

**CITY OF AURORA, MISSOURI**

**BASIC FINANCIAL STATEMENTS  
WITH REQUIRED SUPPLEMENTARY DATA  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen  
City of Aurora, Missouri

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aurora, Missouri, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Governmental Fund-General	Unmodified
Governmental Fund-Transportation	Unmodified
Governmental Fund-Community Hospital	Unmodified
Governmental Fund-Capital Project	Unmodified
Governmental Fund-Park	Unmodified
Aggregate Remaining Fund Information	Unmodified
Enterprise Fund-Sewer	Unmodified

### Basis for Qualified Opinion on Governmental Activities

As explained in Note I, the City has excluded capital assets leased to an outside party from the financial statements, which, in our opinion, is not in accordance with accounting principles generally accepted in the United States of America. The effects on the financial statements, as discussed in Note J, are not readily determinable.

### Qualified Opinion

In our opinion, except for the effects of the omission of leased capital assets from the financial statements as discussed in Note J, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the City of Aurora, Missouri, as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Unmodified Opinion

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aurora, Missouri, as of December 31, 2020, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America,

which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Decker & DeGood  
Springfield, Missouri  
March 19, 2021



# CITY OF AURORA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Aurora, Missouri we offer readers of the City of Aurora's financial statements this narrative overview and analysis of the financial activities of the City of Aurora for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished.

### Financial Highlights

- On a government-wide basis, the assets, and deferred outflows of resources of the City of Aurora exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$ 25,679,302. The City of Aurora has unrestricted net position totaling \$ 7,938,675, which can be used to fund the City of Aurora's functions/programs.
- As of December 31, 2020, governmental activities and business-type activities had net positions of \$ 17,077,517 and \$ 8,601,785, respectively.
- At the end of the current fiscal year, the City of Aurora's governmental funds reported combined ending fund balances of \$ 5,203,397, an increase of \$ 140,719 in comparison with the prior year. Approximately 34.00% or \$ 1,769,115 is available for discretionary spending by the City of Aurora. The remaining fund balance is either restricted by outside parties or not in spendable form.
- The unassigned fund balance for the General Fund, \$ 1,769,115, is 95.47% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- The City of Aurora's long-term debt obligations decreased by \$ 654,964, or 29.04% as compared to fiscal year 2019.

### Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City of Aurora's basic financial statements. The City of Aurora's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### Government-wide Financial Statements

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

The *statement of net position* presents financial information on all of the City of Aurora's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an useful indicator of whether the financial position of the City of Aurora is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Aurora that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Aurora include general government, public safety, transportation, sanitation, culture and recreation. The business-type activities include the Wastewater system.

The government-wide financial statements can be found on pages 15 and 16 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Aurora, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Aurora can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Aurora maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, transportation, Park/Stormwater Fund, Community Hospital Fund and Capital Project fund which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Aurora adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

**Proprietary fund.** The City of Aurora maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Aurora uses enterprises fund to account for its Wastewater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides separate information for the Wastewater which are considered to be a major fund of the City of Aurora.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

**Notes to the Basic Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-50 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Aurora progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 52-55 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 56-57 of this report.

#### **Government-Wide Overall Financial Analysis**

As noted earlier, net position over time is a useful indicator of a government's financial position. In the case of the City of Aurora, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 25679,302 at the close of the most recent fiscal year.

## City of Aurora's Net Position

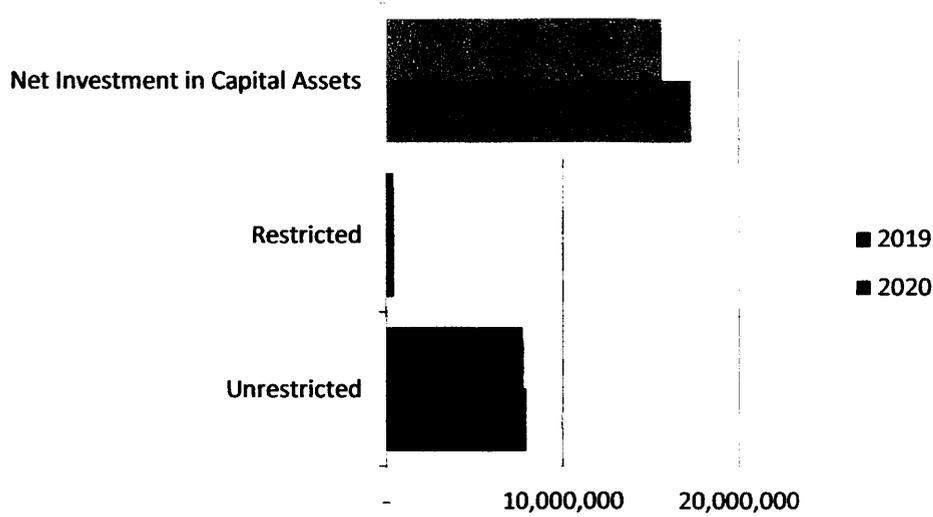
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current Assets and other assets	\$ 6,076,441	\$ 6,591,589	\$ 2,360,476	\$ 2,583,130	\$ 8,436,917	\$ 9,174,719
Capital Assets	12,175,332	11,479,275	6,726,672	6,153,645	18,902,004	17,632,920
Total Assets	18,251,773	18,070,864	9,087,148	8,736,775	27,338,921	26,807,639
Deferred Outflows of Resources						
Deferred pension related	459,027	189,125	47,861	19,454	506,888	208,579
Total Deferred Outflows	459,027	189,125	47,861	19,454	506,888	208,579
Current Liabilities	282,248	401,668	12,997	30,258	295,245	431,926
Long-term Debt	1,313,781	1,777,393	520,185	699,581	1,833,966	2,476,974
Total Liabilities	1,596,029	2,179,061	533,182	729,839	2,129,211	2,908,900
Deferred Inflows						
Deferred pension related	37,254	268,359	26,642	26,651	63,896	295,010
Total Deferred Inflows	37,254	268,359	26,642	26,651	63,896	295,010
Net Position:						
Invested in						
capital assets-net	10,980,668	9,867,107	6,321,672	5,783,932	17,302,340	15,651,039
Restricted	-	-	438,287	413,161	438,287	413,161
Unrestricted	6,096,849	5,945,462	1,841,826	1,802,646	7,938,675	7,748,108
Total net position	\$ 17,077,517	\$ 15,812,569	\$ 8,601,785	\$ 7,999,739	\$ 25,679,302	\$ 23,812,308

By far, the largest portion of the City of Aurora's net position (67.37%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Aurora uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Aurora's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Aurora's net position (1.71%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 7,938,675 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Aurora is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Aurora, Net Position  
December 31, 2020 and 2019



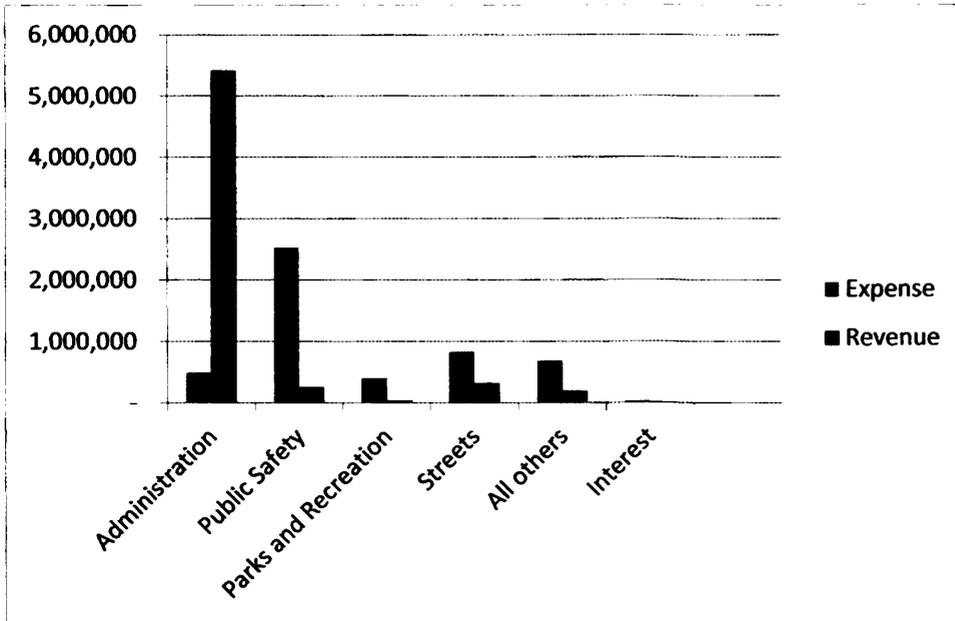
However, the City of Aurora's overall net position increased \$ 1,866,995 from the prior year fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental activities.** Governmental activities increased the City of Aurora's net position by \$ 1,264,949. Compared to last year's growth for Governmental activities, this was a decrease of \$ 20,827.

## City of Aurora's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 281,834	\$ 398,900	\$ 1,636,748	\$ 1,564,763	\$ 1,918,582	\$ 1,963,663
Operating grants and contributions	472,363	342,690	-	-	472,363	342,690
Capital grants and contributions	493,514	85,484	-	-	493,514	85,484
<b>General Revenues:</b>						
Taxes	4,583,423	4,247,680	-	-	4,583,423	4,247,680
Investment earnings	16,695	36,936	19,137	26,460	35,832	63,396
Other	265,108	62,014	-	-	265,108	62,014
<b>Total Revenues</b>	<b>6,112,937</b>	<b>5,173,704</b>	<b>1,655,885</b>	<b>1,591,223</b>	<b>7,768,822</b>	<b>6,764,927</b>
<b>Expenses:</b>						
Administration	490,841	399,970	-	-	490,841	399,970
Public Safety	2,522,488	2,272,431	-	-	2,522,488	2,272,431
Building inspection	254,348	210,951	-	-	254,348	210,951
Storm water	10,300	1,547	-	-	10,300	1,547
Finance and economic dev.	241,708	211,393	-	-	241,708	211,393
Cemetery	115,751	112,149	-	-	115,751	112,149
Parks and recreation	403,230	389,698	-	-	403,230	389,698
Streets and airport	905,681	822,957	-	-	905,681	822,957
Health and Welfare	-	795,693	-	-	-	795,693
Interest	29,406	54,742	-	-	29,406	54,742
Wastewater	-	-	928,075	898,995	928,075	898,995
<b>Total Expenses</b>	<b>4,973,753</b>	<b>5,271,531</b>	<b>928,075</b>	<b>898,995</b>	<b>5,901,828</b>	<b>6,170,526</b>
<b>Other sources and (uses)</b>						
Grants	-	-	-	33,216	-	33,216
Transfers	125,764	77,000	(125,764)	(77,000)	-	-
<b>Change in Net Position</b>	<b>1,264,948</b>	<b>(20,827)</b>	<b>602,046</b>	<b>648,444</b>	<b>1,866,994</b>	<b>627,617</b>
<b>Net Position, beginning</b>	<b>15,812,569</b>	<b>15,833,396</b>	<b>7,999,739</b>	<b>7,351,295</b>	<b>23,812,308</b>	<b>23,184,691</b>
<b>Net Position, ending</b>	<b>\$ 17,077,517</b>	<b>\$ 15,812,569</b>	<b>\$ 8,601,785</b>	<b>\$ 7,999,739</b>	<b>\$ 25,679,302</b>	<b>\$ 23,812,308</b>

**Expenses and Program Revenues -Governmental Activities**



**Business-type activities.** Business-type activities increased the City of Aurora’s net position by \$ 602,046 thereby accounting for 32.25% of the total growth in the net position of the City of Aurora. This was a decrease of \$ 46,398 over the prior year. Sewer fund revenue increased \$ 71,985 as compared to the prior year and expenditures increased \$ 77,844.

**Financial Analysis of the City of Aurora’s Funds**

As noted earlier, the City of Aurora uses fund accounting to demonstrate compliance with legal or finance-related requirements.

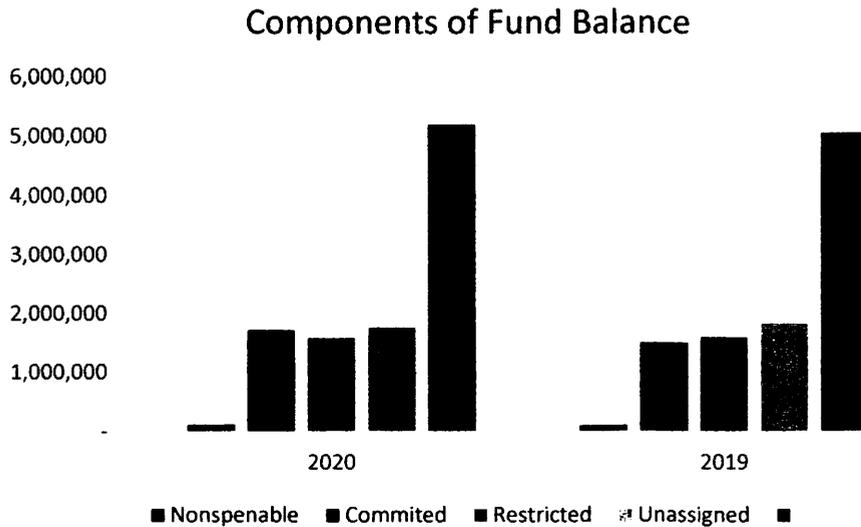
**Governmental Funds**

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

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and inventory. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted for specific purposes such as streets and parks.

Committed fund balance includes amounts that have been set aside by the City of Aurora Council for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside by the City of Aurora Council for a specific purpose, but subsequent to the end of the fiscal year. Unassigned fund balance includes all remaining amounts.

**General Fund  
Components of Fund Balance  
December 31, 2020 and 2019**



As of the end of the current fiscal year, the City of Aurora’s governmental funds reported a combined ending fund balance of \$ 5,203,397 with an increase of \$ 140,719 compared to the prior fiscal year. Of the total balance, \$ 1,721,039 is Committed, \$ 119,689 in Non-spendable, \$ 1,593,544 is restricted, \$ 10 is assigned and \$ 1,769,115 is unassigned.

The General Fund is the chief operating fund of the City of Aurora. At the end of the current fiscal year, the General Fund reported a fund balance of \$ 1,853,005 of which the increase of \$ 237,780 was most represented by capital improvements.

Fund balance of the Transportation Fund decreased \$ 103,840, which was due to a net increase in by capital improvements \$ 117,268 for the year.

The Park/Storm Water Fund was a major fund for the current year and showed an increase of \$ 2,960.

The Community Hospital Fund increased \$ 216,554 which was due to rent received this year with no capital expenditures for the year.

The final major fund is the Capital Project Fund that increased \$ 23,689. This was due to an increase in sales tax.

**Proprietary Funds**

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

Unrestricted net position in the City of Aurora’s major proprietary fund totaled \$ 1,841,826 and had increase of \$ 39,180 which was detailed on page 9.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Revisions to the budget were for additional capital improvements that the City opted to do based on increase in revenue and grants received.

**CAPITAL ASSET AND DEBT ADMINISTRATION  
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,300,431	\$ 2,298,631	\$ -	\$ -	\$ 2,300,431	\$ 2,298,631
Plant & Buildings	3,926,751	3,852,783	6,394,835	5,939,584	10,321,586	9,792,367
Infrastructure	3,771,857	3,722,015	-	-	3,771,857	3,722,015
Equipment	925,518	1,023,614	125,995	141,472	1,051,513	1,165,086
Vehicles	605,544	485,342	3,518	5,906	609,062	491,248
Construction- In-Progress	645,231	96,890	202,324	66,683	847,555	163,573
	<u>\$ 12,175,332</u>	<u>\$ 11,479,275</u>	<u>\$ 6,726,672</u>	<u>\$ 6,153,645</u>	<u>\$ 18,902,004</u>	<u>\$ 17,632,920</u>

Additional information on the City of Aurora’s capital assets can be found in Note D of the notes to the financial statements of this report.

## Debt

At year-end, the City of Aurora had \$ 1,599,664 in outstanding notes as compared to the prior year of \$ 2,254,628.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$ -	\$ -	\$ 405,000	\$ 600,000	\$ 405,000	\$ 600,000
Lease Obligations	1,194,664	1,654,628	-	-	1,194,664	1,654,628
<b>TOTALS</b>	<b>\$ 1,194,664</b>	<b>\$ 1,654,628</b>	<b>\$ 405,000</b>	<b>\$ 600,000</b>	<b>\$ 1,599,664</b>	<b>\$ 2,254,628</b>

Additional information on the City of Aurora's long-term debt can be found in Note E of the notes to the financial statements of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Fiscal Year 2021 Budget achieves the objectives of providing all Departments with sufficient funding to provide essential services, while also maintaining adequate fund balances or cash reserves. Adequate fund balances/cash reserves are necessary for cash flow requirements and unforeseen contingencies. Fund balances also allow expenditures to exceed revenues if positive fund balances were built up in prior years in anticipation of using that money at a future date.

Due to the COVID-19 outbreak in the winter of 2020, many projects that had been planned in FY2020 were delayed until a clearer understanding of what impact the pandemic would have on the finances of the City, specifically the sales tax revenues of the City. In FY2021, many of the postponed projects have been carried forward to the 2021 budget and are tentatively planned to be completed in the fiscal year 2021.

In FY2021 projected expenditures are anticipated to exceed revenues due to completion of several capital projects and replacement of equipment. Cash reserves will be used to accommodate these shortfalls for 2021. This will not hurt the stability of the City's reserves. The financial position of the City remains very stable and cash reserves for all funds significantly exceed the recommended three months of annual operating expenditures.

### Revenue Projections:

The City experienced an unexpected surge in sales tax receipts for the FY2020 which we accounted for by most of the citizens shopping and dining locally due to the COVID-19 restrictions. We anticipate sales tax in FY2021 to equal the prior year.

### Operation and Maintenance costs:

For FY2021 we planned for a 1.6% overall increase noting that some line items have been proportionately increase at a greater percentage which will seek other avenues to hold those costs down.

## **CONTACTING THE CITY OF AURORA'S FINANCIAL MANAGEMENT**

**This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Aurora's finances and to show the City of Aurora's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager's Office at 2 West Pleasant St., Aurora, Missouri**

**Joh Holmes  
City Manager**

**CITY OF AURORA, MISSOURI**  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,360,408	\$ 1,732,798	\$ 6,093,206
Restricted assets-cash and cash equivalents	2,485	438,287	440,772
Accounts receivable (net of allowance for uncollectible)	1,028,260	140,554	1,168,814
Prepaid items	119,689	15,088	134,777
Net pension assets	565,599	33,749	599,348
Capital assets:			
Land	2,300,431	-	2,300,431
Construction in progress	645,231	202,324	847,555
Other capital assets, net of accumulated depreciation	9,229,670	6,524,348	15,754,018
Total Assets	<u>18,251,773</u>	<u>9,087,148</u>	<u>27,338,921</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	<u>459,027</u>	<u>47,861</u>	<u>506,888</u>
<b>LIABILITIES</b>			
Accounts payable	189,386	8,744	198,130
Accrued wages	41,339	3,036	44,375
Accrued payroll taxes and benefits	23,099	1,217	24,316
Accrued interest	4,361	-	4,361
Taxes under protest	2,484	-	2,484
Other liabilities	21,579	-	21,579
Due and payable within one year	588,781	211,050	799,831
Due and payable in more than one year:			
Revenue bonds	-	205,000	205,000
Capital leases	65,900	-	65,900
Certificates of participation	659,100	-	659,100
Meter deposits	-	104,135	104,135
Total Liabilities	<u>1,596,029</u>	<u>533,182</u>	<u>2,129,211</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	<u>37,254</u>	<u>42</u>	<u>37,296</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,980,668	6,321,672	17,302,340
Restricted for:			
Debt service	-	359,422	359,422
Construction	-	78,865	78,865
Unrestricted	<u>6,096,849</u>	<u>1,841,826</u>	<u>7,938,675</u>
Total Net Position	<u>\$ 17,077,517</u>	<u>\$ 8,601,785</u>	<u>\$ 25,679,302</u>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 490,840	\$ 56,839	\$ 36,141	\$ -	\$ (397,860)	\$ -	\$ (397,860)
Police and court	1,660,125	115,155	141,603	-	(1,403,367)	-	(1,403,367)
Fire	581,054	-	-	-	(581,054)	-	(581,054)
E-911	281,309	-	-	-	(281,309)	-	(281,309)
Streets	837,111	27,911	294,619	-	(514,581)	-	(514,581)
Airport	68,570	-	-	493,514	424,944	-	424,944
Parks	403,230	33,229	-	-	(370,001)	-	(370,001)
Cemetery care	115,751	38,150	-	-	(77,601)	-	(77,601)
Finance and economic development	241,708	-	-	-	(241,708)	-	(241,708)
Code enforcement	254,348	10,550	-	-	(243,798)	-	(243,798)
Storm water control	10,300	-	-	-	(10,300)	-	(10,300)
Interest and issuance cost on long-term debt	29,406	-	-	-	(29,406)	-	(29,406)
<b>Total governmental activities</b>	<b>4,973,752</b>	<b>281,834</b>	<b>472,363</b>	<b>493,514</b>	<b>(3,726,041)</b>	<b>-</b>	<b>(3,726,041)</b>
<b>Business-type activities:</b>							
Sewer	928,075	1,636,748	-	-	-	708,673	708,673
<b>Total business-type activities</b>	<b>928,075</b>	<b>1,636,748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708,673</b>	<b>708,673</b>
<b>Total Government</b>	<b>\$ 5,901,827</b>	<b>\$ 1,918,582</b>	<b>\$ 472,363</b>	<b>\$ 493,514</b>	<b>(3,726,041)</b>	<b>708,673</b>	<b>(3,017,368)</b>

**General Revenues**

**Taxes:**

Property taxes levied for general purposes	301,913	-	301,913
Franchise taxes	906,416	-	906,416
Sales taxes	3,144,342	-	3,144,342
Use taxes	230,752	-	230,752
Building rent	200,100	-	200,100
Interest on investments	16,695	19,137	35,832
Insurance claims	6,071	-	6,071
Miscellaneous	49,086	-	49,086
Sale of property	9,851	-	9,851
Transfers	125,764	(125,764)	-
<b>Total general revenues and transfers</b>	<b>4,990,990</b>	<b>(106,627)</b>	<b>4,884,363</b>
<b>Change in net position</b>	<b>1,264,949</b>	<b>602,046</b>	<b>1,866,995</b>
<b>Net position beginning</b>	<b>15,812,568</b>	<b>7,999,739</b>	<b>23,812,307</b>
<b>Net position ending</b>	<b>\$ 17,077,517</b>	<b>\$ 8,601,785</b>	<b>\$ 25,679,302</b>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**

**BALANCE SHEET-  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Park/ Stormwater Fund</u>	<u>Community Hospital Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 1,290,266	\$ 618,489	\$ 563,429	\$ 1,520,939	\$ 363,127	\$ 4,158	\$ 4,360,408
Restricted assets:							
Cash and cash equivalents	2,485	-	-	-	-	-	2,485
Accounts receivable							
Property taxes	258,165	-	-	-	-	-	258,165
Sales taxes	132,652	54,311	54,286	-	54,311	-	295,560
Franchise taxes	125,651	-	-	-	-	-	125,651
Motor fuel taxes	-	24,420	-	-	-	-	24,420
Grants	122,844	1,140	-	-	-	-	123,984
Other	327	-	53	200,100	-	-	200,480
Prepaid items	83,880	21,524	7,372	-	6,913	-	119,689
<b>Total Assets</b>	<b>\$ 2,016,270</b>	<b>\$ 719,884</b>	<b>\$ 625,140</b>	<b>\$ 1,721,039</b>	<b>\$ 424,351</b>	<b>\$ 4,158</b>	<b>\$ 5,510,842</b>
 <b><u>LIABILITIES</u></b>							
Liabilities-							
Accounts payable	\$ 59,618	\$ 97,695	\$ 1,517	\$ -	\$ 30,556	\$ -	\$ 189,386
Accrued wages	34,854	4,571	1,790	-	124	-	41,339
Accrued payroll taxes and benefits	15,172	7,694	233	-	-	-	23,099
Taxes paid under protest	2,484	-	-	-	-	-	2,484
Other liabilities	21,579	-	-	-	-	-	21,579
<b>Total Liabilities</b>	<b>133,707</b>	<b>109,960</b>	<b>3,540</b>	<b>-</b>	<b>30,680</b>	<b>-</b>	<b>277,887</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Unavailable property tax revenue	29,558	-	-	-	-	-	29,558
 <b><u>FUND BALANCES</u></b>							
Nonspendable	83,880	21,524	7,372	-	6,913	-	119,689
Restricted:							
Transportation	-	588,400	-	-	-	-	588,400
Public Safety	-	-	-	-	386,758	-	386,758
Economic Development	-	-	-	-	-	4,158	4,158
Parks	-	-	614,228	-	-	-	614,228
Assigned-Cemetery	10	-	-	-	-	-	10
Committed	-	-	-	1,721,039	-	-	1,721,039
Unassigned	1,769,115	-	-	-	-	-	1,769,115
<b>Total Fund Balances</b>	<b>1,853,005</b>	<b>609,924</b>	<b>621,600</b>	<b>1,721,039</b>	<b>393,671</b>	<b>4,158</b>	<b>5,203,397</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,016,270</b>	<b>\$ 719,884</b>	<b>\$ 625,140</b>	<b>\$ 1,721,039</b>	<b>\$ 424,351</b>	<b>\$ 4,158</b>	<b>\$ 5,510,842</b>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**RECONCILIATION OF BALANCE SHEET TO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

Total Fund Balances-Governmental Funds	\$	5,203,397
<p>Capital assets, net of accumulated depreciation, are used in governmental activities not financial resources and, therefore, are not reported as assets in the governmental funds.</p>		
Non-depreciable assets		2,945,662
Depreciable assets		<u>9,229,670</u>
		12,175,332
Revenue that is unavailable in the funds financial statement but is recognized as revenue in the government-wide financial statements.		29,558
Interest on long-term debt is accrued as a liability in the government-wide statements but is not recognized in the government funds until due.		(4,361)
<p>Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:</p>		
Net pension assets		565,599
Deferred outflows - pension related		459,027
Deferred inflows - pension related		(37,254)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>		
<p>Long-term liabilities at year-end consist of:</p>		
Compensated absences		(119,117)
Long term debt		<u>(1,194,664)</u>
Net position of governmental activities	\$	<u><u>17,077,517</u></u>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Transportation Fund	Park/Stormwater Fund	Community Hospital Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 303,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,726
Franchise taxes	906,416	-	-	-	-	-	906,416
Sales taxes	1,246,195	623,097	622,970	-	623,097	28,983	3,144,342
Use tax	230,752	-	-	-	-	-	230,752
Intergovernmental:							
Missouri motor fuel taxes	-	294,619	-	-	-	-	294,619
Cost reimbursement Marionville	7,138	-	-	-	-	-	7,138
Institutional tax	36,141	-	-	-	-	-	36,141
Licenses & permits	55,699	-	-	-	-	-	55,699
Fines & forfeitures	87,387	-	-	-	-	-	87,387
User charges:							
Park activities	-	-	33,229	-	-	-	33,229
Police services	27,768	-	-	-	-	-	27,768
Billboard charges	1,140	-	-	-	-	-	1,140
Cemetery-sale of plots	38,150	-	-	-	-	-	38,150
Street	8,317	19,594	-	-	-	-	27,911
Code enforcement	10,550	-	-	-	-	-	10,550
Interest	42	-	-	16,454	199	-	16,695
Other:							
Building lease	-	-	-	200,100	-	-	200,100
Donations	2,705	-	-	-	-	-	2,705
Grants	131,760	493,514	-	-	-	-	625,274
Miscellaneous	48,930	2,373	3,854	-	-	-	55,157
<b>Total Revenues</b>	<b>3,142,816</b>	<b>1,433,197</b>	<b>660,053</b>	<b>216,554</b>	<b>623,296</b>	<b>28,983</b>	<b>6,104,899</b>
<b>EXPENDITURES</b>							
Current:							
General government	429,306	-	-	-	1,200	2,357	432,863
Police and court	1,312,185	-	-	-	167,322	-	1,479,507
Fire	509,235	-	-	-	27,797	-	537,032
E-911	278,561	-	-	-	-	-	278,561
Streets	-	680,160	-	-	-	-	680,160
Airport	-	11,795	-	-	-	-	11,795
Parks	-	-	295,344	-	-	-	295,344
Cemetery care	111,191	-	-	-	-	-	111,191
Finance and economic development	218,789	-	-	-	-	22,747	241,536
Code enforcement	253,672	-	-	-	-	-	253,672
Storm water control	-	-	10,300	-	-	-	10,300
Capital outlay	345,010	817,429	79,183	-	34,815	-	1,276,437
Debt service:							
Principal	-	-	124,600	-	335,364	-	459,964
Interest	-	-	9,222	-	22,211	-	31,433
<b>Total Expenditures</b>	<b>3,457,949</b>	<b>1,509,384</b>	<b>518,649</b>	<b>-</b>	<b>588,709</b>	<b>25,104</b>	<b>6,099,795</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(315,133)</b>	<b>(76,187)</b>	<b>141,404</b>	<b>216,554</b>	<b>34,587</b>	<b>3,879</b>	<b>5,104</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	249,426	-	-	-	-	-	249,426
Transfers (Out)	-	(32,278)	(76,344)	-	(10,898)	(4,142)	(123,662)
Sale of property	5,226	4,625	-	-	-	-	9,851
<b>NET CHANGE IN FUND BALANCES</b>	<b>(60,481)</b>	<b>(103,840)</b>	<b>65,060</b>	<b>216,554</b>	<b>23,689</b>	<b>(263)</b>	<b>140,719</b>
<b>FUND BALANCES - BEGINNING</b>	<b>1,913,486</b>	<b>713,764</b>	<b>556,540</b>	<b>1,504,485</b>	<b>369,982</b>	<b>4,421</b>	<b>5,062,678</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,853,005</b>	<b>\$ 609,924</b>	<b>\$ 621,600</b>	<b>\$ 1,721,039</b>	<b>\$ 393,671</b>	<b>\$ 4,158</b>	<b>\$ 5,203,397</b>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**RECONCILIATION OF STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances--total governmental funds	\$	140,719
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets		1,276,437
Less current year depreciation expense		(580,379)
Some expenses reported in statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in pension expense		(35,655)
Change in compensated absences		3,648
Decrease in bond interest payable reported in the statement of activities is not a source of current financial resources and, therefore, is not reported as revenue in the governmental funds.		
		2,028
Real property taxes in the statement of activities includes all billed amounts which differ from the current financial resource measurement of the governmental funds. This is the net difference of both measurement focuses.		
		(1,813)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the same statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments		<u>459,964</u>
Change in net position of governmental activities	\$	<u><u>1,264,949</u></u>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND (SEWER)**  
DECEMBER 31, 2020

<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 1,732,798
Accounts receivable (net of allowance for uncollectible)	
Utilities	140,554
Prepaid items	<u>15,088</u>
Total Current Assets	<u>1,888,440</u>
<b>Restricted Assets:</b>	
Cash and cash equivalents	<u>438,287</u>
Total Restricted Assets	<u>438,287</u>
<b>Noncurrent Assets:</b>	
Net pension assets	33,749
<b>Capital Assets:</b>	
Construction in progress	202,324
Other capital assets, net of accumulated depreciation	<u>6,524,348</u>
Total Noncurrent Assets	<u>6,760,421</u>
<b>TOTAL ASSETS</b>	<u>9,087,148</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred amounts related to pensions	<u>47,861</u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts payable	8,744
Accrued wages	3,036
Accrued payroll taxes and benefits	1,217
Compensated absences	11,050
Current portion of long-term debt	<u>200,000</u>
Total Current Liabilities	<u>224,047</u>
<b>Noncurrent Liabilities:</b>	
Revenue bonds	205,000
Meter deposits	<u>104,135</u>
Total Noncurrent Liabilities	<u>309,135</u>
Total Liabilities	<u>533,182</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred amounts related to pensions	<u>42</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,321,672
<b>Restricted-</b>	
Depreciation and replacement	359,422
Construction	78,865
Unrestricted	<u>1,841,826</u>
Total Net Position	<u>\$ 8,601,785</u>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUND (SEWER)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>OPERATING REVENUES:</b>	
Charges for services	<u>\$ 1,636,748</u>
<b>OPERATING EXPENSES:</b>	
Chemicals	12,214
Collection system	17,384
Computer software and expenses	2,639
Depreciation	218,697
Dues and training	585
Empire water reconnect	4,688
Employee benefits	36,535
Fuel	7,101
Insurance	33,049
Merchant service fees	14,975
Miscellaneous	580
Office supplies and postage	19,794
Payroll taxes	16,184
Permits, licenses and fees	4,768
Professional fees	97,970
Repairs & maintenance	64,827
Retirement expense	20,234
Salaries	207,369
Supplies	3,261
Telephone	5,148
Uniforms	2,888
Utilities	104,523
Total Operating Expenses	<u>895,413</u>
<b>OPERATING INCOME</b>	<u>741,335</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Interest earned	19,137
Interest expense and agents fee	<u>(32,662)</u>
Total Non-operating Revenues (Expenses)	<u>(13,525)</u>
<b>GRANTS AND TRANSFERS</b>	
Transfer (out)	<u>(125,764)</u>
Total transfers	<u>(125,764)</u>
<b>CHANGE IN NET POSITION</b>	602,046
<b>TOTAL NET POSITION - BEGINNING</b>	<u>7,999,739</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 8,601,785</u>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND (SEWER)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 1,623,154
Payments to suppliers	(476,427)
Payments to employees	<u>(213,576)</u>
Net Cash Provided by Operating Activities	<u>933,151</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer for operating reimbursements	<u>(125,764)</u>
Net Cash (Used for) Noncapital financing activities	<u>(125,764)</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Capital expenditure	(791,724)
Capital grant received	33,216
Principal paid	(195,000)
Interest paid	<u>(13,525)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(967,033)</u>
 <b>NET CASH (DECREASE) FOR THE YEAR</b>	 <b>(159,646)</b>
 <b>CASH AT BEGINNING OF YEAR</b>	 <b><u>2,330,731</u></b>
 <b>CASH AT END OF YEAR</b>	 <b><u>\$ 2,171,085</u></b>
 <b>CASH SUMMARY</b>	
Cash and cash equivalents	\$ 1,732,798
Restricted assets-cash and cash equivalents	<u>438,287</u>
Total	<u><u>\$ 2,171,085</u></u>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating Income	\$ 741,335
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation expense	218,697
(Increase) in prepaid items	2,056
Decrease in accounts receivable	(29,737)
(Decrease) in accounts payable	(10,777)
Increase in accrued wages, taxes, and benefits	(7,023)
Increase in pensions	2,457
Increase in sewer deposits	<u>16,143</u>
Net Cash Provided by Operating Activities	<u><u>\$ 933,151</u></u>

See the accompanying notes to the financial statements.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Aurora (the City) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (U.S. GAAP). The following summary of the more significant policies of the City is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

**THE REPORTING ENTITY**

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund but distinguish between the City's governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund financial statements. Separate financial statements are provided for governmental funds and proprietary funds. Separate columns are presented for each major governmental fund and for each major enterprise fund. Non-major funds are aggregated and presented in a single column labeled "Nonmajor Governmental Funds."

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Fund Types:** Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The following are the City's major governmental funds:

**General Fund**

The General Fund is the government's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Transportation Fund**

This fund was established to account for the proceeds of transportation sales taxes, Missouri motor fuel taxes and other revenues for streets that are legally restricted to expenditures for the purpose of street and airport improvements and repairs and maintenance.

**Park/Storm Water Fund**

This fund was established to account for the proceeds of one-half cent park/storm water sales tax revenue that is legally restricted to expenditures for the purpose of park and storm water projects.

**Community Hospital Fund**

The Aurora Community Hospital Board funds are restricted to use for the Hospital and are controlled by an agreement between the Aurora Community Hospital Board and Mercy Health System.

**Capital Project Fund**

This fund was established to account for capital improvement sales tax used for the purpose of paying the debt proceeds for the construction of the combined police and fire station and operation expenditures of those departments.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Fund Types:** Proprietary funds are used to account for the City’s ongoing activities that are similar to those often found in the private sector. The following are the City’s major proprietary funds:

**Sewer Fund**

The Sewer Fund (an enterprise fund) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Additionally, the government reports the following fund types:**

**UDAG Fund**

This fund was established to account for the proceeds of grant moneys that are restricted to expenditures for the purpose of improvements to the Downtown Aurora area in the form of façade improvement loans, streetscape and low interest programs for business owners.

**TIF Fund**

This fund was established to account for the proceeds of sales tax revenue that is legally restricted to expenditures for the purpose of reimbursement of developers.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - continued**

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 City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded 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 recorded only when payment is due.

Property taxes, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fixed period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation, the principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE**

**Cash and Cash Equivalents**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**CITY OF AURORA, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Statement of Cash Flows**

For the purpose of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value.

**Restricted Assets**

The City elects to use restricted assets before unrestricted assets when the situation arises where either can be used. Certain assets are classified as restricted assets because their use is limited by applicable debt or other agreement.

**Due to and due from other funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Accounts receivable**

Accounts receivable utilities are stated at net with an allowance for doubtful accounts of \$ 7,398. All other receivables were collected in the following 30 days therefore, no allowance provided.

**Inventories**

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased.

**Capital Assets and Depreciation**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected not to go back 20 years and record estimated cost of streets less depreciation but began in 2004 recording capital outlay of street projects and depreciate over

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

twenty to forty years.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets and Depreciation - continued**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2020, the City did not capitalize any interest and interest expense for the Sewer Fund was \$ 32,662 less interest earned by SRF accounts applied to bring the net cost down to \$ 13,525 by the City of Aurora.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable capital assets are as follows:

Utility plants	20 to 50 years
Buildings	40 years
Infrastructure	20 to 40 years
Furniture and equipment	5 to 10 years

**Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has one items that meet the definition of deferred outflows of resources which is pension related.

**Deferred Inflows of Resources/Unavailable Revenue**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In the Governmental Funds the item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

For the Governmental Activities deferred inflows represents amount related pensions.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Obligation for Bond Arbitrage**

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the City must rebate to the United State Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of December 31, 2020 the City had no outstanding arbitrage rebate liability.

**Compensated Absences**

City employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned. A liability for this amount is reported in the Governmental Activities and proprietary fund (Sewer Fund).

**Pensions**

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

**Long-term Debt**

In the governmental-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

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

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balances-Governmental Funds**

As of December 31, 2020, fund balances of the governmental funds are classified as follows:

**Non-spendable** - This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - This classification includes amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed** - This classification includes amounts that can be used only for specific purposes determined by a formal action by the City Council. Such formal action may be in the form of an ordinance and may only be modified or rescinded by a subsequent formal action.

**Assigned** - This classification includes amounts that are intended by the City to be used for a specific purpose but are neither restricted nor committed. Assignments may be made only by the government body or official.

**Unassigned** - This classification includes all amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assigned actions.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors,

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position - continued**

grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Use of Estimates**

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

**Revenue Recognition**

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Levy for 2020 was \$ .3868 for the General Fund only with a valuation base of \$ 65,166,182.

Sales Taxes

The City has four sales tax authorizations, a one cent City general sales tax, ½ cent transportation tax, ½ cent capital improvement sales tax and a ½ cent park/storm water sales tax.

Use Tax

The City enacted in 2009 to charge use tax on purchases from out of state made inside the City.

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The City is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying statement of revenues, expenditures and changes in fund balance-budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - continued**

**Budgetary basis of accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) for all governmental funds.

**Excess of expenditures over appropriations**

For the year ended December 31, 2020, expenditures did not exceed appropriations except for the Park/Storm Water Fund.

**Bond Reserve Compliance**

The City was in compliance with bond reserve requirements for the 2001C Series bond.

**Debt restrictions**

*General obligation debt*

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of authorized general obligation debt of a City to 10 percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes. Authorization for debt issuance requires four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections, vote of the qualified electors thereof. As of December 31, 2020, the City had no outstanding General Obligation Bonds.

**DETAILED NOTES ON ALL FUNDS**

**NOTE B – DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment account for each fund. Each fund account is displayed on the combined balance sheet as either “cash, investments, board designated investments, or bank overdrafts”. In addition, investments are separately held by several of the City’s funds. Deposits and investments are stated at cost, which approximates market.

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City’s bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City’s cash not insured by the Federal Deposit Insurance Corporation.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE B – DEPOSITS AND INVESTMENTS (Continued)**

As of December 31, 2020, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**Investment Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's written investment policy covering credit risk states that the City will pre-qualify financial institutions that the City will do business with and diversify its portfolio to minimize potential losses.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's written investment policy manages its exposure to declines in fair values by limiting the maximum allowable stated maturity of any individual investment to meet cash requirements for ongoing operations and to invest primarily in shorter-term markets.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's written investment policy is to have all deposits placed in institutions that cover the City's accounts with federal deposit insurance or collateralized with securities, in the City's name. Evidence of pledged collateral is maintained by the City and reviewed regularly to assure that the market value of the pledged securities is adequate.

**Custodial Credit Risk** is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the City and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the City. The City's written investment policy on custodial credit risk limits this risk by contracting with a third-party custodian for securities. However, all of the City's investments are either insured or registered in the City's name and held by the City's agent.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE C – RESTRICTED CASH**

Restricted cash consisted of the following as of December 31, 2020:

**General Fund**

Taxes paid under protest	\$ 2,485
	<u>2,485</u>
	<u>\$ 2,485</u>

**Sewer Fund**

Reserve for Depreciation and Replacement	\$ 359,422
Construction	<u>78,865</u>
	<u>\$ 438,287</u>

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE D – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,298,631	\$ 1,800	\$ -	\$ 2,300,431
Construction in progress	\$ 96,890	\$ 548,341	\$ -	\$ 645,231
Capital assets being depreciated:				
Buildings	\$ 6,681,203	\$ 214,396	\$ -	\$ 6,895,599
Infrastructure	4,656,324	245,847	-	4,902,171
Equipment	2,852,694	36,131	115,218	2,773,607
Vehicles	2,055,058	229,921	94,656	2,190,323
Total capital assets being depreciated	16,245,279	726,295	209,874	16,761,700
Less: Accumulated depreciation for:				
Buildings	2,828,420	140,428	-	2,968,848
Infrastructure	934,309	196,239	234	1,130,314
Equipment	1,829,779	134,227	115,917	1,848,089
Vehicles	1,569,716	109,485	94,422	1,584,779
Total accumulated depreciation	7,162,224	580,379	210,573	7,532,030
Capital assets being depreciated, net	\$ 9,083,055	\$ 145,916	\$ (699)	\$ 9,229,670
Governmental activities capital assets, net	\$ 11,478,576	\$ 696,057	\$ (699)	\$ 12,175,332

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)**

Depreciation expense was charged to functions of the government as follows:

**Governmental Activities:**

General government	\$ 51,309
Police and courts	175,968
Fire	28,041
Streets and airport	213,926
Parks	107,731
Cemetery	3,404
	<u>\$ 580,379</u>

**Business-type Activities:**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets not being depreciated:</b>				
Construction in progress	\$ 66,683	\$ 135,641	\$ -	\$ 202,324
<b>Capital assets being depreciated:</b>				
Plant	\$ 10,861,537	\$ 656,083	\$ -	\$ 11,517,620
Equipment	503,787	-	70,219	433,568
Vehicles	500,586	-	15,973	484,613
Total capital assets being depreciated	11,865,910	656,083	86,192	12,435,801
<b>Less: Accumulated depreciation for:</b>				
Plant	4,921,953	200,832	-	5,122,785
Equipment	362,315	15,477	70,219	307,573
Vehicles	494,680	2,388	15,973	481,095
	5,778,948	218,697	86,192	5,911,453
<b>Capital assets being depreciated, net</b>	<b>\$ 6,086,962</b>			<b>\$ 6,524,348</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 6,153,645</b>			<b>\$ 6,726,672</b>

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE E – LONG-TERM DEBT**

**Business-type activities**

The following is a summary of debt transactions of the City for the year ended December 31, 2020 as it relates to the business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Revenue Bonds	\$ 600,000	\$ -	\$ 195,000	\$ 405,000	\$ 200,000
Compensated Absences	11,589	9,903	10,442	11,050	11,050
Total Business-Type	\$ 611,589	\$ 9,903	\$ 205,442	\$ 416,050	\$ 211,050
Due and payable within one year					
Revenue Bonds				\$ 200,000	
Compensated Absences				\$ 11,050	
Total due within one year				211,050	
Due and payable in more than one year					
Revenue bond				205,000	
				\$ 416,050	

The Proprietary Fund long-term debt as of December 31, 2020 follows:

\$3,000,000, 2001C Series Sewerage System Revenue  
 Bonds due in monthly installments at 3.00% to 5.00% interest.  
 Secured by net revenues of the Sewer Fund.  
 Bond matures July 1, 2022.

\$ 405,000

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE E – LONG-TERM DEBT (Continued)**

The annual requirements to amortize bonded debt as of December 31, 2020 follow:

Year Ending December 31,	Sewer Fund		
	Principal	Interest	Totals
2021	\$ 200,000	\$ 20,250	\$ 220,250
2022	205,000	10,250	215,250
	\$ 405,000	\$ 30,500	\$ 435,500

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE E – LONG-TERM DEBT (Continued)**

GOVERNMENTAL ACTIVITIES LONG-TERM DEBT

The following is a summary of capital lease transactions of the City for the year ended December 31, 2020:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Capital Leases -</b>					
Two 2018 Ford Explorer Police cars at 1.88% interest with annual payments of \$ 27,676.02 with final payment February 1, 2021	\$ 53,828	\$ -	\$ 26,664	\$ 27,164	\$ 27,164
2019 Lease Purchase Agreement for improvements of S. Lincoln Stormwater project. Payments are semiannual principal and interest at 3.20% of approximately \$ 134,000 per year. Final payment is May 1, 2022	319,100	-	124,600	194,500	128,600
2016 Certificate of Participation on November 11, 2016 interest rate 1.76% with payments of principal and interest semi-annually and ranging from \$ 165,605 to \$ 164,182 with the final payment November 1, 2023	1,281,700	-	308,700	973,000	313,900
Total Capital Lease and COP's	1,654,628	-	459,964	1,194,664	469,664
Compensated Absences	122,765	110,250	113,898	119,117	119,117
Total Governmental Activities	\$ 1,777,393	\$ 110,250	\$ 573,862	\$ 1,313,781	\$ 588,781
Long-term debt due within one year					
Capital Leases				\$ 469,664	
Compensated absences				119,117	
Total due within one year				588,781	
Long-term debt due in more than one year				725,000	
				\$ 1,313,781	

For governmental activities, liability for compensated absences is generally liquidated by the General Fund, Transportation Fund, and Park Fund.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE E – LONG-TERM DEBT (Continued)**

The City has entered into these cancelable leases although the City does not foresee exercising its options to cancel. Therefore, these leases are accounted for as a noncancelable capital lease in accordance with Statement of Financial Accounting Standards Board (FASB) No. 13 *Accounting for Leases*.

The City was in compliance with bond reserve requirement for capital lease.

<u>Assets</u>	<u>Governmental Activities</u>
Buildings	\$ 4,187,815
Equipment	243,988
Less: Accumulated Depreciation	<u>(1,275,014)</u>
Total	<u><u>\$ 3,156,789</u></u>

Assets shown above under capital leases are included in Note D.

Following is a summary of debt maturities and interest requirements on above leases:

Year Ending December 31,	Total
2021	\$ 491,123
2022	404,912
2023	<u>335,673</u>
 Total minimum lease payment	 1,231,708
Less: amount representing interest	<u>(37,044)</u>
Present value of minimum lease payments	<u><u>\$ 1,194,664</u></u>

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE F – DEFINED BENEFIT PENSION PLAN**

The City of Aurora participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri. The retirement system covers all full-time City employees.

**Plan description**

The City of Aurora’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Aurora 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 3 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 3 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 3 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2020 Valuation</u>
Benefit Multiplier:	1.75%
Final Average Salary:	3 years
Member Contributions:	0.00%

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

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)**

**Employees covered by benefit terms**

At June 30, 2020, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	56
Active employees	48
Total	140

**Contributions**

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 0.0% of their gross pay to the pension plan. Employers contribution rates are 9.9 % General, 1.6% Fire and 9.90% Police of annual covered payroll.

**Net Pension Liability**

The employer’s net pension liability was measured as June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2020.

**Actuarial assumptions**

The total pension liability in the February 29, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)**

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2020. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale.

The actuarial assumptions were based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	39.00%	4.16%
Fixed Income	28.00%	0.89%
Real Assets	33.00%	2.09%

**Discount rate**

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

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
<b>Balances at 6/30/2019</b>	<b>\$ 6,983,565</b>	<b>\$ (8,177,047)</b>	<b>\$ (1,193,482)</b>
Changes for the year:			
Service Cost	213,309	-	213,309
Interest	506,014	-	506,014
Changes in Assumptions	-	-	-
Difference between expected and actual	150,443	-	150,443
Contribution - employer	-	(168,378)	(168,378)
Contribution - employee	-	-	-
Net investment income	-	(105,658)	(105,658)
Benefit payments, including refunds	(221,582)	221,582	-
Administrative expense	-	13,580	13,580
Other changes	-	(15,176)	(15,176)
<b>Net changes</b>	<b>648,184</b>	<b>(54,050)</b>	<b>594,134</b>
<b>Balances at 6/30/2020</b>	<b>\$ 7,631,749</b>	<b>\$ (8,231,097)</b>	<b>\$ (599,348)</b>

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25 %, as well as what the employer’s Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25 % than the current rate.

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<u>\$ 592,606</u>	<u>\$ (599,348)</u>	<u>\$ (1,566,829)</u>

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
DECEMBER 31, 2020

**NOTE F – DEFINED BENEFIT PENSION PLAN (Continued)**

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

For the year ended December 31, 2020 the employer recognized pension expense of \$ 228,482. 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 in experience	\$ 204,586	\$ (37,056)
Differences in assumptions	2,715	(240)
Excess(deficit) in investment returns	198,505	-
Contributions subsequent to the measurement date*	101,082	
Total	<u>\$ 506,888</u>	<u>\$ (37,296)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2021.

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

Year ended:		
2021	\$	38,452
2022		87,903
2023		129,621
2024		106,975
2025		5,559
Thereafter		-
Total	<u>\$</u>	<u>368,510</u>

**Payable to the Pension Plan**

At December 31, 2020, the City of Aurora reported a payable of \$ 21,899.45 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE G – 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; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City. In the past three years the City had no losses that exceeded commercial insurance coverage.

**NOTE H – GRANTS**

Intergovernmental awards received by the City are subject to audit and adjustment by the grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agencies. No disallowed costs have resulted from this audit and management believes that further examination will not result in any disallowed costs.

**NOTE I – RELATED PARTY TRANSACTIONS**

The City entered into a lease agreement on September 5, 2001, with St. John's Health System (SJHS). Under the terms of the agreement, SJHS took over administration, management and operation of the Hospital and leases the facilities. All cash and investments balances as of the effective date are to be placed in a Capital Improvement Fund and remain under the control of the Aurora Community Hospital Board. In consideration of the use and possession of the facilities, SJHS pays the annual sum of \$ 100 plus contributes \$ 200,000 to the Capital Improvement Fund. The balance in the Capital Improvement Fund may be used for capital improvements and insurance coverage for the directors and officers of the Aurora Community Hospital Board. The agreement is initially for five years, automatically renewable for up to nine additional five-year terms, and provides for termination, under certain circumstances, by each party to the agreement.

**NOTE J – DEPARTURE FROM ACCOUNTING PRINCIPLES**

In accordance with accounting principles applied by the City using accounting principles generally accepted in the United States of America, the lease agreement discussed in Note I is required to be reported as an operating lease with the related capital assets recorded in the City's financial statements. To the extent that these leased assets are excluded from the Governmental Activities Statement of Net Position and Statement of Activity, they are not in conformity with accounting principles as adopted by the City of Aurora. The effect of this departure is not reasonably determined.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE K – TRANSFER BETWEEN FUNDS**

The transfers from the Transportation Fund \$ 32,278, Park/Storm Water Fund \$ 76,344, Capital Project Fund \$ 10,898, Tiff Fund \$ 4,142 which is included in the operational expense and the Sewer Fund \$ 125,764 to the General Fund were for cost sharing allocations.

**NOTE L – CONSTRUCTION IN PROGRESS**

Construction in progress is authorized by actions of the City Council (governing body). As of the year end the City had started on Phase II and construction in progress represents preliminary engineering fees on the new project.

**NOTE M – PRIOR YEAR DEFEASANCE OF DEBT**

In prior years, the City had defeased 2011 bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2020, the amount of defeased debt outstanding amounted to \$ 995,000.

**NOTE N – FUTURE ACCOUNTING PRONOUNCEMENTS**

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

**The City adopted the following statements during the year ended December 31, 2020:**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending December 31, 2020. This Statement is to provide financial statement users with information about assets retirement obligations (AROs) that were not addressed in GASB standards establishing uniform accounting and financial reporting requirement for these obligations.

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, issued June 2018, will be effective for the City for reporting periods beginning after December 15, 2020. The primary objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE N– FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)**

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning after December 15, 2021. Earlier application is encouraged. The primary objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the City beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for except for paragraphs 11b,13, and 14 June 15, 2020, paragraphs Paragraph 11b effective for periods after December 31, 2021 and paragraphs 13 and 14 effective after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020 will be effective for years beginning after June 15, 2022, earlier application is encouraged. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private partnership arrangements (PPPs) and (APAs).. Earlier application is encouraged.

GASB Statement No. 95. *Postponement of the Effective Dates of Certain Authoritative Guidance, issued May 2020. The following provisions have been delayed 83, 84, 88, 89, 90, 92, 93, and 87. Pronouncements 83, 89, 92 and 93 have been adopted this year and had no changes to report. Pronouncements 84, 88, 90 were adopted in the current year with no changes to report.*

GASB Statement No. 96. *Subscription-Based Information Technology Arrangements*, issued May 2020, earlier application is encouraged. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and end users (governments).

The City did not have any changes to report for the year ending December 31, 2020 upon adopting GASB 83, 89, 91, 92, 93, 94, 95, and 96.

**CITY OF AURORA, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE N– FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)**

**The Statements which might impact the City are as follows:**

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning after June 15, 2021. This Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Section 457 Deferred Compensation Plans-and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020. Effective date is June 15, 2021 with earlier application permitted.

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

**CITY OF AURORA, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**CHANGES IN FUND BALANCES**  
**-BUDGET AND ACTUAL- MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES	General Fund			
	Budget		Actual	Variance With Final Budget
	Original	Final		
Property taxes	\$ 301,500	\$ 301,500	\$ 303,726	\$ 2,226
Franchise taxes	924,000	1,046,356	906,416	(139,940)
Sales taxes	1,180,000	1,283,636	1,246,195	(37,441)
Use taxes	170,000	170,000	230,752	60,752
Financial institutional tax	5,000	5,000	36,141	31,141
Licenses & permits	41,150	65,150	66,249	1,099
Fines & forfeitures	88,000	88,000	87,387	(613)
Cemetery-sale of plots	45,000	45,000	38,150	(6,850)
Interest	500	500	42	(458)
Grants	42,600	42,600	131,760	89,160
Donations	8,500	8,500	2,705	(5,795)
Street cuts	30,000	30,000	8,317	(21,683)
Miscellaneous	86,800	86,800	84,976	(1,824)
Total Revenues	<u>2,923,050</u>	<u>3,173,042</u>	<u>3,142,816</u>	<u>(30,226)</u>
EXPENDITURES				
Current:				
General government	403,257	451,257	429,306	21,951
Police and courts	1,357,442	1,357,442	1,312,185	45,257
Fire	500,942	500,942	509,235	(8,293)
E-911	273,738	273,738	278,561	(4,823)
Cemetery care	112,666	112,666	111,191	1,475
Finance and economic development	214,766	214,766	218,789	(4,023)
Code enforcement	184,216	184,216	253,672	(69,456)
Capital outlay	235,000	379,400	345,010	34,390
Total Expenditures	<u>3,282,027</u>	<u>3,474,427</u>	<u>3,457,949</u>	<u>16,478</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(358,977)	(301,385)	(315,133)	(13,748)
OTHER FINANCING SOURCES (USES)				
Transfers In	251,497	\$ 251,497	249,426	(2,071)
Sale of property	-	-	5,226	5,226
NET CHANGE IN FUND BALANCE	<u>\$ (107,480)</u>	<u>\$ (49,888)</u>	(60,481)	<u>\$ (10,593)</u>
FUND BALANCES - BEGINNING			<u>1,913,486</u>	
FUND BALANCES - ENDING			<u>\$ 1,853,005</u>	

**CITY OF AURORA, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**CHANGES IN FUND BALANCES**  
**-BUDGET AND ACTUAL- MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES	Transportation Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Sales tax	\$ 590,000	\$ 590,000	\$ 623,097	\$ 33,097
Missouri motor fuel taxes	320,000	320,000	294,619	(25,381)
Grants	550,000	550,000	493,514	(56,486)
Street cuts	18,000	18,000	19,594	1,594
Miscellaneous	32,200	32,200	2,373	(29,827)
Total Revenues	<u>1,510,200</u>	<u>1,510,200</u>	<u>1,433,197</u>	<u>(77,003)</u>
<b>EXPENDITURES</b>				
Current:				
Street	979,092	979,092	680,160	298,932
Airport	9,650	9,650	11,795	(2,145)
Capital Outlay	605,000	605,000	817,429	(212,429)
Total Expenditures	<u>1,593,742</u>	<u>1,593,742</u>	<u>1,509,384</u>	<u>84,358</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	(83,542)	(83,542)	(76,187)	7,355
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	-	-	4,625	4,625
Transfers (Out)	-	-	(32,278)	(32,278)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (83,542)</u>	<u>\$ (83,542)</u>	(103,840)	<u>\$ (20,298)</u>
<b>FUND BALANCE-BEGINNING</b>			<u>713,764</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 609,924</u>	

**CITY OF AURORA, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**CHANGES IN FUND BALANCES**  
**-BUDGET AND ACTUAL- MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES	Park/Storm Water Fund			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Sales tax	\$ 590,000	\$ 590,000	\$ 622,970	\$ 32,970
Park activities	32,000	32,000	33,229	1,229
Miscellaneous	-	-	3,854	3,854
Total Revenues	<u>622,000</u>	<u>622,000</u>	<u>660,053</u>	<u>38,053</u>
<b>EXPENDITURES</b>				
Current:				
Park	358,111	358,111	295,344	62,767
Storm water	59,816	59,816	10,300	49,516
Capital Outlay	115,000	115,000	79,183	35,817
Debt service:				
Principal	121,400	121,400	124,600	(3,200)
Interest	12,600	12,600	9,222	3,378
Total Expenditures	<u>666,927</u>	<u>666,927</u>	<u>518,649</u>	<u>148,278</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(44,927)	(44,927)	141,404	186,331
<b>OTHER SOURCES AND USES</b>				
Transfers (out)	-	-	(76,344)	(76,344)
NET CHANGE IN FUND BALANCE	<u>\$ (44,927)</u>	<u>\$ (44,927)</u>	65,060	<u>\$ 109,987</u>
FUND BALANCE-BEGINNING			<u>556,540</u>	
FUND BALANCE - ENDING			<u>\$ 621,600</u>	

**CITY OF AURORA, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION -UNAUDITED**  
**SCHEDULE OF CHANGES IN NET PENSION**  
**LIABILITY AND RELATED RATIOS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>					
Service costs	\$ 213,309	\$ 203,636	\$ 201,300	\$ 193,517	\$ 183,131
Interest on Total Pension Liability	506,014	464,367	431,150	407,471	364,866
Changes in Benefit Terms	-	-	-	-	-
Difference between expected and actual experience	150,443	115,593	38,843	(89,679)	(39,744)
Changes in Assumptions	-	-	-	(51,952)	242,364
Benefit payments, including refunds	(221,582)	(206,525)	(221,722)	(149,660)	(90,465)
<b>Net change in total pension liability</b>	<b>648,184</b>	<b>577,071</b>	<b>449,571</b>	<b>309,697</b>	<b>660,152</b>
<b>Total Pension Liability-beginning</b>	<b>6,983,565</b>	<b>6,406,494</b>	<b>5,956,923</b>	<b>5,647,226</b>	<b>4,987,104</b>
<b>Total Pension Liability-ending</b>	<b>\$ 7,631,749</b>	<b>\$ 6,983,565</b>	<b>\$ 6,406,494</b>	<b>\$ 5,956,923</b>	<b>\$ 5,647,256</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ (168,378)	\$ (151,911)	\$ (135,131)	\$ (126,480)	\$ (135,506)
Contributions - employee	-	-	-	(55,675)	-
Net investment income	(105,658)	(512,940)	(887,009)	(756,208)	12,265
Changes in assumptions	-	-	-	(3,412)	90,465
Benefit payments	221,582	207,251	221,722	149,660	-
Pension Plan Administrative Expense	13,580	11,351	8,538	7,923	7,573
Other (Net Transfer)	(15,176)	(3,209)	(6,056)	33,209	33,696
<b>Net change in plan fiduciary net position</b>	<b>(54,050)</b>	<b>(449,458)</b>	<b>(797,936)</b>	<b>(750,983)</b>	<b>8,493</b>
<b>Plan Fiduciary Net Position-beginning</b>	<b>(8,177,047)</b>	<b>(7,727,589)</b>	<b>(6,929,653)</b>	<b>(6,178,670)</b>	<b>(6,187,163)</b>
<b>Plan Fiduciary Net Position-ending</b>	<b>\$ (8,231,097)</b>	<b>\$ (8,177,047)</b>	<b>\$ (7,727,589)</b>	<b>\$ (6,929,653)</b>	<b>\$ (6,178,670)</b>
<b>Net Pension Liability/(Asset)</b>	<b>\$ (599,348)</b>	<b>\$ (1,193,482)</b>	<b>\$ (1,321,095)</b>	<b>\$ (972,730)</b>	<b>\$ (531,414)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>7.85%</b>	<b>17.09%</b>	<b>20.62%</b>	<b>16.33%</b>	<b>9.41%</b>
<b>Covered payroll</b>	<b>\$ 2,003,362</b>	<b>\$ 1,821,236</b>	<b>\$ 1,804,697</b>	<b>\$ 1,856,987</b>	<b>\$ 1,698,505</b>
<b>Net Pension liability as a percentage of covered payroll</b>	<b>-29.92%</b>	<b>-65.53%</b>	<b>-73.20%</b>	<b>-52.38%</b>	<b>-31.29%</b>

Notes to schedule:

\*Information not available as this represents the first actuarial valuation performed pursuant to GASB Statement No. 67.

This schedule is intended to cover ten years. The City implemented GASB Statement No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

**CITY OF AURORA, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**SCHEDULE OF PENSION PLAN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**FOR THE YEARS ENDED DECEMBER 31,**

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2011	\$ 151,309	\$ 133,727	\$ 17,582	\$ 1,630,782	8.20%
2012	142,085	135,901	6,184	1,637,458	8.30%
2013	102,773	102,530	243	1,471,447	6.97%
2014	103,217	103,218	(1)	1,638,254	6.30%
2015	142,929	142,929	-	1,747,658	8.18%
2016	125,754	125,753	1	1,772,073	7.10%
2017	130,228	130,228	-	1,809,777	7.20%
2018	142,423	142,423	-	1,861,226	7.65%
2019	158,377	158,377	-	1,923,122	8.24%
2020	196,974	191,686	5,288	2,173,048	8.82%

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

Valuation Date: February 29, 2020

Notes: The roll-forward of total pension liability from February 29, 2020 to June 30, 2020 reflects expected service cost and interest reduced by actual benefit payments.

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

Actuarial Cost Method Entry Age Normal and Modified Terminal Funding  
Amortization Method A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period of (ii) 15 years.  
Remaining Amortization Period Multiple bases from 12 to 15 years  
Asset Valuation Method 5-Year smoothed market: 20% corridor  
Inflation 3.25% wage inflation; 2.50% price inflation  
Salary increases 3.25% to 6.55% including wage inflation  
Investment Rate of Return 7.25%, net of investment expenses  
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.  
Mortality The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

Other information: None

**CITY OF AURORA, MISSOURI**  
**COMBINING BALANCE SHEET-**  
**NON MAJOR GOVERNMENTAL FUNDS**  
DECEMBER 31, 2020

	UDAG Fund	TIF Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 4,158	\$ 4,158
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 4,158</b>	<b>\$ 4,158</b>
 <b>FUND BALANCES</b>			
Restricted		\$ 4,158	\$ 4,158
<b>Total Fund Balances</b>	<b>\$ -</b>	<b>\$ 4,158</b>	<b>\$ 4,158</b>

**CITY OF AURORA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	UDAG Fund	TIF Fund	Total
REVENUES;			
Sales tax	\$ -	\$ 28,983	\$ 28,983
Total Revenues	<u>-</u>	<u>28,983</u>	<u>28,983</u>
EXPENDITURES:			
Current:			
UDAG	2,357	-	2,357
Developer	-	22,747	22,747
Total Expenditures	<u>2,357</u>	<u>22,747</u>	<u>25,104</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	(2,357)	6,236	3,879
TRANSFERS			
Transfer (out)	-	(4,142)	(4,142)
FUND BALANCES - BEGINNING	<u>2,357</u>	<u>2,064</u>	<u>4,421</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 4,158</u>	<u>\$ 4,158</u>