\$	0.7360
Library		0.1990
		\$ 0.9350

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

**Note 10: Interfund Transactions**

There were no interfund receivable and payable balances at December 31, 2022.

Transfers during the year ended December 31, 2022, were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 548,838	\$ 212,350
Special Revenue Funds:		
Parks	5,000	-
Special projects	-	106,604
Airport	208,531	-
Tourism	-	5,000
NID-Ashland Estates Sewer	3,819	-
Proprietary Funds:		
Water and sewer	-	442,234
	\$ 766,188	\$ 766,188

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

The Water and Sewer Fund is exempt from federal and state income taxes and local property taxes because they are an enterprise fund at the City of Nevada, Missouri. However, the fund is required by a City ordinance to pay both a payment in-lieu-of tax and a franchise fee to the General Fund.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

In addition to these payments, and not included on the above transfer schedule, the Water and Sewer Fund makes payments to the General Fund for certain administration, data processing and accounting services totaling \$464,784 during the year ended December 31, 2022.

**Note 11: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation, and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

**Note 12: Self-Insurance**

Substantially all of the City's employees and their dependents are eligible to participate in the City's employee health insurance plan. The City is self-insured for health claims of participating employees and dependents.

A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the City's estimate will change by a material amount in the near term.

The accrued employee health claims liability is included within accounts payable and accrued expenses on the statement of net position.

**Note 13: Deferred Compensation Plan**

The City offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. Participation in the plan is optional.

Employees may contribute up to 25% of their annual base salary to a maximum limit of \$20,500 per year. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Investments are managed by the plan's trustee, and the choice of the investment option(s) is made by the participants.

The City does not make a contribution for employees participating in the plan.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

**Note 14: Pledged Revenues**

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay a debt issue totaling \$10,247,324. Proceeds from the bonds were used to fund the infrastructure for the sewer system. The bonds are payable from the Water and Sewer Fund. Net revenues are payable through 2035. The total interest and principal remaining to be paid on the bonds is \$7,657,421. Principal and interest paid for the current year is \$1,010,298.

The City has pledged a portion of its sales tax to repay its certificates of participation. The outstanding principal on these certificates as of December 31, 2022, amounted to \$3,120,000. The certificates were used for the construction of the new fire station and annexation of police, municipal court and council chambers to City Hall. Principal and interest paid for the current year is \$374,573.

**Note 15: Landfill Closure and Postclosure Care Costs**

The City officially closed the public landfill on October 2, 1993. State and Federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated liability for postclosure care costs, which consisted of the estimated cost of all equipment, facilities and services required to close, monitor, and maintain the landfill for this 30-year period was \$1,283,200, which was recorded as a liability in the Landfill Fund. The remaining liability at December 31, 2022 is \$157,326.

**Note 16: Contingencies**

Substantially all of the City's water and sewer utilities are subject to federal and state regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the City expect such compliance to have, any material effect upon the financial condition of the City. Management of the City believes that its current practices and procedures for the control and disposition of such wastes comply with all applicable federal and state requirements.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

**Note 17: Federal and State Grants**

The City participates in a number of federal and state grant programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2022, a significant amount of grant expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based upon oversight by the governmental units will not have a material effect on any of the governmental funds or the overall financial position of the City.

On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was signed into law. The Nevada Regional Medical Center and the Nevada City Nursing Home received \$2,667,918 and \$317,200, respectively, in federal grants related to the CARES Act during the year ended June 30, 2022. These funds are accounted for as voluntary nonexchange transactions. Revenue is recognized as eligibility requirements are met. During the year ended June 30, 2022, Nevada Regional Medical Center and Nevada City Nursing Home recognized \$2,667,918 and \$317,200, respectively, as grants from other governments – unrestricted.

During the year ended December 31, 2022, the City received \$849,538 in federal grants related to the *American Rescue Plan Act of 2021* (ARPA). These funds are treated as conditional contributions and are recognized as the terms and conditions of the contributions are met. Through December 31, 2022, the City has recognized \$297,571 as grants from other governments – unrestricted on the statement of activities.

During the year ended December 31, 2022, the City was awarded federal funds under the Airport Improvement Program, which were passed through the Missouri Department of Transportation. These funds are provided to the City on a reimbursement basis, with revenue recognized when the terms and conditions of the award are satisfied. As of December 31, 2022, the City had received \$405,434 in reimbursements and recognized \$406,992 in revenue from capital grants and contributions related to the Airport Improvement Program within the statement of activities.

**Note 18: Tax Abatements**

The City enters into property tax abatement agreements pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended to purchase, construct, extend, equip and improve certain projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporation for manufacturing, commercial, research and development, office industry, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

For the year ended December 31, 2022, the City had agreements for abated property taxes on assets valued at \$5,574,658 under this program. A 100% tax abatement was provided for a company to purchase equipment. The abated taxes for 2022 under the agreement totaled \$21,065. Under the agreement, the City has agreed to pay 25% in PILOT taxes which amounted to \$5,266 for the year ended December 31, 2022. The net effect is a property tax abatement of \$15,799.

**Note 19: Nevada City Nursing Home**

During the Nursing Home's 2022 fiscal year-end ending June 30, 2022, the Nursing Home incurred an operating loss of \$2,049,717, a decrease in net position of \$290,427 and experienced a decrease in cash of \$1,753,562 due to decreased occupancy and increases in labor and supply costs. The Nursing Home is evaluating the ways to reduce operating expenses. The Nursing Home believes it will have sufficient cash to meet its cash flow requirements over the next year. However, there can be no assurance that the Nursing Home will be successful in achieving its objectives.

The accompanying financial statements have been prepared assuming that the Nursing Home will continue as a going concern; however, the above conditions raise substantial doubt about the Nursing Home's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Nursing Home be unable to continue as a going concern.

**Note 20: Nevada Regional Medical Center**

The Medical Center incurred total operating losses of approximately \$5,277,538 during the fiscal year ended June 30, 2022. Consecutive years with operating losses have contributed to a decline in cash. Days cash on hand as of June 30, 2024, is less than 15 days. Subsequent to year end, in 2024, the Medical Center received notice of being in default on the Series 2007 Revenue Bonds and executed certain related forbearance agreements, causing that debt to be due in 2025 without sufficient liquid resources to pay.

The Medical Center is evaluating opportunities to reduce operating losses and increase liquidity, including implementation of restructuring plan, optimizing revenues including 340B drug discount program, and monitoring working capital amounts and reducing accounts receivable balances. The Medical Center believes it will have sufficient cash to meet its cash flow requirements over the next year. However, there can be no assurance that the Medical Center will be successful in achieving its objectives.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

The accompanying financial statements have been prepared assuming that the Medical Center will continue as a going concern; however, the above conditions raise substantial doubt about the Medical Center's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Medical Center be unable to continue as a going concern.

**Note 21: Related-Party Transactions**

In February 2017, the Nursing Home purchased property and two clinics for \$1,198,000, which it leased to the Medical Center under a fifteen-year agreement commencing on February 2, 2017. Upon expiration of the lease, ownership of the property was to be transferred to the Medical Center. The Medical Center made monthly lease payments of \$7,437, including interest at a rate of 1.5%. Beginning three years after inception and every three years thereafter, the monthly lease payments were adjusted based on the three-year Treasury note rate, with a minimum floor of 1.5%.

As of June 30, 2022, the Medical Center presents the leased property within its capital assets and reports a financing obligation of \$855,197 to the Nursing Home in its statement of net position. The Nursing Home does not report the leased property within its capital assets but instead reports a financing receivable of \$855,917 from the Medical Center in its statement of net position.

In December 2022, subsequent to the June 30, 2022 fiscal year-ends of both the Medical Center and the Nursing Home, the City purchased the property from the Nursing Home for \$600,000. Following acquisition, the City assumed the lease agreement between the Nursing Home and the Medical Center. In 2023, the multi-term lease agreement between the City and the Medical Center was terminated, and the City entered into a month-to-month lease agreement with the Medical Center, under which it continues to lease the property to the Medical Center. At December 31, 2022, the City reports the property within its capital assets in its statement of net position and does not report a financing receivable from the Medical Center.

**Note 22: Disclosures About Fair Value of Assets**

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

**Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022:

	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>December 31, 2022</b>				
<b>Investments</b>				
U.S. Treasury Notes	\$ 4,568,810	\$ 4,568,810	\$ -	\$ -
Negotiable Certificates of Deposit	<u>1,305,139</u>	<u>1,305,139</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 5,873,949</u>	<u>\$ 5,873,949</u>	<u>\$ -</u>	<u>\$ -</u>

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Note 23: Deficit Fund Balances**

The Airport Fund and ARPA Fund have a deficit fund balance of \$207,306 and \$3,289, respectively, as of December 31, 2022. The City plans to correct the deficit of the airport fund through the receipt of grant funds, and the ARPA fund deficit balance through a transfer from the general fund.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

**Note 24: Future Governmental Accounting Standards Board (GASB) Statements**

GASB has issued several statements that are not yet effective and have not yet been implemented by the City of Nevada, Missouri. The statements which might impact the City are as follows:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, issued May 2020, will be effective for reporting periods beginning after June 15, 2022. The primary objectives of this statement are to provide a single approach to accounting for and reporting SBITA's by state and local governments. The Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and requires note disclosures regarding a SBITA.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement also requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2023.

GASB Statement No. 101, *Compensated Absences*, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

GASB Statement No. 102, *Certain Risk Disclosures*, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2025.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves five key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability:

- 1) This statement requires that information presented in Management Discussion and Analysis (MD&A) be limited to related topics discussed in five sections: 1) Overview of Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity and 5) Currently Known Facts, Decisions, or Conditions. MD&A should also explain why balances and results of operations changed and avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections. MD&A should continue to distinguish between the primary government and its discretely presented component units.
- 2) Unusual or Infrequent Items are described as transactions and other events that are either unusual in nature or infrequent in occurrence. These items are required to be displayed separately as the last presented flow of resources prior to the net change in resource flows in government-wide, governmental fund, and proprietary fund statements of resource flows.
- 3) Presentation of Proprietary Fund statement of Revenues, Expenses and Changes in Fund Net Position should continue to distinguish between operating and nonoperating revenues and expenses and provides additional guidance on determining nonoperating revenues and expenses. Additional subtotals are required to be presented to show a subtotal for "operating income (loss) and noncapital subsidies" prior to reporting other nonoperating revenues and expenses. Subsidies are defined within the statement.
- 4) Major Component Unit Information is required to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is impacted, combining statements of major component units should be presented after the fund financial statements.
- 5) Budgetary Comparison Information is required to be presented as required supplementary information (RSI) and variances between original and final budget amounts and variances between final and actual amounts are required to be presented. Explanation of significant difference must be presented in notes to the RSI.

The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87 and intangible right-to-use assets recognized in accordance with Statement No. 94 should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Subscription assets recognized in accordance with Statement No. 96 should also be separately disclosed. Other intangible assets other than those three types should be disclosed separately by major class. This statement also requires additional disclosures for capital assets held for sale and requires governments to evaluate each reporting period to ensure it meets the criteria that the sale will be probable within one year of the financial statement date. Governments should disclose the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major asset class and the carrying amount of debt for which the capital assets held for sales are pledged as collateral for each major asset class. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

**Note 25: Subsequent Events**

On December 14, 2022, the Animal Shelter executed a promissory note agreement for a loan of \$1,144,000, bearing interest at 6.75% per annum, to finance the construction of a new animal shelter facility. The note, secured by the facility, was scheduled to mature on September 14, 2023. Under the terms of the agreement, advances were to be drawn upon request, contingent on construction costs incurred. As of December 31, 2022, no advances had been made under this arrangement. Subsequent to year-end, the Animal Shelter drew advances totaling \$1,144,000. The outstanding principal and accrued interest were fully repaid in June 2024.

On May 13, 2024, the Animal Shelter entered into a loan agreement with the U.S. Department of Agriculture (USDA) to further finance the construction of the aforementioned facility. The USDA loan totals \$1,144,000, carries an interest rate of 2.25% per annum, and matures on May 13, 2049.

During 2023, the City settled litigation brought against the City and accrued for this within the general fund as of December 31, 2021 for the amount that was not covered by insurance as the event that lead to the litigation occurred prior to the balance sheet date.

During 2023, the City performed a capital asset useful life study and anticipates updating depreciation once the study is finalized.

During 2023, the City passed, approved and adopted a local use sales tax at a rate of 3% on all tangible personal property retail sales of adult-use marijuana.

**City of Nevada, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2022**

In April 2024, the City entered into a financed purchase agreement for two freightliner vehicles. Principal and interest payments of \$182,509 are due annually, beginning on April 17, 2025 and ending on April 17, 2029.

In April 2024, citizens of the City voted to issue its combined waterworks and sewage system revenue bonds in the amount of \$15,000,000 for the purpose of extending and improving the combined waterworks and sewage system of the City, including acquiring land and rights of way. The cost of operations and maintenance of said combined waterworks and sewage system and the principal and interest on said revenue bonds is to be payable solely from revenues derived from the City from the operation of its combined waterworks and sewage system.

In June 2024, the Board of Trustees of the Nevada Regional Medical Center entered into a forbearance agreement in relation to their Series 2007 Refunding Revenue Bonds.

During 2024, the City passed, approved and adopted a City sales tax for general municipal purposes at a rate of one-half of one percent (1/2 of 1%) on the receipts from all retail sales of property or services within the City which are subject to taxation by the State of Missouri, with one-half of the revenues of such sales tax to be used for construction costs for a community aquatic center and general parks operations and maintenance and the other one-half of such tax to be used for police and fire department salaries, benefits and essential public safety operations.

During 2025, the Nursing home sold the land and building at the Barone location which had a net book value of approximately \$327,000 at June 30, 2022 for approximately \$80,000.

**City of Nevada, Missouri**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in the City's Net Pension (Asset) Liability and Related Ratios**  
**Last Eight Fiscal Years**

Fiscal year ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service cost	\$ 1,350,348	\$ 1,300,396	\$ 1,285,139	\$ 1,262,493	\$ 1,199,419	\$ 1,131,932	\$ 283,533	\$ 287,548
Interest on the total pension liability	3,955,673	4,126,984	4,000,009	3,810,399	3,687,008	3,574,011	1,078,667	1,047,094
Benefit changes	-	-	-	-	-	-	-	-
Difference between expected and actual experience	2,645,262	(1,013,133)	(758,484)	222,750	(705,166)	(790,527)	(324,977)	(1,079)
Assumption changes	-	(1,801,715)	-	-	-	-	446,730	-
Benefit payments	(3,273,794)	(2,835,528)	(2,731,842)	(2,652,445)	(2,373,048)	(2,406,365)	(896,720)	(895,495)
Refunds	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>4,677,489</u>	<u>(222,996)</u>	<u>1,794,822</u>	<u>2,643,197</u>	<u>1,808,213</u>	<u>1,509,051</u>	<u>587,233</u>	<u>438,068</u>
<b>Total Pension Liability beginning</b>	<u>57,455,062</u>	<u>57,678,058</u>	<u>55,883,236</u>	<u>53,240,039</u>	<u>51,431,826</u>	<u>49,922,775</u>	<u>15,179,402</u>	<u>14,741,334</u>
<b>Total Pension Liability ending</b>	<u>\$ 62,132,551</u>	<u>\$ 57,455,062</u>	<u>\$ 57,678,058</u>	<u>\$ 55,883,236</u>	<u>\$ 53,240,039</u>	<u>\$ 51,431,826</u>	<u>\$ 15,766,635</u>	<u>\$ 15,179,402</u>
<b>Plan Fiduciary Net Position</b>								
Contributions-employer	\$ 1,077,567	\$ 939,678	\$ 870,335	\$ 884,234	\$ 786,993	\$ 683,769	\$ 291,950	\$ 292,173
Contributions-employee	-	-	-	-	-	-	-	18,290
Pension plan net investment income	58,065	17,374,694	860,636	4,101,236	7,123,536	6,404,126	(46,138)	329,923
Benefit payments	(3,273,794)	(2,835,528)	(2,731,842)	(2,652,445)	(2,373,048)	(2,406,365)	(896,720)	(895,495)
Refunds	-	-	-	-	-	-	-	-
Pension plan administrative expense	(102,426)	(92,963)	(122,751)	(106,244)	(75,717)	(73,156)	(16,314)	(17,988)
Other	(227,630)	(583,489)	66,948	(215,849)	(616,221)	(306,801)	(74,381)	(248,478)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(2,468,218)</u>	<u>14,802,392</u>	<u>(1,056,674)</u>	<u>2,010,932</u>	<u>-4,845,543</u>	<u>4,301,573</u>	<u>(741,603)</u>	<u>(521,575)</u>
<b>Plan Fiduciary Net Position beginning</b>	<u>79,835,487</u>	<u>65,033,095</u>	<u>66,089,769</u>	<u>64,078,837</u>	<u>59,233,294</u>	<u>54,931,721</u>	<u>16,837,989</u>	<u>17,359,564</u>
<b>Plan Fiduciary Net Position ending</b>	<u>\$ 77,367,269</u>	<u>\$ 79,835,487</u>	<u>\$ 65,033,095</u>	<u>\$ 66,089,769</u>	<u>\$ 64,078,837</u>	<u>\$ 59,233,294</u>	<u>\$ 16,096,386</u>	<u>\$ 16,837,989</u>
<b>Net Pension (Asset) Liability</b>	<u>\$ (15,234,718)</u>	<u>\$ (22,380,425)</u>	<u>\$ (7,355,037)</u>	<u>\$ (10,206,533)</u>	<u>\$ (10,838,798)</u>	<u>\$ (7,801,468)</u>	<u>\$ (329,751)</u>	<u>\$ (1,658,587)</u>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	124.52%	138.95%	112.75%	118.26%	120.36%	115.17%	102.09%	110.93%
<b>Covered Payroll</b>	\$ 22,772,151	\$ 19,902,807	\$ 18,794,296	\$ 18,841,555	\$ 18,495,999	\$ 17,427,017	\$ 2,739,663	\$ 2,777,752
<b>Net Pension (Asset) Liability as a percentage of covered payroll</b>	-66.90%	-112.45%	-39.13%	-54.17%	-58.60%	-44.77%	-12.04%	-59.71%

**Notes to schedule:**

Only the 2015 through 2022 years are being shown, as other years become available they will be included until 10 years of data is shown.

Prior to 2017, the component units were not part of the reporting entity and they were not included in the above schedule prior to 2017.

**Changes in assumptions:**

2022 - No changes

2021

Wage inflation decreased from 3.25% to 2.75%

Price inflation decreased from 2.50% to 2.25%

The range of salary increases changed from 3.25%-6.55% to 2.75%-6.75%

Investment rate of return decreased from 7.25% to 7.00%

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale. Previously, the MP-2015 mortality improvement scale was utilized.

**Changes in benefits:**

There have been no changes to benefits.

**City of Nevada, Missouri**  
**Required Supplementary Information**  
**Schedule of City Contributions**  
**Last 10 Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,082,195	\$ 951,866	\$ 851,053	\$ 896,192	\$ 785,221	\$ 692,714	\$ 271,957	\$ 288,801	\$ 306,206	\$ 321,320
Contributions in relation to the actuarially determined contribution	1,082,195	950,185	853,379	891,739	786,993	693,141	271,957	288,801	293,369	283,412
Contribution deficiency (excess)	\$ -	\$ 1,681	\$ (2,326)	\$ 4,453	\$ (1,772)	\$ (427)	\$ -	\$ -	\$ 12,837	\$ 37,908
Covered payroll	\$ 24,174,820	\$ 20,085,134	\$ 18,689,020	\$ 18,727,975	\$ 17,427,017	\$ 17,812,320	\$ 2,739,663	\$ 2,777,752	\$ 2,840,370	\$ 2,727,544
Contributions as a percentage of covered payroll	4.48%	4.73%	4.57%	4.76%	4.52%	3.89%	9.93%	10.40%	10.33%	10.4%

**Notes to Schedule:**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 year smoothed market, 20% corridor
Inflation	2.75% wage inflation, 2.25% price inflation
Salary increases	2.75% to 6.75%, including wage inflation
Net investment rate of return	7.00%
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 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PubNS-2010 disabled retiree mortality table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 employees mortality table for males and females of General groups and 75% of the PubS-2010 employee mortality table for males and females of Police, Fire and Public Safety groups.

Prior to 2017, the component units were not part of the reporting entity, and they were not included in the above schedule prior to 2017.

**Actuarially Determined Contributions** - There were no changes that impacted actuarially determined contributions.

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,671,000	\$ 3,671,000	\$ 4,062,138	\$ 391,138
Licenses and permits	106,250	106,250	183,073	76,823
Intergovernmental	148,228	148,228	96,420	(51,808)
Charges for services	110,200	110,200	529,392	419,192
Fees and fines	65,300	65,300	82,356	17,056
Investment earnings	1,500	1,500	8,596	7,096
Paid in lieu of tax	35,250	35,250	36,677	1,427
Other	95,381	95,381	128,798	33,417
	<u>4,233,109</u>	<u>4,233,109</u>	<u>5,127,450</u>	<u>894,341</u>
<b>EXPENDITURES</b>				
Current:				
General government	711,567	711,567	1,002,904	(291,337)
Municipal court	235,823	235,823	165,590	70,233
Public transportation	75,183	75,183	71,912	3,271
Public safety	2,957,319	2,957,319	3,028,647	(71,328)
Emergency management	6,575	6,575	7,593	(1,018)
Animal control	1,676,590	1,676,590	292,304	1,384,286
Planning and zoning	4,440	4,440	45,429	(40,989)
Culture and recreation	67,720	67,720	-	67,720
Street	-	-	-	-
Capital outlay	96,860	96,860	617,478	(520,618)
Debt service:				
Principal	472,953	472,953	472,625	328
Interest and other charges	131,783	131,783	136,809	(5,026)
	<u>6,436,813</u>	<u>6,436,813</u>	<u>5,841,291</u>	<u>595,522</u>
Excess (deficiency) of revenues over expenditures	<u>(2,203,704)</u>	<u>(2,203,704)</u>	<u>(713,841)</u>	<u>1,489,863</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital leases	1,635,000	1,635,000	-	(1,635,000)
Proceeds from sale of capital assets	-	-	34,456	34,456
Transfers in	1,021,500	1,021,500	548,838	(472,662)
Transfers out	-	-	(212,350)	(212,350)
Total other financing sources and uses	<u>2,656,500</u>	<u>2,656,500</u>	<u>370,944</u>	<u>(2,285,556)</u>
Net change in fund balances	452,796	452,796	(342,897)	(795,693)
Fund balances - beginning of year	976,529	976,529	976,529	-
Fund balances - end of year	<u>\$ 1,429,325</u>	<u>\$ 1,429,325</u>	<u>\$ 633,632</u>	<u>\$ (795,693)</u>

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Street Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,217,200	\$ 1,217,200	\$ 1,435,146	\$ 217,946
Investment earnings	1,500	1,500	(6,869)	(8,369)
Miscellaneous	1,000	1,000	318	(682)
	<u>1,219,700</u>	<u>1,219,700</u>	<u>1,428,595</u>	<u>208,895</u>
<b>EXPENDITURES</b>				
Street	857,801	857,801	612,225	245,576
Capital outlay	556,300	556,300	711,840	(155,540)
Debt service:				
Principal	8,164	8,164	-	8,164
Interest and other charges	166	166	-	166
	<u>1,422,431</u>	<u>1,422,431</u>	<u>1,324,065</u>	<u>98,366</u>
Excess (deficiency) of revenues over expenditures	<u>(202,731)</u>	<u>(202,731)</u>	<u>104,530</u>	<u>307,261</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	28,000	28,000	93,658	65,658
Transfers in	150,000	150,000	-	(150,000)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>178,000</u>	<u>178,000</u>	<u>93,658</u>	<u>(84,342)</u>
Net change in fund balances	(24,731)	(24,731)	198,188	222,919
Fund balances - beginning of year	497,411	497,411	497,411	-
Fund balances - end of year	<u>\$ 472,680</u>	<u>\$ 472,680</u>	<u>\$ 695,599</u>	<u>\$ 222,919</u>

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Parks Fund**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 969,400	\$ 969,400	\$ 1,085,236	\$ 115,836
Intergovernmental	50,000	50,000	-	(50,000)
Charges for services	237,516	237,516	270,377	32,861
Investment earnings	100	100	(2,395)	(2,495)
Miscellaneous	11,685	11,685	12,165	480
	<u>1,268,701</u>	<u>1,268,701</u>	<u>1,365,383</u>	<u>96,682</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	1,117,885	1,117,885	1,089,927	27,958
Capital outlay	305,000	305,000	274,578	30,422
Debt service:				
Principal	91,082	91,082	91,082	-
Interest and other charges	11,503	11,503	11,499	4
	<u>1,525,470</u>	<u>1,525,470</u>	<u>1,467,086</u>	<u>58,384</u>
Excess (deficiency) of revenues over expenditures	<u>(256,769)</u>	<u>(256,769)</u>	<u>(101,703)</u>	<u>155,066</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	84,000	84,000	76,070	(7,930)
Transfers in	145,000	145,000	5,000	(140,000)
Total other financing sources and uses	<u>229,000</u>	<u>229,000</u>	<u>81,070</u>	<u>(147,930)</u>
Net change in fund balances	(27,769)	(27,769)	(20,633)	7,136
Fund balances - beginning of year	<u>457,002</u>	<u>457,002</u>	<u>457,002</u>	<u>-</u>
Fund balances - end of year	<u>\$ 429,233</u>	<u>\$ 429,233</u>	<u>\$ 436,369</u>	<u>\$ 7,136</u>

Management did not prepare a budget for the ARPA fund.

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Airport Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 406,992	\$ (193,008)
Miscellaneous	13,900	13,900	11,527	(2,373)
	<u>613,900</u>	<u>613,900</u>	<u>418,519</u>	<u>(195,381)</u>
<b>EXPENDITURES</b>				
Culture and recreation	13,440	13,440	14,709	(1,269)
Capital outlay	-	-	830,231	(830,231)
	<u>13,440</u>	<u>13,440</u>	<u>844,940</u>	<u>(831,500)</u>
Excess (deficiency) of revenues over expenditures	<u>600,460</u>	<u>600,460</u>	<u>(426,421)</u>	<u>(1,026,881)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	208,531	208,531
Net change in fund balances	600,460	600,460	(217,890)	(818,350)
Fund balances - beginning of year	<u>10,584</u>	<u>10,584</u>	<u>10,584</u>	<u>-</u>
Fund balances - end of year	<u>\$ 611,044</u>	<u>\$ 611,044</u>	<u>\$ (207,306)</u>	<u>\$ (818,350)</u>

**City of Nevada, Missouri**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2022**

	Parks Construction Fund	Special Projects Fund	Judicial Education Fund	Post Commission Fund	Tourism Fund	NID - Ashland Estates Sewer	Total-Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 270,814	\$ 750,785	\$ 1,794	\$ 9,337	\$ 261,671	\$ -	\$ 1,294,401
Taxes receivable, net	-	-	-	-	4,504	-	4,504
Special assessments receivable	-	-	-	-	-	12,557	12,557
Other receivables	-	-	-	-	422	-	422
Prepays	-	-	-	-	-	-	-
Total assets	<u>\$ 270,814</u>	<u>\$ 750,785</u>	<u>\$ 1,794</u>	<u>\$ 9,337</u>	<u>\$ 266,597</u>	<u>\$ 12,557</u>	<u>\$ 1,311,884</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 3,740	\$ 1,475	\$ -	\$ 5,215
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,740</u>	<u>1,475</u>	<u>-</u>	<u>5,215</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	-	-	-	-	-	9,826	9,826
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,826</u>	<u>9,826</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Prepays	-	-	-	-	-	-	-
Restricted:							
Capital projects	270,814	750,785	-	-	-	-	1,021,599
Debt service	-	-	-	-	-	2,731	2,731
Economic development	-	-	-	-	265,122	-	265,122
Police and court	-	-	1,794	5,597	-	-	7,391
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>270,814</u>	<u>750,785</u>	<u>1,794</u>	<u>5,597</u>	<u>265,122</u>	<u>2,731</u>	<u>1,296,843</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 270,814</u>	<u>\$ 750,785</u>	<u>\$ 1,794</u>	<u>\$ 9,337</u>	<u>\$ 266,597</u>	<u>\$ 12,557</u>	<u>\$ 1,311,884</u>

**City of Nevada, Missouri**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2022**

	Parks Construction Fund	Special Projects Fund	Judicial Education Fund	Post Commission Fund	Tourism Fund	NID - Ashland Estates Sewer	Total-Nonmajor Governmental Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 133,911	\$ 3,693	\$ 137,604
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	903	2,167	-	-	3,070
Investment loss	-	(6,418)	-	-	-	-	(6,418)
Other	-	104	-	-	6,251	-	6,355
Total revenues	<u>-</u>	<u>(6,314)</u>	<u>903</u>	<u>2,167</u>	<u>140,162</u>	<u>3,693</u>	<u>140,611</u>
<b>EXPENDITURES</b>							
General government	-	-	2,356	8,530	-	143	11,029
Culture and recreation	-	-	-	-	46,078	-	46,078
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	5,526	5,526
Interest and fiscal charges	-	-	-	-	-	928	928
Total expenditures	<u>-</u>	<u>-</u>	<u>2,356</u>	<u>8,530</u>	<u>46,078</u>	<u>6,597</u>	<u>63,561</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(6,314)</u>	<u>(1,453)</u>	<u>(6,363)</u>	<u>94,084</u>	<u>(2,904)</u>	<u>77,050</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	-	-	-	-	-	3,819	3,819
Transfers out	-	(106,604)	-	-	(5,000)	-	(111,604)
Total other financing sources and uses	<u>-</u>	<u>(106,604)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>3,819</u>	<u>(107,785)</u>
Net change in fund balances	-	(112,918)	(1,453)	(6,363)	89,084	915	(30,735)
Fund balances - beginning of year	270,814	863,703	3,247	11,960	176,038	1,816	1,327,578
Fund balances - end of year	<u>\$ 270,814</u>	<u>\$ 750,785</u>	<u>\$ 1,794</u>	<u>\$ 5,597</u>	<u>\$ 265,122</u>	<u>\$ 2,731</u>	<u>\$ 1,296,843</u>

**City of Nevada, Missouri**  
**Combining Statement of Fiduciary Net Position – Custodial Funds**  
**For the Year Ended December 31, 2022**

	<b>Hospital Custodial Fund</b>	<b>Inmate Security Fund</b>	<b>Library Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 3,034	\$ -	\$ 3,034
Taxes receivable, net	89,059	-	-	89,059
	<u>89,059</u>	<u>-</u>	<u>-</u>	<u>89,059</u>
Total assets	<u>\$ 89,059</u>	<u>\$ 3,034</u>	<u>\$ -</u>	<u>\$ 92,093</u>
<b>NET POSITION</b>				
Restricted for individuals and other organizations	<u>\$ 89,059</u>	<u>\$ 3,034</u>	<u>\$ -</u>	<u>\$ 92,093</u>
Total net position	<u>\$ 89,059</u>	<u>\$ 3,034</u>	<u>\$ -</u>	<u>\$ 92,093</u>
Total liabilities and net position	<u>\$ 89,059</u>	<u>\$ 3,034</u>	<u>\$ -</u>	<u>\$ 92,093</u>

**City of Nevada, Missouri**  
**Combining Statement of Changes in Fiduciary Net Position – Custodial Funds**  
**For the Year Ended December 31, 2022**

	<b>Medical Center Custodial Fund</b>	<b>Inmate Security Fund</b>	<b>Library Fund</b>	<b>Total Custodial Funds</b>
<b>REVENUES</b>				
Taxes	\$ 1,085,620	\$ -	\$ 240,686	\$ 1,326,306
Fees and fines	-	1,336	106	1,442
Investment earnings	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,085,620	1,336	240,792	1,327,748
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	240,792	240,792
Debt service:				
Principal	1,011,561	-	-	1,011,561
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,011,561	-	240,792	1,252,353
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	74,059	1,336	-	75,395
	<hr/>	<hr/>	<hr/>	<hr/>
Increase in net position	74,059	1,336	-	75,395
	<hr/>	<hr/>	<hr/>	<hr/>
Net position - beginning of year	15,000	1,698	-	16,698
	<hr/>	<hr/>	<hr/>	<hr/>
Net position - end of year	\$ 89,059	\$ 3,034	\$ -	\$ 92,093
	<hr/>	<hr/>	<hr/>	<hr/>

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Parks Construction Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	270,814	270,814	270,814	-
Fund balances - end of year	\$ 270,814	\$ 270,814	\$ 270,814	\$ -

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Special Projects Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ 1,500	\$ 1,500	\$ (6,418)	\$ (7,918)
Miscellaneous	-	-	104	104
	1,500	1,500	(6,314)	(7,814)
Excess (deficiency) of revenues over expenditures	1,500	1,500	(6,314)	(7,814)
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(106,604)	(106,604)
Net change in fund balances	1,500	1,500	(112,918)	(114,418)
Fund balances - beginning of year	863,703	863,354	863,703	(349)
Fund balances - end of year	\$ 865,203	\$ 864,854	\$ 750,785	\$ (114,767)

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Judicial Education Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,200	\$ 1,200	\$ 903	\$ (297)
<b>EXPENDITURES</b>				
General government	2,500	2,500	2,356	144
Deficiency of revenues over expenditures	(1,300)	(1,300)	(1,453)	(153)
Net change in fund balances	(1,300)	(1,300)	(1,453)	(153)
Fund balances - beginning of year	3,247	3,247	3,247	-
Fund balances - end of year	\$ 1,947	\$ 1,947	\$ 1,794	\$ (153)

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Post Commission Fund**  
**For the Year Ended December 31, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 2,600	\$ 2,600	\$ 2,167	\$ (433)
<b>EXPENDITURES</b>				
General government	3,740	3,740	8,530	(4,790)
Deficiency of revenues over expenditures	(1,140)	(1,140)	(6,363)	(5,223)
Net change in fund balances	(1,140)	(1,140)	(6,363)	(5,223)
Fund balances - beginning of year	11,960	11,960	11,960	-
Fund balances - end of year	\$ 10,820	\$ 10,820	\$ 5,597	\$ (5,223)

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – Tourism Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 88,000	\$ 88,000	\$ 133,911	\$ 45,911
Miscellaneous	9,800	9,800	6,251	(3,549)
	<u>97,800</u>	<u>97,800</u>	<u>140,162</u>	<u>42,362</u>
<b>EXPENDITURES</b>				
Culture and recreation	39,057	39,057	46,078	(7,021)
Capital outlay	50,000	50,000	-	50,000
	<u>89,057</u>	<u>89,057</u>	<u>46,078</u>	<u>42,979</u>
Excess of revenues over expenditures	<u>8,743</u>	<u>8,743</u>	<u>94,084</u>	<u>85,341</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(5,000)	(5,000)	(5,000)	-
Net change in fund balances	3,743	3,743	89,084	85,341
Fund balances - beginning of year	<u>176,038</u>	<u>176,038</u>	<u>176,038</u>	<u>-</u>
Fund balances - end of year	<u>\$ 179,781</u>	<u>\$ 179,781</u>	<u>\$ 265,122</u>	<u>\$ 85,341</u>

**City of Nevada, Missouri**  
**Budgetary Comparison Schedule – NID - Ashland Estates Sewer Fund**  
**For the Year Ended December 31, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 4,738	\$ 4,738	\$ 3,693	\$ (1,045)
<b>EXPENDITURES</b>				
General government	12	12	143	(131)
Debt service:				
Principal	5,526	5,526	5,526	-
Interest and other charges	928	928	928	-
	<u>6,466</u>	<u>6,466</u>	<u>6,597</u>	<u>(131)</u>
Deficiency of revenues over expenditures	<u>(1,728)</u>	<u>(1,728)</u>	<u>(2,904)</u>	<u>(1,176)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	3,819	(3,819)
Net change in fund balances	(1,728)	(1,728)	915	2,643
Fund balances - beginning of year	1,816	1,816	1,816	-
Fund balances - end of year	<u>\$ 88</u>	<u>\$ 88</u>	<u>\$ 2,731</u>	<u>\$ 2,643</u>

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

**Independent Auditor's Report**

The Honorable Major and  
Members of the City Council  
City of Nevada, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Nevada, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 25, 2025, which contained an Emphasis of Matter paragraphs regarding the City's and Medical Center's adoption of GASB 87, *Leases*, and substantial doubt about the Nevada City Nursing Home's and the Medical Center's ability to continue as a going concern. The financial statements of the Medical Center and Nevada City Nursing Home, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Medical Center or Nevada City Nursing Home.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001, 2022-002 and 2022-003 that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

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

### ***The City's Response to Findings***

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

### ***Purpose of This Report***

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

***Forvis Mazars, LLP***

**Kansas City, Missouri  
November 25, 2025**

**City of Nevada, Missouri**  
**Schedule of Findings and Responses**  
**Year Ended December 31, 2022**

<b>Reference Number</b>	<b>Finding</b>
	<p><b>Finding: Accurate and Timely Financial Close</b></p>
2022-01	<p><b>Criteria:</b></p> <p>Management of the City is responsible for establishing and maintaining effective internal controls over financial reporting. These controls should allow management or employees to prevent, or detect and correct, misstatements to the financial statements on a timely basis.</p> <p><b>Condition:</b></p> <p>During the audit, there were a significant number of audit adjustments proposed to the original trial balance that was presented to us at the beginning of the audit, which materiality affected year-end balances. Financial statements were not closed in a timely manner.</p> <p><b>Cause:</b></p> <p>The City experienced turnover of finance personnel and did not have proper procedures and controls in place to ensure the financial statements are prepared in accordance with generally accepted accounting principles, and in a timely manner.</p> <p><b>Effect:</b></p> <p>The lack of proper procedures and controls in place over the preparation of the financial statements resulted in material misstatements of the financial statements and material departures from generally accepted accounting principles. Audit adjustments were proposed and recorded related to pension, grant receivables and revenues, compensated absences, capital assets, accumulated depreciation and depreciation expense, accrued payroll and salaries and wages, interest expense, unbilled utilities revenue, net position and fund balance, property tax receivables, inventory, sales tax receivable, payment in lieu of taxes, and donations. Additionally, there were certain adjustments proposed, which management elected not to record due to overall immateriality, including entries relating to GASB 87, <i>Leases</i>, and capital assets. The financial statements were also not available in a timely manner for users of the information, resulting in missed external deadlines and filings.</p> <p><b>Recommendation:</b></p> <p>We recommend the City review the controls surrounding the year-end financial statement close process to ensure that accounting and financial reporting are accurate, timely and in accordance with applicable standards.</p> <p><b>View of Responsible Officials and Planned Corrective Action:</b></p> <p>We agree with the finding. See management corrective action plan.</p> <p><b>Responsible Official:</b></p> <p>Michael Fields Finance Director City of Nevada, Missouri</p>

**City of Nevada, Missouri**  
**Schedule of Findings and Responses (Continued)**  
**Year Ended December 31, 2022**

<b>Reference Number</b>	<b>Finding</b>
	<b>Finding: Journal Entry Approval and Document Retention</b>
2022-02	<p><b>Criteria:</b></p> <p>Management of the City is responsible for establishing and maintaining effective internal controls over financial reporting. Journal entries should be properly reviewed and approved by authorized personnel before posting. Additionally, reconciliations and related approvals must be documented and retained to provide evidence that controls were performed.</p> <p><b>Condition:</b></p> <p>During testing of specific journal entries, journal entries were posted without documented evidence of review and approval by the City Treasurer in accordance with City policy. Management did not retain documentation demonstrating that reconciliations were performed and approved, including reconciliations related to year-end inventory count sheets. As a result, there is no verifiable evidence that key control activities—specifically approval of journal entries and reconciliation reviews—were executed as required.</p> <p><b>Cause:</b></p> <p>The City experienced turnover of finance personnel and did not have proper procedures and controls in place to ensure proper approval and document retention.</p> <p><b>Effect:</b></p> <p>Improper approval controls could create a situation where intentional or unintentional error could occur and not be detected or correctly timely.</p> <p><b>Recommendation:</b></p> <p>We recommend the City review the controls surrounding journal entry process to ensure that all journal entries have documentation of a review and approval by a member of management who is separate from the individual who entered the entry into the general ledger. We recommend management retain documentation of controls operating effectively.</p> <p><b>View of Responsible Officials and Planned Corrective Action:</b></p> <p>We agree with the finding. See management corrective action plan.</p> <p><b>Responsible Official:</b></p> <p>Michael Fields Finance Director City of Nevada, Missouri</p>

**City of Nevada, Missouri**  
**Schedule of Findings and Responses (Continued)**  
**Year Ended December 31, 2022**

<b>Reference Number</b>	<b>Finding</b>
	<b>Finding: Recording of Capital Asset Purchases Based on Business Purpose</b>
2022-03	<p><b>Criteria:</b></p> <p>Management of the City is responsible for ensuring that capital transactions are recorded in the appropriate funds in accordance with generally accepted accounting standards (GAAP) and governmental fund accounting standards. Transactions should be recognized in the fund that reflects the transactions underlying business purpose, ensuring that capital outlays and related assets are properly classified and reported to provide accurate, transparent and meaningful financial information to users.</p> <p><b>Condition:</b></p> <p>During 2022, the City purchased a medical building and the land around the building from the Medical Center. The transaction was originally recorded within the Water and Sewer Fund even though there was no business purpose related to the operations of the Water and Sewer Fund. The transaction resulted in an adjustment to account for the purchase within the General Fund as the Water and Sewer Fund revenues are restricted as to use.</p> <p><b>Cause:</b></p> <p>The City did not have appropriate review procedures in place to review and approve capital asset additions ensuring that they were purchased and accounted for within the fund.</p> <p><b>Effect:</b></p> <p>A material audit adjustment was required to move the capital asset acquisition from the Water and Sewer Fund to a capital outlay within the General Fund.</p> <p><b>Recommendation:</b></p> <p>We recommend the City refine controls around the acquisition of capital assets, specifically in the Water and Sewer Fund, to ensure that there is a business purpose for the acquisition and transactions are recorded within the correct fund.</p> <p><b>View of Responsible Officials and Planned Corrective Action:</b></p> <p>We agree with the finding. See management corrective action plan.</p> <p><b>Responsible Official:</b></p> <p>Michael Fields Finance Director City of Nevada, Missouri</p>

**City of Nevada, Missouri**  
**Schedule of Prior Year Audit Findings**  
**Year Ended December 31, 2022**

<b>Reference Number</b>	<b>Summary of Finding</b>
	<b>Finding: Resources in the Accounting Department</b>
2021-01	<b>Criteria:</b> Management of the City is responsible for establishing and maintaining effective internal controls over financial reporting. These controls should allow management or employees to prevent, or detect and correct, misstatements to the financial statements on a timely basis.  <b>Current Status:</b> Not Resolved - See finding 2022-01