

CITY OF GRANBY, MISSOURI

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

FOR THE YEAR ENDED
JUNE 30, 2023

CONTENTS

	<u>PAGE NO.</u>
Independent Auditor's Report	1-2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position (Modified Cash Basis)	3
Statement of Activities (Modified Cash Basis)	4
Fund Financial Statements:	
Balance Sheet (Modified Cash Basis) – Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet (Modified Cash Basis) to the Government-wide Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances (Modified Cash Basis) – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities (Modified Cash Basis)	8
Statement of Net Position (Modified Cash Basis) – Proprietary Funds	9
Statement of Revenues, Expenses and Changes in Net Position – (Modified Cash Basis) Proprietary Funds	10
Statement of Cash Flows (Modified Cash Basis) – Proprietary Funds	11
Notes to Financial Statements	12-31
 SUPPLEMENTARY INFORMATION SECTION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Modified Cash Basis) Major Governmental Funds	32-34

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, 2023, 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, 2023, 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 30, 2023

CITY OF GRANBY, MISSOURI

STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

JUNE 30, 2023

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Cash and cash equivalents	\$ 339,832	\$ 743,127	\$ 1,082,959
Investments	77,751	35,539	113,290
Restricted cash and cash equivalents-			
Cash	368,835	395,108	763,943
Investments	-	99,844	99,844
Internal balances	36,703	(36,703)	-
Capital assets:			
Land	308,347	92,467	400,814
Construction in progress	221,852	36,647	258,499
Other capital assets, net of accumulated depreciation	1,782,115	2,914,144	4,696,259
	<u>3,135,435</u>	<u>4,280,173</u>	<u>7,415,608</u>
LIABILITIES			
Unearned revenue - ARPA	278,176	-	278,176
Current maturities of long-term debt	17,889	85,000	102,889
Noncurrent liabilities:			
Certificates of participation	-	435,000	435,000
Lease obligations	18,475	-	18,475
Customer deposits	-	147,484	147,484
	<u>314,540</u>	<u>667,484</u>	<u>982,024</u>
NET POSITION			
Net investment in capital assets	2,275,950	2,523,258	4,799,208
Restricted-			
Debt reserves	-	357,200	357,200
Unrestricted (Deficit)	544,945	732,231	1,277,176
	<u>\$ 2,820,895</u>	<u>\$ 3,612,689</u>	<u>\$ 6,433,584</u>

See accompanying notes to the basic financial statements.

CITY OF GRANBY, MISSOURI
STATEMENT OF ACTIVITIES
(MODIFIED CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	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
Governmental activities:							
General government	\$ 145,065	\$ 8,905	\$ 16,633	\$ 122,966	\$ 3,439	\$ -	\$ 3,439
Public safety- Police	276,593	-	-	-	(276,593)	-	(276,593)
Courts	16,666	15,051	-	-	(1,615)	-	(1,615)
Fire	110,838	33,000	-	-	(77,838)	-	(77,838)
Streets	178,198	-	-	194,957	16,759	-	16,759
Parks and recreation	86,234	14,613	-	-	(71,621)	-	(71,621)
Cemetery	23,265	8,150	-	-	(15,115)	-	(15,115)
TIF	35,584	-	-	-	(35,584)	-	(35,584)
Total governmental activities	872,443	79,719	16,633	317,923	(458,168)	-	(458,168)
Business-type activities:							
Water	301,708	329,591	-	20,903	-	48,786	48,786
Sewer	389,355	427,858	-	37,879	-	76,382	76,382
Gas	527,832	786,727	-	-	-	258,895	258,895
Sanitation	169,186	124,447	-	31,686	-	(13,053)	(13,053)
Total business-type activities	1,388,081	1,668,623	-	90,468	-	371,010	371,010
Total government	\$ 2,260,524	\$ 1,748,342	\$ 16,633	\$ 408,391	(458,168)	371,010	(87,158)

General Revenues

Taxes:			
Property taxes for general purposes	56,685	-	56,685
Property taxes for cemetery	7,632	-	7,632
Franchise taxes	88,334	-	88,334
Sales taxes and public safety taxes	427,198	-	427,198
Missouri motor fuel taxes	104,391	-	104,391
Interest on investments	2,755	3,912	6,667
Miscellaneous	2,254	-	2,254
Transfers	26,905	(26,905)	-
Total general revenues and transfers	716,154	(22,993)	693,161
Change in net position	257,986	348,017	606,003
Net position beginning	2,562,909	3,264,672	5,827,581
Net position ending	\$ 2,820,895	\$ 3,612,689	\$ 6,433,584

See accompanying notes to the basic financial statements.

CITY OF GRANBY, MISSOURI

BALANCE SHEET
(MODIFIED CASH BASIS)
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Street</u> <u>Fund</u>	<u>TIF</u> <u>Fund</u>	<u>Nonmajor Fund</u> <u>Cemetery</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 63,477	\$ 272,244	\$ -	\$ 4,111	\$ 339,832
Investments	36,821	40,930	-	-	77,751
Due from other funds	139,362	6,466	21,762	-	167,590
Restricted assets:					
Cash and cash equivalents	<u>368,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368,835</u>
TOTAL ASSETS	<u>\$ 608,495</u>	<u>\$ 319,640</u>	<u>\$ 21,762</u>	<u>\$ 4,111</u>	<u>\$ 954,008</u>
<u>LIABILITIES</u>					
Unearned revenue - ARPA	\$ 278,176	\$ -	\$ -	\$ -	\$ 278,176
Due to other funds	<u>65,600</u>	<u>61,666</u>	<u>2,655</u>	<u>966</u>	<u>130,887</u>
TOTAL LIABILITIES	<u>343,776</u>	<u>61,666</u>	<u>2,655</u>	<u>966</u>	<u>409,063</u>
<u>FUND BALANCES</u>					
FUND BALANCES					
Fund Balances -					
Assigned	368,835	-	-	-	368,835
Restricted-					
Streets	-	257,974	-	-	257,974
TIF	-	-	19,107	-	19,107
Cemetery	-	-	-	3,145	3,145
Unassigned (deficit)	<u>(104,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,116)</u>
TOTAL FUND BALANCES	<u>264,719</u>	<u>257,974</u>	<u>19,107</u>	<u>3,145</u>	<u>544,945</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 608,495</u>	<u>\$ 319,640</u>	<u>\$ 21,762</u>	<u>\$ 4,111</u>	<u>\$ 954,008</u>

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, 2023

Total Fund Balances-Governmental Funds \$ 544,945

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.

Non-depreciable assets

530,199

Depreciable assets

1,782,115

2,312,314

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.

Backhoe loan

(36,364)

Net position of governmental activities

\$ 2,820,895

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, 2023

REVENUES	General Fund	Street Fund	TIF Fund	Nonmajor Fund Cemetery Fund	Governmental Funds
Taxes:					
Property taxes	\$ 54,001	\$ -	\$ 2,684	\$ 7,632	\$ 64,317
Franchise taxes	88,334	-	-	-	88,334
Sales tax	211,216	146,971	-	-	358,187
Public safety tax	69,011	-	-	-	69,011
Intergovernmental:					
Missouri motor fuel taxes	-	104,391	-	-	104,391
Licenses & permits	4,220	-	-	-	4,220
Fines & forfeitures	15,051	-	-	-	15,051
Fire district contract	33,000	-	-	-	33,000
Interest	2,166	587	2	-	2,755
Old mining town days	9,735	-	-	-	9,735
Summer ball	14,613	-	-	-	14,613
Sale of lots	4,685	-	-	-	4,685
Burial	-	-	-	8,150	8,150
Donations	6,898	-	-	-	6,898
Grants	122,966	194,957	-	-	317,923
Miscellaneous	2,254	-	-	-	2,254
Total Revenues	<u>638,150</u>	<u>446,906</u>	<u>2,686</u>	<u>15,782</u>	<u>1,103,524</u>
EXPENDITURES					
Current:					
General government	90,134	-	-	-	90,134
Public safety- Police	259,713	-	-	-	259,713
Courts	16,666	-	-	-	16,666
Fire	106,657	-	-	-	106,657
Streets	-	148,227	-	-	148,227
Parks and recreation	74,039	-	-	-	74,039
Cemetery	-	-	-	18,978	18,978
TIF	-	-	35,584	-	35,584
Capital outlay	127,399	178,449	-	-	305,848
Debt service	-	-	-	-	-
Principal	17,319	-	-	-	17,319
Interest	1,614	-	-	-	1,614
Total Expenditures	<u>693,541</u>	<u>326,676</u>	<u>35,584</u>	<u>18,978</u>	<u>1,074,779</u>
OTHER SOURCES					
Transfers in	219	67,539	-	-	67,758
Transfer (out)	(99,400)	-	-	-	(99,400)
Fee in lieu of	58,547	-	-	-	58,547
Total other sources	<u>(40,634)</u>	<u>67,539</u>	<u>-</u>	<u>-</u>	<u>26,905</u>
NET CHANGES IN FUND BALANCES	(96,025)	187,769	(32,898)	(3,196)	55,650
FUND BALANCES - BEGINNING	<u>360,744</u>	<u>70,205</u>	<u>52,005</u>	<u>6,341</u>	<u>489,295</u>
FUND BALANCES - ENDING (DEFICIT)	<u>\$ 264,719</u>	<u>\$ 257,974</u>	<u>\$ 19,107</u>	<u>\$ 3,145</u>	<u>\$ 544,945</u>

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, 2023

Net change in fund balances--total governmental funds	\$	55,650
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>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		305,848
Current year's depreciation expense		(120,831)
<p>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>		
Principal payment		17,319
Change in net position of governmental activities	\$	257,986

See accompanying notes to the basic financial statements.

CITY OF GRANBY, MISSOURI
STATEMENT OF NET POSITION
(MODIFIED CASH BASIS)
PROPRIETARY FUNDS
JUNE 30, 2023

	Water Fund	Sewer Fund	Gas Fund	Sanitation Fund	Total Enterprise Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 272,575	\$ 93,503	\$ 377,049	\$ -	\$ 743,127
Investments	35,539	-	-	-	35,539
Due from other funds	7,347	11,412	-	928	19,687
Total Current Assets	315,461	104,915	377,049	928	798,353
Noncurrent Assets:					
Restricted cash and cash equivalents:					
Debt reserves	-	170,164	-	-	170,164
Depreciation and replacement	-	27,328	197,616	-	224,944
Investments - debt reserves	-	99,844	-	-	99,844
Capital assets:					
Land	31,250	50,167	11,050	-	92,467
Construction in progress	-	36,647	-	-	36,647
Other capital assets, net of accumulated depreciation	191,200	2,159,475	537,510	25,959	2,914,144
Total Noncurrent Assets	222,450	2,543,625	746,176	25,959	3,538,210
TOTAL ASSETS	537,911	2,648,540	1,123,225	26,887	4,336,563
LIABILITIES					
Current Liabilities:					
Due to other funds	14,770	5,616	35,824	180	56,390
Current portion of long-term debt	-	85,000	-	-	85,000
Total Current Liabilities	14,770	90,616	35,824	180	141,390
Noncurrent Liabilities:					
Certificate of participation	-	435,000	-	-	435,000
Customer deposits	84,192	-	63,292	-	147,484
TOTAL LIABILITIES	98,962	525,616	99,116	180	723,874
NET POSITION					
Net investment in capital assets	222,450	1,726,289	548,560	25,959	2,523,258
Restricted-					
Debt reserves	-	357,200	-	-	357,200
Unrestricted	216,499	39,435	475,549	748	732,231
TOTAL NET POSITION	\$ 438,949	\$ 2,122,924	\$ 1,024,109	\$ 26,707	\$ 3,612,689

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, 2023

	Water Fund	Sewer Fund	Gas Fund	Sanitation Fund	Total Enterprise Funds
OPERATING REVENUES:					
Charges for services	\$ 329,591	\$ 427,858	\$ 786,727	\$ 124,447	\$ 1,668,623
OPERATING EXPENSES:					
Depreciation	16,939	112,810	39,298	2,966	172,013
Dues and subscriptions	37,959	2,838	4,817	656	46,270
Gas purchase	-	-	337,933	-	337,933
Health insurance	16,956	23,612	16,854	8,191	65,613
Insurance	2,602	2,456	2,595	2,003	9,656
Miscellaneous	396	1,678	40	140	2,254
Office supplies and postage	4,443	4,472	4,472	-	13,387
Payroll taxes	6,451	8,486	6,317	2,241	23,495
Professional fees	41,272	7,509	6,809	-	55,590
Repairs & maintenance	28,356	19,521	9,522	2,934	60,333
Wages	81,387	111,162	79,723	29,531	301,803
Retirement benefits	5,434	7,912	5,300	2,149	20,795
Sanitation fees	-	-	-	111,608	111,608
Supplies	6,177	8,269	2,903	1,035	18,384
Telephone	1,406	3,825	1,405	-	6,636
Testing	262	6,362	227	-	6,851
Travel and training	1,634	2,565	957	-	5,156
Uniforms	825	3,451	810	-	5,086
Utilities	43,386	42,461	2,337	471	88,655
Vehicle expense	5,255	6,342	4,945	5,261	21,803
Total Operating Expenses	<u>301,140</u>	<u>375,731</u>	<u>527,264</u>	<u>169,186</u>	<u>1,373,321</u>
OPERATING INCOME (LOSS)	<u>28,451</u>	<u>52,127</u>	<u>259,463</u>	<u>(44,739)</u>	<u>295,302</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest income	1,818	564	1,530	-	3,912
Interest expense	(568)	(13,624)	(568)	-	(14,760)
Total Non-operating Revenues (Expenses)	<u>1,250</u>	<u>(13,060)</u>	<u>962</u>	<u>-</u>	<u>(10,848)</u>
INCOME BEFORE TRANSFERS AND GRANTS	29,701	39,067	260,425	(44,739)	284,454
Transfer in	12,674	-	29,778	10,835	53,287
Transfer (out)	-	(21,645)	-	-	(21,645)
Transfer Fee-in-lieu of Grants	(12,629)	(16,228)	(29,690)	-	(58,547)
	<u>20,903</u>	<u>37,879</u>	<u>-</u>	<u>31,686</u>	<u>90,468</u>
CHANGE IN NET POSITION	50,649	39,073	260,513	(2,218)	348,017
TOTAL NET POSITION - BEGINNING	<u>388,300</u>	<u>2,083,851</u>	<u>763,596</u>	<u>28,925</u>	<u>3,264,672</u>
TOTAL NET POSITION - ENDING	<u>\$ 438,949</u>	<u>\$ 2,122,924</u>	<u>\$ 1,024,109</u>	<u>\$ 26,707</u>	<u>\$ 3,612,689</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, 2023

	Water Fund	Sewer Fund	Gas Fund	Sanitation Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 329,591	\$ 427,858	\$ 786,727	\$ 124,447	\$ 1,668,623
Payments to suppliers	(110,228)	(151,172)	(115,885)	(42,112)	(419,397)
Payments to employees	(165,872)	(111,123)	(376,238)	(124,856)	(778,089)
Net Cash Provided by (Used for) Operating Activities	<u>53,491</u>	<u>165,563</u>	<u>294,604</u>	<u>(42,521)</u>	<u>471,137</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers	45	(37,873)	88	10,835	(26,905)
Grants	20,903	37,879	-	31,686	90,468
Net Cash Provided by Noncapital Activities	<u>20,948</u>	<u>6</u>	<u>88</u>	<u>42,521</u>	<u>63,563</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital expenditures	(2,168)	(110,080)	(2,164)	-	(114,412)
Principal paid	-	(80,000)	-	-	(80,000)
Interest paid	(568)	(13,624)	(568)	-	(14,760)
Net Cash (Used for) Capital and Related Financing Activities	<u>(2,736)</u>	<u>(203,704)</u>	<u>(2,732)</u>	<u>-</u>	<u>(209,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest earned	1,818	564	1,530	-	3,912
Net Cash Provided by Investing Activities	<u>1,818</u>	<u>564</u>	<u>1,530</u>	<u>-</u>	<u>3,912</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	73,521	(37,571)	293,490	-	329,440
CASH AT BEGINNING OF YEAR					
	<u>234,593</u>	<u>428,410</u>	<u>281,175</u>	<u>-</u>	<u>944,178</u>
CASH AT END OF YEAR					
	<u>\$ 308,114</u>	<u>\$ 390,839</u>	<u>\$ 574,665</u>	<u>\$ -</u>	<u>\$ 1,273,618</u>
SUMMARY OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents	\$ 308,114	\$ 93,503	\$ 377,049	\$ -	\$ 778,666
Restricted cash and cash equivalents	-	297,336	197,616	-	494,952
Total Cash and Cash Equivalents	<u>\$ 308,114</u>	<u>\$ 390,839</u>	<u>\$ 574,665</u>	<u>\$ -</u>	<u>\$ 1,273,618</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (Loss)	\$ 28,451	\$ 52,127	\$ 259,463	\$ (44,739)	\$ 295,302
Adjustments to reconcile net operating income to net cash provided by operating activities:					
Depreciation expense	16,939	112,810	39,298	2,966	172,013
(Increase) Decrease in due from other funds	-	928	-	(928)	-
Increase (Decrease) in due to other funds	-	(302)	-	180	(122)
Increase (Decrease) in Customer deposits	8,101	-	(4,157)	-	3,944
Net Cash Provided by (Used for) Operating Activities	<u>\$ 53,491</u>	<u>\$ 165,563</u>	<u>\$ 294,604</u>	<u>\$ (42,521)</u>	<u>\$ 471,137</u>

See accompanying notes to the basic financial statements.

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023

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, 2023

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 \$ 113,290 in investments as of June 30, 2023, 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, 2023

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 agreements.

Restricted assets consisted of the following for the year ended June 30, 2023:

	<u>Cash Balances</u>	<u>Required Debt Reserves</u>
Business-Type Activities:		
Debt reserves	\$ 170,164	\$ 98,000
Principal and interest	99,844	20,000
Depreciation and replacement	224,944	239,200
Total Business-Type Activities Restricted Assets	\$ 494,952	\$ 357,200

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, 2023

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, 2023

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, 2023

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, 2023, the following:

General Fund	\$	5
Street Fund		109,829
Water Fund		56,583
Sewer Fund		73,486
Gas Fund		121,533
		121,533
	\$	361,436

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, 2023

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 2022 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 (\$ 131,750), a 1/4 cent Fire sales tax (\$ 34,164), a 1/8 cent Park sales tax (\$ 17,397), a 1/4 cent Police sales tax (\$ 27,905), and a one cent Transportation sales tax (\$146,971).

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, 2023

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, 2023

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, 2023, 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, 2023.

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, 2023

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, 2023

NOTE C – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity resulting from modified cash basis transactions or events for the fiscal year ended June 30, 2023, was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 308,347	\$ -	\$ -	\$ 308,347
Construction in progress	<u>\$ 221,852</u>		<u>\$ -</u>	<u>\$ 221,852</u>
Capital assets being depreciated:				
Buildings	\$ 1,227,569	\$ 114,050		\$ 1,341,619
Infrastructure	4,869,517	158,699		5,028,216
Vehicles	148,396	1,490		149,886
Equipment	1,288,948	31,609		1,320,557
Total capital assets being depreciated	<u>7,534,430</u>	<u>305,848</u>	<u>-</u>	<u>7,840,278</u>
Less: Accumulated depreciation for:				
Buildings	638,659	33,512		672,171
Infrastructure	4,242,328	24,619		4,266,947
Vehicles	91,679	12,366		104,045
Equipment	964,666	50,334		1,015,000
Total accumulated depreciation	<u>5,937,332</u>	<u>120,831</u>	<u>-</u>	<u>6,058,163</u>
Total capital assets being depreciated, net	<u>\$ 1,597,098</u>			<u>\$ 1,782,115</u>
Governmental activities capital assets, net	<u>\$ 2,127,297</u>			<u>\$ 2,312,314</u>

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

Governmental activities:

General government	\$ 53,318
Police and court	16,880
Streets	29,971
Parks and recreation	12,195
Fire	4,181
Cemetery	4,286
	<u>\$ 120,831</u>

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 26,502	\$ -	\$ 92,467
Construction in progress	\$ 36,647	\$ -	\$ -	\$ 36,647
Capital assets being depreciated:				
Buildings	\$ 231,045	\$ 12,670	\$ -	\$ 243,715
Equipment	577,992	63,863	-	641,855
Vehicles	107,881	-	-	107,881
Infrastructure	7,015,830	37,879	-	7,053,709
Total capital assets being depreciated	<u>7,932,748</u>	<u>114,412</u>	<u>-</u>	<u>8,047,160</u>
Less accumulated depreciation for:				
Buildings	79,194	5,800	-	84,994
Equipment	503,632	20,565	-	524,197
Vehicles	82,831	6,589	-	89,420
Infrastructure	4,295,346	139,059	-	4,434,405
Total accumulated depreciation	<u>4,961,003</u>	<u>172,013</u>	<u>-</u>	<u>5,133,016</u>
Total capital assets being depreciated, net	<u>\$ 2,971,745</u>			<u>\$ 2,914,144</u>
Business-type activities capital assets, net	<u>\$ 3,074,357</u>			<u>\$ 3,043,258</u>

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

Business-type activities:

Water	\$ 16,939
Sewer	112,810
Gas	39,298
Sanitation	2,966
	<u>\$ 172,013</u>

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE D – LONG-TERM DEBT

Governmental Activities:

The following is a summary of debt transactions of the City for the year ended June 30, 2023, as it relates to the governmental type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Lease purchase	\$ 53,683	\$ -	\$ 17,319	\$ 36,364	\$ 17,889

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
2024	\$ 17,889	\$ 1,196	\$ 19,085
2025	18,475	609	19,084
	<u>\$ 36,364</u>	<u>\$ 1,805</u>	<u>\$ 38,169</u>

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds	\$ 95,000	\$ -	\$ 45,000	\$ 50,000	\$ 50,000
Certificate of Participation	505,000	-	35,000	470,000	35,000
Total Business-type Activities long-term debt	\$ 600,000	\$ -	\$ 80,000	\$ 520,000	\$ 85,000
Long term debt payable within one year				\$ 85,000	
Long term debt payable in more than one year					
Certificate of Participation				435,000	
				\$ 520,000	

The Proprietary Fund long-term debt as of June 30, 2023, follows:

<p>\$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.</p>	\$ 470,000
<p>\$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.</p>	50,000
	\$ 520,000

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE D – LONG-TERM DEBT (Continued)

The annual requirement to amortize bonded debt as of June 30, 2023, follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 85,000	\$ 12,510	\$ 97,510
2025	80,000	9,350	89,350
2026	85,000	7,534	92,534
2027	85,000	5,579	90,579
2028	90,000	3,478	93,478
2029	95,000	1,185	96,185
	<u>\$ 520,000</u>	<u>\$ 39,636</u>	<u>\$ 559,636</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.

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, 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,		
2023	\$	23,440
2022		24,334
2021		22,923

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

CITY OF GRANBY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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 prevention. 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, 2023

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 fixed rate of 3.22/mcf that includes cost of delivery and is good until March of 2023.

NOTE K– 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, 2023

	General Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 118,300	\$ 54,001	\$ 54,001	\$ -
Franchise taxes	66,000	88,334	88,334	-
Sales taxes	261,996	280,227	280,227	-
Licenses & permits	1,700	4,220	4,220	-
Fines & forfeitures	30,000	15,051	15,051	-
Fire district contract	36,600	33,000	33,000	-
Summer ball	11,000	14,613	14,613	-
Sale of lots	3,000	4,685	4,685	-
Old mining town days		9,735	9,735	-
Interest	185	2,166	2,166	-
Donations	16,500	6,898	6,898	-
Grants	150	122,966	122,966	-
Miscellaneous	1,060	2,254	2,254	-
Total Revenues	<u>546,491</u>	<u>638,150</u>	<u>638,150</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	46,622	90,134	90,134	-
Public safety- Police	302,949	259,713	259,713	-
Courts	16,443	16,666	16,666	-
Fire	111,719	106,657	106,657	-
Parks and recreation	72,670	74,039	74,039	-
Capital outlay	55,000	127,399	127,399	-
Debt Service				
Principal	-	17,319	17,319	-
Interest	-	1,614	1,614	-
Total Expenditures	<u>605,403</u>	<u>693,541</u>	<u>693,541</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(58,912)</u>	<u>(55,391)</u>	<u>(55,391)</u>	<u>-</u>
OTHER SOURCES				
Transfer (out)	-	(99,400)	(99,400)	-
Fee in lieu of	71,500	58,547	58,547	-
Transfer in	-	219	219	-
Total other sources	<u>71,500</u>	<u>(40,634)</u>	<u>(40,634)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,588</u>	<u>\$ (96,025)</u>	<u>(96,025)</u>	<u>\$ -</u>
FUND BALANCES - BEGINNING			<u>360,744</u>	
FUND BALANCES - ENDING			<u>\$ 264,719</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, 2023

	Street Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
REVENUES				
Sales taxes	\$ 110,000	\$ 146,971	\$ 146,971	\$ -
Missouri motor fuel taxes	86,068	104,391	104,391	-
Interest	-	587	587	-
Grants	-	194,957	194,957	-
Total Revenues	<u>196,068</u>	<u>446,906</u>	<u>446,906</u>	<u>-</u>
EXPENDITURES				
Current:				
Streets	185,414	148,227	148,227	-
Capital outlay	2,500	178,449	178,449	-
Total Expenditures	<u>187,914</u>	<u>326,676</u>	<u>326,676</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>8,154</u>	<u>120,230</u>	<u>120,230</u>	<u>-</u>
Transfer in	-	67,539	67,539	-
NET CHANGE IN FUND BALANCE	<u>\$ 8,154</u>	<u>\$ 187,769</u>	187,769	<u>\$ -</u>
FUND BALANCES - BEGINNING			<u>70,205</u>	
FUND BALANCES - ENDING			<u>\$ 257,974</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, 2023

	TIF Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ 2,684	\$ 2,684	\$ -
Interest	-	2	2	-
Total Revenues	<u>-</u>	<u>2,686</u>	<u>2,686</u>	<u>-</u>
EXPENDITURES				
TIF	-	35,584	35,584	-
Total Expenditures	<u>-</u>	<u>35,584</u>	<u>35,584</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (32,898)</u>	<u>(32,898)</u>	<u>\$ -</u>
FUND BALANCES - BEGINNING			<u>52,005</u>	
FUND BALANCES - ENDING			<u>\$ 19,107</u>	