

**CITY OF GRANBY, MISSOURI**

BASIC FINANCIAL STATEMENTS  
(MODIFIED CASH BASIS)  
WITH SUPPLEMENTARY DATA  
AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED  
JUNE 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council  
City of Granby, Missouri

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Granby, Missouri, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Granby, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate fund information of the City of Granby, Missouri, as of June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Granby, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter—Basis of Accounting

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

### Responsibilities of Management for the Financial Statements

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

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

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



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Granby, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Granby, Missouri's ability to continue as a going concern for a reasonable period of time.

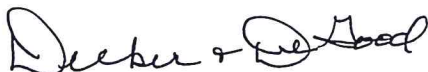
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

#### *Other Information*

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

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

  
Decker & DeGood, PC

Springfield, Missouri  
October 17, 2022



**CITY OF GRANBY, MISSOURI**

STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
	<hr/>	<hr/>	<hr/>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 201,311	\$ 550,118	\$ 751,429
Investments	77,751	35,814	113,565
Restricted cash and cash equivalents-			
Cash	386,505	257,747	644,252
Investments	-	100,499	100,499
Internal balances	36,825	(36,825)	-
Capital assets:			
Land	308,347	65,965	374,312
Construction in progress	221,852	36,647	258,499
Other capital assets, net of accumulated depreciation	1,597,098	2,998,247	4,595,345
	<hr/>	<hr/>	<hr/>
Total Assets	2,829,689	4,008,212	6,837,901
<b>LIABILITIES</b>			
Accounts payable	2,736	-	2,736
Unearned revenue - ARPA	210,361	-	210,361
Current maturities of long-term debt	17,319	75,000	92,319
Noncurrent liabilities:			
Certificates of participation	-	470,000	470,000
Revenue bonds	-	55,000	55,000
Lease obligations	36,364	-	36,364
Customer deposits	-	143,540	143,540
	<hr/>	<hr/>	<hr/>
Total Liabilities	266,780	743,540	1,010,320
<b>NET POSITION</b>			
Net investment in capital assets	2,073,614	2,500,859	4,574,473
Restricted-			
Debt reserves	-	329,600	329,600
Unrestricted (Deficit)	489,295	434,213	923,508
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 2,562,909	\$ 3,264,672	\$ 5,827,581
	<hr/>	<hr/>	<hr/>

See accompanying notes to the basic financial statements.

**CITY OF GRANBY, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
(MODIFIED CASH BASIS)  
**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue 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	\$ 91,444	\$ 10,259	\$ 42,873	\$ 32,723	\$ -	\$ 32,723
Public safety- Police	256,938	-	-	(248,990)	-	(248,990)
Courts	46,496	-	-	(3,446)	-	(3,446)
Fire	98,137	-	-	(69,547)	-	(69,547)
Streets	343,015	-	193,257	(149,758)	-	(149,758)
Parks and recreation	88,082	-	-	(76,113)	-	(76,113)
Cemetery	21,466	25	-	(6,541)	-	(6,541)
TIF	450	-	-	(450)	-	(450)
<b>Total governmental activities</b>	<b>946,028</b>	<b>10,284</b>	<b>236,130</b>	<b>(522,122)</b>	<b>-</b>	<b>(522,122)</b>
<b>Business-type activities:</b>						
Water	277,244	-	-	-	42,399	42,399
Sewer	404,211	-	-	-	21,816	21,816
Gas	648,294	-	-	-	43,793	43,793
Sanitation	182,355	59,757	-	(8,850)	(8,850)	(8,850)
<b>Total business-type activities</b>	<b>1,512,104</b>	<b>59,757</b>	<b>-</b>	<b>-</b>	<b>99,158</b>	<b>99,158</b>
<b>Total government</b>	<b>\$ 2,458,132</b>	<b>\$ 70,041</b>	<b>\$ 236,130</b>	<b>(522,122)</b>	<b>99,158</b>	<b>(422,964)</b>
<b>General Revenues</b>						
<b>Taxes:</b>						
Property taxes for general purposes				110,177	-	110,177
Property taxes for cemetery				7,325	-	7,325
Franchise taxes				69,223	-	69,223
Sales taxes and public safety taxes				429,057	-	429,057
Missouri motor fuel taxes				93,574	-	93,574
County sales tax				12,529	-	12,529
Interest on investments				822	1,757	2,579
Miscellaneous				3,741	-	3,741
Gain on disposition of assets				35,004	-	35,004
Transfers				366	(366)	-
<b>Total general revenues and transfers</b>				<b>761,818</b>	<b>1,391</b>	<b>763,209</b>
Change in net position				239,696	100,549	340,245
Net position beginning				2,323,213	3,164,123	5,487,336
<b>Net position ending</b>				<b>\$ 2,562,909</b>	<b>\$ 3,264,672</b>	<b>\$ 5,827,581</b>

See accompanying notes to the basic financial statements.

# CITY OF GRANBY, MISSOURI

BALANCE SHEET  
(MODIFIED CASH BASIS)  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	<u>General</u>	<u>Street</u>	<u>TIF</u>	<u>Nonmajor Fund</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Cemetery</u>	<u>Governmental</u>
				<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 79,286	\$ 84,475	\$ 30,243	\$ 7,307	\$ 201,311
Investments	36,821	40,930	-	-	77,751
Due from other funds	136,705	6,466	21,762	-	164,933
Restricted assets:					
Cash and cash equivalents	386,505	-	-	-	386,505
<b>TOTAL ASSETS</b>	<b>\$ 639,317</b>	<b>\$ 131,871</b>	<b>\$ 52,005</b>	<b>\$ 7,307</b>	<b>\$ 830,500</b>
<u>LIABILITIES</u>					
Accounts payable	\$ 2,736	-	-	-	\$ 2,736
Unearned revenue - ARPA	210,361	-	-	-	210,361
Due to other funds	65,476	61,666	-	966	128,108
<b>TOTAL LIABILITIES</b>	<b>278,573</b>	<b>61,666</b>	<b>-</b>	<b>966</b>	<b>341,205</b>
<u>FUND BALANCES</u>					
FUND BALANCES					
Fund Balances -					
Assigned	\$ 386,505	-	-	-	\$ 386,505
Restricted-					
Streets	-	70,205	-	-	70,205
TIF	-	-	52,005	-	52,005
Cemetery	-	-	-	6,341	6,341
Unassigned (deficit)	(25,761)	-	-	-	(25,761)
<b>TOTAL FUND BALANCES</b>	<b>360,744</b>	<b>70,205</b>	<b>52,005</b>	<b>6,341</b>	<b>489,295</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 639,317</b>	<b>\$ 131,871</b>	<b>\$ 52,005</b>	<b>\$ 7,307</b>	<b>\$ 830,500</b>

See accompanying notes to the basic financial statements.



**CITY OF GRANBY, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENT FUNDS**  
**BALANCE SHEET (MODIFIED CASH BASIS)**  
**TO THE GOVERNMENT-WIDE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

Total Fund Balances-Governmental Funds		\$ 489,295
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.</p>		
Non-depreciable assets	530,199	
Depreciable assets	1,597,098	
		2,127,297
<p>Loan 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.</p>		
Backhoe loan		(53,683)
Net position of governmental activities		\$ 2,562,909

See accompanying notes to the basic financial statements.

**CITY OF GRANBY, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**(MODIFIED CASH BASIS)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

REVENUES	General Fund	Street Fund	TIF Fund	Nonmajor Fund Cemetery Fund	Governmental Funds
Taxes:					
Property taxes	\$ 48,877	\$ -	\$ 61,300	\$ 7,325	\$ 117,502
Franchise taxes	69,223	-	-	-	69,223
Sales tax	194,481	122,996	19,416	-	336,893
Public safety tax	92,164	-	-	-	92,164
Intergovernmental:					
Missouri motor fuel taxes	-	93,574	-	-	93,574
County sales tax	-	-	12,529	-	12,529
Licenses & permits	1,185	-	-	-	1,185
Fines & forfeitures	50,998	-	-	-	50,998
Fire district contract	28,590	-	-	-	28,590
Interest	482	322	18	-	822
Old mining town days	14,541	-	-	-	14,541
Summer ball	11,969	-	-	-	11,969
Sale of lots	3,175	-	-	50	3,225
Burial	-	-	-	14,850	14,850
Donations	10,259	-	-	25	10,284
Grants	42,873	193,257	-	-	236,130
Miscellaneous	2,562	-	-	-	2,562
<b>Total Revenues</b>	<b>571,379</b>	<b>410,149</b>	<b>93,263</b>	<b>22,250</b>	<b>1,097,041</b>
<b>EXPENDITURES</b>					
Current:					
General government	43,676	-	-	-	43,676
Public safety- Police	244,385	-	-	-	244,385
Courts	46,496	-	-	-	46,496
Fire	94,081	-	-	-	94,081
Streets	-	308,693	-	-	308,693
Parks and recreation	77,541	-	-	-	77,541
Cemetery	-	-	-	15,707	15,707
TIF	-	-	450	-	450
Capital outlay	215,553	134,869	221,852	-	572,274
<b>Total Expenditures</b>	<b>721,732</b>	<b>443,562</b>	<b>222,302</b>	<b>15,707</b>	<b>1,403,303</b>
<b>OTHER SOURCES</b>					
Transfers in	-	6,250	-	-	6,250
Transfer (out)	(5,884)	-	-	-	(5,884)
Fee in lieu of	52,283	-	-	-	52,283
Sale of assets	53,017	-	-	-	53,017
Loan Proceeds	53,683	-	-	-	53,683
<b>Total other sources</b>	<b>153,099</b>	<b>6,250</b>	<b>-</b>	<b>-</b>	<b>159,349</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>2,746</b>	<b>(27,163)</b>	<b>(129,039)</b>	<b>6,543</b>	<b>(146,913)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>357,998</b>	<b>97,368</b>	<b>181,044</b>	<b>(202)</b>	<b>636,208</b>
<b>FUND BALANCES - ENDING (DEFICIT)</b>	<b>\$ 360,744</b>	<b>\$ 70,205</b>	<b>\$ 52,005</b>	<b>\$ 6,341</b>	<b>\$ 489,295</b>

See accompanying notes to the basic financial statements.

**CITY OF GRANBY, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balances--total governmental funds	\$	(146,913)
<p style="margin-left: 20px;">Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p style="margin-left: 20px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capital assets		572,274
Current year's depreciation expense		(113,970)
Basis on disposition of assets		(18,012)
<p style="margin-left: 20px;">The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Loan proceeds		<u>(53,683)</u>
Change in net position of governmental activities	\$	<u><u>239,696</u></u>

See accompanying notes to the basic financial statements.



**CITY OF GRANBY, MISSOURI**

STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

PROPRIETARY FUNDS

JUNE 30, 2022

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>	<u>Sanitation Fund</u>	<u>Total Enterprise Funds</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 198,779	\$ 126,868	\$ 224,471	\$ -	\$ 550,118
Investments	35,814	-	-	-	35,814
Due from other funds	7,347	12,340	-	-	19,687
<b>Total Current Assets</b>	<u>241,940</u>	<u>139,208</u>	<u>224,471</u>	<u>-</u>	<u>605,619</u>
<b>Noncurrent Assets:</b>					
<b>Restricted cash and cash equivalents:</b>					
Debt reserves	-	175,854	-	-	175,854
Depreciation and replacement	-	25,189	56,704	-	81,893
Investments - debt reserves	-	100,499	-	-	100,499
<b>Capital assets:</b>					
Land	31,250	23,665	11,050	-	65,965
Construction in progress	-	36,647	-	-	36,647
Other capital assets, net of accumulated depreciation	205,971	2,188,707	574,644	28,925	2,998,247
<b>Total Noncurrent Assets</b>	<u>237,221</u>	<u>2,550,561</u>	<u>642,398</u>	<u>28,925</u>	<u>3,459,105</u>
<b>TOTAL ASSETS</b>	<u>479,161</u>	<u>2,689,769</u>	<u>866,869</u>	<u>28,925</u>	<u>4,064,724</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Due to other funds	14,770	5,918	35,824	35,824	56,512
Current portion of long-term debt	-	75,000	-	-	75,000
<b>Total Current Liabilities</b>	<u>14,770</u>	<u>80,918</u>	<u>35,824</u>	<u>35,824</u>	<u>131,512</u>
<b>Noncurrent Liabilities:</b>					
Certificate of participation	-	470,000	-	-	470,000
Revenue bonds	-	55,000	-	-	55,000
Customer deposits	76,091	-	67,449	67,449	143,540
<b>TOTAL LIABILITIES</b>	<u>90,861</u>	<u>605,918</u>	<u>103,273</u>	<u>103,273</u>	<u>800,052</u>
<b>NET POSITION</b>					
Net investment in capital assets	237,221	1,649,019	585,694	28,925	2,500,859
Restricted-					
Debt reserves	-	329,600	-	-	329,600
Unrestricted	151,079	105,232	177,902	-	434,213
<b>TOTAL NET POSITION</b>	<u>\$ 388,300</u>	<u>\$ 2,083,851</u>	<u>\$ 763,596</u>	<u>\$ 28,925</u>	<u>\$ 3,264,672</u>

See accompanying notes to the basic financial statements.

**CITY OF GRANBY, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**(MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Water Fund	Sewer Fund	Gas Fund	Sanitation Fund	Total Enterprise Funds
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 319,643	\$ 426,027	\$ 692,087	\$ 113,748	\$ 1,551,505
<b>OPERATING EXPENSES:</b>					
Depreciation	16,742	109,476	39,800	2,966	168,984
Dues and subscriptions	43,883	2,768	42,115	682	89,448
Gas purchase	-	-	395,142	-	395,142
Health insurance	19,441	19,245	11,482	7,296	57,464
Insurance	22,874	21,991	22,198	-	67,063
Miscellaneous	4,003	940	1,406	-	6,349
Office supplies and postage	2,147	2,182	2,147	-	6,476
Payroll taxes	5,433	7,439	4,888	2,425	20,185
Professional fees	6,387	12,882	7,473	369	27,111
Repairs & maintenance	18,974	32,094	20,951	14,946	86,965
Wages	69,501	98,788	62,340	32,976	263,605
Retirement benefits	3,505	4,200	3,080	1,938	12,723
Sanitation fees	-	-	-	111,818	111,818
Supplies	5,166	7,853	2,861	1,107	16,987
Telephone	1,666	3,309	1,263	122	6,360
Testing	34	4,845	34	-	4,913
Travel and training	2,232	1,942	205	-	4,379
Uniforms	957	3,115	815	-	4,887
Utilities	38,342	40,684	2,357	410	81,793
Vehicle expense	3,723	4,913	3,931	5,300	17,867
Total Operating Expenses	<u>265,010</u>	<u>378,666</u>	<u>624,488</u>	<u>182,355</u>	<u>1,450,519</u>
<b>OPERATING INCOME (LOSS)</b>	<u>54,633</u>	<u>47,361</u>	<u>67,599</u>	<u>(68,607)</u>	<u>100,986</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest income	249	1,262	246	-	1,757
Interest expense	-	(9,302)	-	-	(9,302)
Total Non-operating Revenues (Expenses)	<u>249</u>	<u>(8,040)</u>	<u>246</u>	<u>-</u>	<u>(7,545)</u>
<b>INCOME BEFORE TRANSFERS AND GRANTS</b>	54,882	39,321	67,845	(68,607)	93,441
Transfer in	-	6,000	-	5,884	11,884
Transfer (out)	(6,250)	-	(6,000)	-	(12,250)
Transfer Fee-in-lieu of	(12,234)	(16,243)	(23,806)	-	(52,283)
Grants	-	-	-	59,757	59,757
<b>CHANGE IN NET POSITION</b>	36,398	29,078	38,039	(2,966)	100,549
<b>TOTAL NET POSITION - BEGINNING</b>	<u>351,902</u>	<u>2,054,773</u>	<u>725,557</u>	<u>31,891</u>	<u>3,164,123</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 388,300</u>	<u>\$ 2,083,851</u>	<u>\$ 763,596</u>	<u>\$ 28,925</u>	<u>\$ 3,264,672</u>

See accompanying notes to the basic financial statements.

**CITY OF GRANBY, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**(MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Water Fund	Sewer Fund	Gas Fund	Sanitation Fund	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers	\$ 319,643	\$ 426,027	\$ 692,087	\$ 113,748	\$ 1,437,757
Payments to suppliers	(162,116)	(167,799)	(512,423)	(142,050)	(842,338)
Payments to employees	(97,880)	(129,672)	(81,790)	(37,339)	(309,342)
Net Cash Provided by (Used for) Operating Activities	<u>59,647</u>	<u>128,556</u>	<u>97,874</u>	<u>(65,641)</u>	<u>286,077</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers	(6,250)	6,000	(6,000)	5,884	(6,250)
Grants	-	-	-	59,757	59,757
Net Cash Provided by (Used for) Noncapital Activities	<u>(6,250)</u>	<u>6,000</u>	<u>(6,000)</u>	<u>65,641</u>	<u>53,507</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital expenditures	(10,206)	(12,671)	(4,785)	-	(27,662)
Principal paid	-	(75,000)	-	-	(75,000)
Interest paid	-	(9,302)	-	-	(9,302)
Net Cash (Used for) Capital and Related Financing Activities	<u>(10,206)</u>	<u>(96,973)</u>	<u>(4,785)</u>	<u>-</u>	<u>(111,964)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest earned	249	1,262	246	-	1,757
Net Cash Provided by Investing Activities	<u>249</u>	<u>1,262</u>	<u>246</u>	<u>-</u>	<u>1,757</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>43,440</b>	<b>38,845</b>	<b>87,335</b>	<b>-</b>	<b>169,620</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>191,153</b>	<b>389,565</b>	<b>193,840</b>	<b>-</b>	<b>774,558</b>
<b>CASH AT END OF YEAR</b>	<b><u>\$ 234,593</u></b>	<b><u>\$ 428,410</u></b>	<b><u>\$ 281,175</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 944,178</u></b>
<b>SUMMARY OF CASH AND CASH EQUIVALENTS</b>					
Cash and cash equivalents	\$ 234,593	\$ 126,868	\$ 224,471	\$ -	\$ 585,932
Restricted cash and cash equivalents	-	301,542	56,704	-	358,246
Total Cash and Cash Equivalents	<u>\$ 234,593</u>	<u>\$ 428,410</u>	<u>\$ 281,175</u>	<u>\$ -</u>	<u>\$ 944,178</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating Income (Loss)	\$ 42,399	\$ 31,118	\$ 43,793	\$ (68,607)	\$ 117,310
Adjustments to reconcile net operating income to net cash provided by operating activities:					
Depreciation expense	16,742	109,476	39,800	2,966	166,018
(Increase) Decrease in due from other funds	(7,347)	(12,340)	-	-	(19,687)
Increase (Decrease) in due to other funds	-	302	3,314	-	3,616
Increase (Decrease) in Customer deposits	7,853	-	10,967	-	18,820
Net Cash Provided by(Used for) Operating Activities	<u>\$ 59,647</u>	<u>\$ 128,556</u>	<u>\$ 97,874</u>	<u>\$ (65,641)</u>	<u>\$ 286,077</u>

See accompanying notes to the basic financial statements.



**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

**FINANCIAL REPORTING ENTITY**

PRIMARY GOVERNMENT

The City of Granby’s primary government is a general-purpose local government formed as a council-mayor form of municipal government under the laws of the State of Missouri. The governing body is an elected four-member City Council, with the Mayor serving as the president of the Council. The City operates the general government activities of the community, including police protection, street and road maintenance, parks, sewer, and various administrative functions.

BLENDED COMPONENT UNITS

The financial statements of the City present the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on accounting principles generally accepted in the United States of America. 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.

**BASIS OF PRESENTATION**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services.

**CITY OF GRANBY, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance, revenues, and expenditures or expenses. The City's funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described subsequently:

**Governmental Funds**

General Fund -- The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following special revenue funds, all of which are reported as major funds:

Street Fund – This fund is used to account for all financial resources (Missouri Motor Fuel taxes and a 1 cent sales tax) that by law or Council designation is used for street repairs, maintenance, and capital improvements. The Street Fund is considered a major fund type.

TIF Fund - This is a special revenue fund used to account for the revenues and expenditures relating to tax increment financing projects which are restricted by statute. The TIF Fund is classified as a major fund.

Cemetery Fund - This fund is used to account for the portion of the general surtaxes designated for operation and maintenance of the City's cemetery. The Cemetery Fund is classified as a nonmajor fund.



**CITY OF GRANBY, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**Proprietary Fund**

Waterworks System Fund - The Waterworks System Fund was established to account for operations of the water system of the City of Granby.

Sewer Revenue Fund - The Sewer Revenue Fund was established to account for operations of the sewer system of the City of Granby.

Gas System Fund - The Gas System Fund was established to account for operations of the gas system of the City of Granby.

Sanitation Fund - The Sanitation Fund was established to account for the sanitation collection system as well as the recycling center of the City of Granby.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

MEASUREMENT FOCUS

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as subsequently defined in item (b).

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.



**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

BASIS OF ACCOUNTING

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transactions or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the City utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

**FINANCIAL POSITION**

CASH AND CASH EQUIVALENTS

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificate of deposits or short-term investments with an original maturity of three months or less.

INVESTMENTS

Investments would be certificates of deposits acquired with cash whose original maturity term exceeds three months. The City had \$ 214,064 in investments as of June 30, 2022, all of which are carried at cost which approximates fair value.

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

**CITY OF GRANBY, MISSOURI**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**DUE FROM OTHER FUNDS**

Receivables and payables to other funds arising from cash transactions or events are recorded in the financial statements as a modification to the cash basis of accounting.

**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.

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

	<u>Cash Balances</u>	<u>Required Debt Reserves</u>
<b>Business-Type Activities:</b>		
Debt reserves	\$ 175,854	\$ 98,000
Principal and interest	100,499	20,000
Depreciation and replacement	81,893	211,600
Total Business-Type Activities Restricted Assets	\$ 358,246	\$ 329,600

**CAPITAL ASSETS**

The City’s modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Statements**

In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. The City has elected not to go back 20 years and record estimated cost of streets less depreciation but started in 2004 recording capital outlay of street projects and then depreciating the assets from twenty to forty years.

Depreciation of all exhaustible capital assets arising from cash transactions or events is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$ 1,000 is used to report capital assets. The range of estimated useful lives by the type of asset is as follows:

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

**CAPITAL ASSETS - continued**

Site improvements	10-50 years
Buildings and utility plants	50 years
Furniture and equipment	5-10 years
Infrastructure	20-40 years

**Fund Financial Statements**

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

**Inventories**

The costs of inventory items are recorded as expenditures/expense when purchased rather than when consumed.

**Long-Term Debt**

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.



**CITY OF GRANBY, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

NET POSITION/FUND BALANCE CLASSIFICATIONS

**Government-Wide Statements**

Net Position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

**Fund Financial Statements**

**Governmental Funds**

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

**Nonspendable** - Amounts that cannot be spent because they are in a nonspendable form or are required to be maintained intact.

**Restricted** - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

**Committed** - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the City's highest level of decision-making authority.

**Assigned** - Amounts constrained by the City's intent to be used for specific purposes but that are neither restricted nor committed.



**CITY OF GRANBY, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

NET POSITION/FUND BALANCE CLASSIFICATIONS - continued

**Unassigned** – Amounts are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories and include all deficit amounts in all other governmental funds.

It is the City’s policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also City policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The City adopted a policy of setting back monies for unforeseen liabilities or operations or any formal stabilization arrangements in place.

The City had set back for year ended June 30, 2022, the following:

General Fund	\$	35,926
Street Fund		26,476
Water Fund		39,168
Sewer Fund		51,092
Gas Fund		<u>79,377</u>
	\$	<u>232,039</u>

These amounts are included under the line item: Cash and Cash Equivalents

**Proprietary Funds**

The difference among assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements, as previously described.

**CITY OF GRANBY, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**REVENUES, EXPENDITURES AND EXPENSES**

PROGRAM REVENUES

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

General government	Licenses & permits
Police & Court	Fines and forfeits, operating and capital grants
Parks	Participation fees
Refuse	Hauling fees

All other governmental revenues are reported as general revenues. All taxes are classified as general revenue even if restricted for a specific purpose.

**OPERATING REVENUE AND EXPENSES**

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

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 2021 was \$ .3944 with a valuation base of \$ 17,965,224 broken down as follows: \$ .3164 General and \$ .0780 Cemetery.

Revenue Sales Taxes

The City has five authorizations of sales tax revenue. A one cent general sales tax (\$ 142,412), a 1/4 cent Fire sales tax (\$ 30,749), a 1/8 cent Park sales tax (\$ 15,206), a 1/4 cent Police sales tax (\$ 25,530), and a one cent Transportation sales tax (\$122,996).

Intergovernmental Revenues/Capital Grants Earned

Revenues from federal and state operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditure is made.

**CITY OF GRANBY, MISSOURI**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

FUND FINANCIAL STATEMENTS

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. *Interfund loans.* Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. *Interfund transfer.* Flow of assets from one fund to another when repayment is not expected and reported as transfers in and out.
- c. *Cost reimbursements.* Amounts provided for by the General Fund and reimbursed by the Street and Proprietary Funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Interfund activity and balances resulting from cash transaction or events, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. *Internal balances.* Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the “Governmental” and “Business-Type Activities” columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- b. *Internal activities.* Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

**USE OF ESTIMATES**

The preparation of financial statements in accordance with the modified cash basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

**Restriction of Net Position**

The City records restrictions to indicate that a portion of the net position is legally segregated for a specific future use.



**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**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.

**Budgetary basis of accounting**

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

**Excess of expenditures over appropriations**

For the year ended June 30, 2022, expenditures were within appropriations for all the funds.

**Compliance with Bond Reserve Ordinances**

The City was in compliance with significant requirements regarding debt reserves.

**Legal Debt Margin**

The City’s assessed value supports a general obligation bond limit of \$ 1,796,522. The City did not have any general obligation bonds outstanding as of June 30, 2022.

**DETAILED NOTES ON ALL FUNDS**

**NOTE B – DEPOSITS AND INVESTMENTS**

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 GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

Investment Policies

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does have a written investment policy covering credit risk.

**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 policy is to limit the length of investments to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities before maturity.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City policy is to invest in only those instruments approved by the State of Missouri which have minimal risk.

**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 does have a written investment policy on custodial credit risk, which all investments are either insured or registered in the City's name and held by the City's agent.

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

**NOTE C – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity resulting from modified cash basis transactions or events for the fiscal year ended June 30, 2022, was as follows:

**Governmental Activities:**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 308,347	\$ -	\$ -	\$ 308,347
Construction in progress	<u>\$ -</u>	<u>221,852</u>	<u>\$ -</u>	<u>\$ 221,852</u>
Capital assets being depreciated:				
Buildings	\$ 1,201,414	\$ 26,155	\$ -	\$ 1,227,569
Infrastructure	4,718,708	150,809	-	4,869,517
Vehicles	148,396	-	-	148,396
Equipment	1,149,257	173,458	33,767	1,288,948
Total capital assets being depreciated	<u>7,217,775</u>	<u>350,422</u>	<u>33,767</u>	<u>7,534,430</u>
Less: Accumulated depreciation for:				
Buildings	607,656	31,003	-	638,659
Infrastructure	4,219,171	23,157	-	4,242,328
Vehicles	79,734	11,945	-	91,679
Equipment	932,555	47,865	15,754	964,666
Total accumulated depreciation	<u>5,839,116</u>	<u>113,970</u>	<u>15,754</u>	<u>5,937,332</u>
Total capital assets being depreciated, net	<u>\$ 1,378,659</u>			<u>\$ 1,597,098</u>
Governmental activities capital assets, net	<u>\$ 1,687,006</u>			<u>\$ 2,127,297</u>

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

**Governmental activities:**

General government	\$ 46,738
Police and court	12,553
Streets	34,322
Parks and recreation	10,542
Fire	4,056
Cemetery	5,759
	<u>\$ 113,970</u>

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

**Business-type Activities:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 65,965	\$ -	\$ -	\$ 65,965
Construction in progress	<u>\$ 36,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,647</u>
Capital assets being depreciated:				
Buildings	\$ 221,474	\$ 22,241	\$ -	\$ 243,715
Equipment	654,822	5,420	-	660,242
Vehicles	120,667	-	-	120,667
Infrastructure	<u>7,015,830</u>	<u>-</u>	<u>-</u>	<u>7,015,830</u>
Total capital assets being depreciated	<u>8,012,793</u>	<u>27,661</u>	<u>-</u>	<u>8,040,454</u>
Less accumulated depreciation for:				
Buildings	73,725	5,467	-	79,192
Equipment	551,750	20,303	-	572,053
Vehicles	89,028	6,589	-	95,617
Infrastructure	<u>4,158,720</u>	<u>136,625</u>	<u>-</u>	<u>4,295,345</u>
Total accumulated depreciation	<u>4,873,223</u>	<u>168,984</u>	<u>-</u>	<u>5,042,207</u>
Total capital assets being depreciated, net	<u>\$ 3,139,570</u>			<u>\$ 2,998,247</u>
Business-type activities capital assets, net	<u>\$ 3,242,182</u>			<u>\$ 3,100,859</u>

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

Business-type activities:

Water	\$ 16,742
Sewer	109,476
Gas	39,800
Sanitation	<u>2,966</u>
	<u>\$ 168,984</u>

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

**NOTE D – LONG-TERM DEBT**

**Governmental Activities:**

The following is a summary of debt transactions of the City for the year ended June 30, 2022, as it relates to the governmental type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Lease purchase	\$ -	\$ 53,683	\$ -	\$ 53,683	\$ 17,319

On November 19, 2021, the City borrowed \$ 53,683.16 for purchase of a backhoe. Terms are an annual payment of \$ 19,084.71 at 3.28% with the final payment November 19, 2024.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 17,319	\$ 1,766	\$ 19,085
2024	17,889	1,196	19,085
2025	18,475	609	19,084
	\$ 53,683	\$ 3,571	\$ 57,254



**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

**Business-type activities**

The following is a summary of debt transactions of the City for the year ended June 30, 2022, as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds	\$ 140,000	\$ -	\$ 45,000	\$ 95,000	\$ 40,000
Certificate of Participation	535,000	-	30,000	505,000	35,000
Total Business-type Activities long-term debt	\$ 675,000	\$ -	\$ 75,000	\$ 600,000	\$ 75,000
Long term debt payable within one year				\$ 75,000	
Long term debt payable in more than one year					
Revenue Bonds				55,000	
Certificate of Participation				470,000	
				\$ 600,000	

The Proprietary Fund long-term debt as of June 30, 2022, follows:

\$560,000 Certificate of Participation (COP) Bonds to refinance a lease purchase agreement for the purpose of expanding and upgrading the City's wastewater system, due in annual installments with interest rates 1.75% to 2.50%, maturing October 1, 2028.	\$ 505,000
\$450,000 Refunding Revenue Bonds for Waterworks and Sewerage System, due in annual installments with interest 1.0% to 3.7%, maturing October 1, 2023.	95,000
	\$ 600,000

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

The annual requirement to amortize bonded debt as of June 30, 2022, follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 75,000	\$ 14,393	\$ 89,393
2024	90,000	12,510	102,510
2025	80,000	9,350	89,350
2026	85,000	7,534	92,534
2027	85,000	5,579	90,579
2028-2029	185,000	4,663	189,663
	<u>\$ 600,000</u>	<u>\$ 54,029</u>	<u>\$ 654,029</u>

**NOTE E – DEFINED BENEFIT PENSION PLAN**

The City of Granby 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.

General Information about the Pension Plan

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

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

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

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

2021 Valuation	
Benefit Multiplier:	1.50%
Final Average Salary:	5 years
Member Contributions:	4%

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

*Employees covered by benefit terms.* On February 28, 2022, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	4
Active employees	11
Total	17

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer’s contribution rates are 5.7% General and 2.5% Police of annual covered payroll.

Contributions required by State Statute and made for each of the past three years are as follows:

Year Ending: June 30,		
2021	\$	22,923
2020		21,800
2019		21,587

These contributions represent 100 percent of the required contribution in each fiscal year.



**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE F – 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. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**NOTE G – 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 H – TRANSFERS**

Transfers between funds represent reimbursements of expenditures by other funds.

**NOTE I – COMMITMENTS AND CONTINGENCIES**

The City has contracted with the East Newton Area Fire District Protection District (the District), a political subdivision of the State of Missouri for the operation of a fire department. The City agrees to answer fire alarms within a portion of the District determined by the contract. The City agrees to make its firefighting equipment available to the District at the time of the fire responses. The City is responsible for all costs and maintenance of the City's firefighting equipment. The District will make available any and all of its equipment to the City for the purpose of firefighting and fire preventions. The District agrees to pay a monthly sum of \$ 1,050 beginning March 30, 2020, for a period of 24 months.

**CITY OF GRANBY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2022

**NOTE J – COST OF NATURAL GAS PURCHASES**

Major supplier

The City has an agreement with a local supplier of natural gas for its natural gas resale. The agreement calls for a fix rate of 3.22/mcf that includes cost of delivery and is good until March of 2022.

**NOTE K – TAX INCREMENT FINANCING (TIF)**

In 1998, a Tax Increment Financing (TIF) was approved for the general redevelopment of the Granby commercial district for new retail and to improve the downtown area and the City's Park system. The baseline for the TIF is set from 1997. The General Funds are responsible for 50% of the City sales tax increase from the 1997 baseline. The 50% is paid from the following fund: General Fund 42%, Street Fund 42%, Fire 11%, and Parks 5%. Newton County is also responsible for 50% of the County sales tax increase from the 1997 baseline. The TIF is for a period of 23 years, set to expire in 2022.

**NOTE L- CHANGE OF SANITATION FUND TO PROPRIETARY FUND**

For the current year the Sanitation Fund was moved from the General Fund to its separate reporting as a Proprietary Fund. Results were a decrease in the Governmental Funds of \$ 31,891 and an increase in the Proprietary Funds of the same amount.

**NOTE M- UNEARNED REVENUE**

Grant proceeds for the ARPA grant were recorded as unearned revenue since the funds have been received by the City but to date has had no expenditures of those funds.

**CITY OF GRANBY, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - UNAUDITED**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 102,498	\$ 48,877	\$ 48,877	\$ -
Franchise taxes	65,861	69,223	69,223	-
Sales taxes	246,080	286,645	286,645	-
Licenses & permits	1,600	1,185	1,185	-
Fines & forfeitures	39,000	50,998	50,998	-
Fire district contract	30,600	28,590	28,590	-
Summer ball	6,140	11,969	11,969	-
Sale of lots		3,175	3,175	-
Old mining town days	4,500	14,541	14,541	-
Interest	250	482	482	-
Donations	1,665	10,259	10,259	-
Grants	89,000	42,873	42,873	-
Miscellaneous	4,130	2,562	2,562	-
Total Revenues	<u>591,324</u>	<u>571,379</u>	<u>571,379</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	123,500	43,676	43,676	-
Public safety- Police	252,050	244,385	244,385	-
Courts	49,259	46,496	46,496	-
Fire	59,055	94,081	94,081	-
Parks and recreation	36,900	77,541	77,541	-
Capital outlay	53,000	215,553	215,553	-
Total Expenditures	<u>573,764</u>	<u>721,732</u>	<u>721,732</u>	<u>-</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<u>17,560</u>	<u>(150,353)</u>	<u>(150,353)</u>	<u>-</u>
<b>OTHER SOURCES</b>				
Transfer (out)	-	(5,884)	(5,884)	-
Fee in lieu of	-	52,283	52,283	-
Loan proceeds	-	53,683	53,683	-
Sale of assets	-	53,017	53,017	-
Total other sources	<u>-</u>	<u>153,099</u>	<u>153,099</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 17,560</u>	<u>\$ 2,746</u>	2,746	<u>\$ -</u>
<b>FUND BALANCES - BEGINNING</b>			<u>357,998</u>	
<b>FUND BALANCES - ENDING</b>			<u>\$ 360,744</u>	



**CITY OF GRANBY, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - UNAUDITED**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Street Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
<b>REVENUES</b>				
Sales taxes	\$ 136,087	\$ 122,996	\$ 122,996	\$ -
Missouri motor fuel taxes	83,100	93,574	93,574	-
Interest	-	322	322	-
Grants	95,000	193,257	193,257	-
Total Revenues	<u>314,187</u>	<u>410,149</u>	<u>410,149</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Streets	172,411	308,693	308,693	-
Capital outlay	100,000	134,869	134,869	-
Total Expenditures	<u>272,411</u>	<u>443,562</u>	<u>443,562</u>	<u>-</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<u>41,776</u>	<u>(33,413)</u>	<u>(33,413)</u>	<u>-</u>
Transfer in	<u>-</u>	<u>6,250</u>	<u>6,250</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 41,776</u>	<u>\$ (27,163)</u>	<u>(27,163)</u>	<u>\$ -</u>
<b>FUND BALANCES - BEGINNING</b>			<u>97,368</u>	
<b>FUND BALANCES - ENDING</b>			<u>\$ 70,205</u>	

**CITY OF GRANBY, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - UNAUDITED**  
**(MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	TIF Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
REVENUES				
Property taxes	\$ 59,000	\$ 61,300	\$ 61,300	\$ -
Sales tax	20,000	19,416	19,416	-
County sales tax	-	12,529	12,529	-
Interest	100	18	18	-
Total Revenues	<u>79,100</u>	<u>93,263</u>	<u>93,263</u>	<u>-</u>
EXPENDITURES				
TIF	79,100	450	450	-
Capital expenditures	-	221,852	221,852	-
Total Expenditures	<u>79,100</u>	<u>222,302</u>	<u>222,302</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (129,039)</u>	(129,039)	<u>\$ -</u>
FUND BALANCES - BEGINNING			<u>181,044</u>	
FUND BALANCES - ENDING			<u>\$ 52,005</u>	