

City of Leeton, Missouri

Basic Financial Statements  
Year Ended December 31, 2021

**KPM**  
CPAS & ADVISORS

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Leeton, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Leeton, Missouri, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting in Note 1.

### **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 Leeton** 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.

### **Basis of Accounting**

As described in Note 1 of the financial statements, 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 opinion is not modified with respect to that matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' 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 auditors' 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### **Other Information**

Management is responsible for the other information. The other information comprises the budgetary comparison schedules 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.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
June 16, 2022

## **Government-Wide Financial Statements**

# City of Leeton

## Statement of Net Position – Modified Cash Basis

December 31, 2021

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 1,235	\$ 106,962	\$ 108,197
Investments - unrestricted	141,443	115,709	257,152
Cash and cash equivalents - restricted	78,661	14,050	92,711
Investments - restricted	97,048	-	97,048
<b>Total Assets</b>	<b>\$ 318,387</b>	<b>\$ 236,721</b>	<b>\$ 555,108</b>
<b>Net Position</b>			
Restricted			
Non-expendable	\$ 94,000	\$ -	\$ 94,000
Expendable	81,709	14,050	95,759
Unrestricted	142,678	222,671	365,349
<b>Total Net Position</b>	<b>\$ 318,387</b>	<b>\$ 236,721</b>	<b>\$ 555,108</b>

See accompanying notes to the financial statements.

# City of Leeton

## Statement of Activities – Modified Cash Basis

Year Ended December 31, 2021

Functions/Programs	<u>Disbursements</u>	Program Receipts			Net (Disbursements), Receipts, and Changes in Net Position		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Administrative	\$ (133,717)	\$ 1,745	\$ -	\$ -	\$ (131,972)	\$ -	\$ (131,972)
Police	(71,424)	3,133	2,980	-	(65,311)	-	(65,311)
Street	(47,960)	-	-	-	(47,960)	-	(47,960)
Parks and recreation	(13,019)	-	-	-	(13,019)	-	(13,019)
Cemetery	(10,398)	1,305	2,294	-	(6,799)	-	(6,799)
American Recovery Plan Act	-	-	56,096	-	56,096	-	56,096
<b>Total Governmental Activities</b>	<u>(276,518)</u>	<u>6,183</u>	<u>61,370</u>	<u>-</u>	<u>(208,965)</u>	<u>-</u>	<u>(208,965)</u>
Business-Type Activities							
Water department	(74,416)	87,221	-	-	-	12,805	12,805
Sewer department	(196,080)	125,381	-	-	-	(70,699)	(70,699)
<b>Total Business-Type Activities</b>	<u>(270,496)</u>	<u>212,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,894)</u>	<u>(57,894)</u>
<b>Total Government</b>	<u>\$ (547,014)</u>	<u>\$ 218,785</u>	<u>\$ 61,370</u>	<u>\$ -</u>	<u>(208,965)</u>	<u>(57,894)</u>	<u>(266,859)</u>
General Receipts							
Ad volorem taxes					38,619	-	38,619
Sales taxes					147,337	-	147,337
Franchise taxes					33,912	-	33,912
Motor vehicle sales taxes and fees					24,270	-	24,270
Other taxes					1,239	-	1,239
Interest					2,290	2,024	4,314
Other receipts					3,112	-	3,112
<b>Total General Receipts</b>					<u>250,779</u>	<u>2,024</u>	<u>252,803</u>
<i>Changes in Net Position</i>					41,814	(55,870)	(14,056)
Net Position, beginning of year					276,573	292,591	569,164
<b>Net Position, end of year</b>					<u>\$ 318,387</u>	<u>\$ 236,721</u>	<u>\$ 555,108</u>

See accompanying notes to the financial statements.



## **Fund Financial Statements**

# City of Leeton

## Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis

December 31, 2021

	Special Revenue Funds				Total Governmental Funds
	General Fund	Park Fund	Cemetery Fund	ARPA Fund	
<b>Assets</b>					
Cash and cash equivalents - unrestricted	\$ 1,235	\$ -	\$ -	\$ -	\$ 1,235
Investments - unrestricted	141,443	-	-	-	141,443
Cash and cash equivalents - restricted	-	22,377	188	56,096	78,661
Investments - restricted	-	-	97,048	-	97,048
<b>Total Assets</b>	<b>\$ 142,678</b>	<b>\$ 22,377</b>	<b>\$ 97,236</b>	<b>\$ 56,096</b>	<b>\$ 318,387</b>
<b>Fund Balance</b>					
Nonspendable					
Cemetery perpetual care	\$ -	\$ -	\$ 94,000	\$ -	\$ 94,000
Restricted for					
Parks and recreation	-	22,377	-	-	22,377
Cemetery	-	-	3,236	-	3,236
American Rescue Plan Act	-	-	-	56,096	56,096
Unassigned	142,678	-	-	-	142,678
<b>Total Fund Balance</b>	<b>\$ 142,678</b>	<b>\$ 22,377</b>	<b>\$ 97,236</b>	<b>\$ 56,096</b>	<b>\$ 318,387</b>

See accompanying notes to the financial statements.

# City of Leeton

Statement of Receipts, Disbursements, and Changes in Fund Balance – Governmental Funds – Modified Cash Basis  
Year Ended December 31, 2021

	Special Revenue Funds				Total Governmental Funds
	General Fund	Park Fund	Cemetery Fund	ARPA Fund	
<b>Receipts</b>					
Taxes	\$ 224,920	\$ 20,457	\$ -	\$ -	\$ 245,377
Licenses and permits	1,745	-	-	-	1,745
Charges for service	-	-	1,305	-	1,305
Intergovernmental receipts	2,980	-	-	56,096	59,076
Fines and forfeitures	3,133	-	-	-	3,133
Miscellaneous	5,194	-	2,502	-	7,696
<b>Total Receipts</b>	237,972	20,457	3,807	56,096	318,332
<b>Disbursements</b>					
Current					
Administrative	133,717	-	-	-	133,717
Police	71,424	-	-	-	71,424
Street	47,960	-	-	-	47,960
Parks and recreation	-	13,019	-	-	13,019
Cemetery	-	-	10,398	-	10,398
<b>Total Disbursements</b>	253,101	13,019	10,398	-	276,518
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(15,129)	7,438	(6,591)	56,096	41,814
<b>Other Financing Sources (Uses)</b>					
Operating transfers in (out)	(6,937)	-	6,937	-	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(22,066)	7,438	346	56,096	41,814
Fund Balance, January 1	164,744	14,939	96,890	-	276,573
<b>Fund Balance, December 31</b>	\$ 142,678	\$ 22,377	\$ 97,236	\$ 56,096	\$ 318,387

See accompanying notes to the financial statements.

## City of Leeton

### Statement of Net Position – Proprietary Funds – Modified Cash Basis

December 31, 2021

	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 103,068	\$ 3,894	\$ 106,962
Investments - unrestricted	-	115,709	115,709
Cash and cash equivalents - restricted	14,050	-	14,050
<b>Total Assets</b>	<b>\$ 117,118</b>	<b>\$ 119,603</b>	<b>\$ 236,721</b>
<b>Net Position</b>			
Restricted	\$ 14,050	\$ -	\$ 14,050
Unrestricted	103,068	119,603	222,671
<b>Total Net Position</b>	<b>\$ 117,118</b>	<b>\$ 119,603</b>	<b>\$ 236,721</b>

See accompanying notes to the financial statements.

## City of Leeton

Statement of Receipts, Disbursements, and Changes in Net Position – Proprietary Funds – Modified Cash Basis

Year Ended December 31, 2021

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
<b>Operating Receipts</b>			
Charges for services	\$ 86,209	\$ 125,381	\$ 211,590
Miscellaneous	1,012	-	1,012
<b>Total Operating Receipts</b>	<b>87,221</b>	<b>125,381</b>	<b>212,602</b>
<b>Operating Disbursements</b>			
Salaries and employee benefits	28,019	25,218	53,237
Telephone and utilities	6,018	5,195	11,213
Repairs and maintenance	28,896	27,707	56,603
Professional fees	3,158	3,308	6,466
Supplies	720	3,502	4,222
Insurance	2,236	865	3,101
Travel, training and dues	2,421	991	3,412
Miscellaneous	2,948	2,539	5,487
<b>Total Operating Disbursements</b>	<b>74,416</b>	<b>69,325</b>	<b>143,741</b>
<i>Operating Income</i>	12,805	56,056	68,861
<b>Nonoperating Receipts (Disbursements)</b>			
Interest receipts	202	1,822	2,024
Capital outlay	-	(126,755)	(126,755)
<b>Total Nonoperating Receipts (Disbursements)</b>	<b>202</b>	<b>(124,933)</b>	<b>(124,731)</b>
<i>Net Income (Loss)</i>	13,007	(68,877)	(55,870)
Net Position, January 1	104,111	188,480	292,591
<b>Net Position, December 31</b>	<b>\$ 117,118</b>	<b>\$ 119,603</b>	<b>\$ 236,721</b>

See accompanying notes to the financial statements.

# City of Leeton

## Statement of Cash Flows – Proprietary Funds – Modified Cash Basis

Year Ended December 31, 2021

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 87,221	\$ 125,381	\$ 212,602
Cash paid to suppliers	(46,397)	(44,107)	(90,504)
Cash paid to employees	(28,019)	(25,218)	(53,237)
<b>Net Cash Provided by Operating Activities</b>	12,805	56,056	68,861
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of capital outlay	-	(126,755)	(126,755)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	-	(126,755)	(126,755)
<b>Cash Flows from Investing Activities</b>			
Maturity (purchase) of investments	105	(52,052)	(51,947)
Interest received	202	1,822	2,024
<b>Net Cash Provided (Used) by Investing Activities</b>	307	(50,230)	(49,923)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	13,112	(120,929)	(107,817)
Cash and Cash Equivalents, Beginning of year	104,006	124,823	228,829
<b>Cash and Cash Equivalents, End of year</b>	117,118	3,894	121,012
Less Restricted Cash and Investments	14,050	-	14,050
<b>Unrestricted Cash and Investments</b>	\$ 103,068	\$ 3,894	\$ 106,962
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 12,805	\$ 56,056	\$ 68,861
Adjustments to reconcile operating income to net cash provided by operating activities	-	-	-
<b>Net Cash Provided by Operating Activities</b>	\$ 12,805	\$ 56,056	\$ 68,861

See accompanying notes to the financial statements.

# City of Leeton

## Notes to the Financial Statements

December 31, 2021

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### 1. Summary of Significant Accounting Policies

The City of Leeton, Missouri, (the City) operates under a Mayor - Board of Aldermen form of government and provides the following services: public safety, streets, public improvements, park, planning, and general administrative services. Other services include water and sewer operations.

The accounting policies of the City conform to the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The City is organized under the laws of the State of Missouri and is a primary government governed by an elected four-member board. The City is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

#### Basis of Presentation

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

#### *Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities, which are financed through taxes and intergovernmental receipts, are reported separately from business-type activities, which rely on fees and charges for services for support.

#### *Fund Financial Statements*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, fund balance, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All funds of the City are considered major funds.

The City reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

*Park Fund:* The Park Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for parks and recreation.

*Cemetery Fund:* The Cemetery Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for cemetery upkeep and maintenance.

*ARPA Fund:* The ARPA Fund is used to account for the proceeds of American Rescue Plan Act grant funds that are restricted, committed, or assigned for expenditures meeting grant award requirements.

# City of Leeton

## Notes to the Financial Statements

December 31, 2021

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The City reports the following major proprietary funds:

*Enterprise Funds:* Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds of the City are the Water Fund and Sewer Fund.

### **Basis of Accounting**

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. This basis recognizes assets, net position/fund balance, receipts, and disbursements when they result from cash transactions. The modification to the cash basis of accounting relates to the presentation of investments. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenditures and liabilities) *are not recorded* in these financial statements.

If the City used the basis of accounting recognized as generally accepted, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide and proprietary fund financial statements would be presented on the accrual basis of accounting.

### **Pooled Cash and Cash Equivalents**

The City pools resources of its various funds in order to facilitate cost management. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash equivalents.

### **Long-Term Debt**

Long-term debt arising from cash transactions is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

### **Capital Outlay**

Property and equipment are recorded as disbursements at the time the goods received are paid for and received.



# City of Leeton

## Notes to the Financial Statements

December 31, 2021

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### Fund Balance Classification

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

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

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

*Committed Fund Balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Aldermen – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment.

*Assigned Fund Balance:* This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

### Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in two components as follows:

*Restricted:* This consists of net position that is legally restricted by outside parties or by law through constitutional provisions for enabling legislation.

*Unrestricted:* This consists of net position that does not meet the definition of restricted.

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

### Program Receipts

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the City’s taxpayers, we reported as program receipts. These include 1) charges for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts, even if restricted for a specific purpose.

# City of Leeton

## Notes to the Financial Statements

December 31, 2021

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### Operating Receipts and Disbursements

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

### Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

### Compensated Absences

Vacation and compensatory time are considered disbursement in the year paid. Such amounts unused that are vested in the employee are payable upon termination at the employee's rate of pay.

### Investments

Investments in non-negotiable certificates of deposit are carried at cost.

## 2. Cash & Cash Equivalents

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2021, all bank balances on deposit are entirely insured or collateralized.

## 3. Investments

Investments of the City as of December 31, 2021, consist of the following:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	2/1/2022 - 6/19/2022	<u>\$ 354,200</u>

### Certificates of Deposit

Certificates of deposit are classified as investments, but are considered deposits for custodial risk determination. State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2021, all certificates of deposit are entirely insured or collateralized with securities.

### Interest Rate Risk

The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

# City of Leeton

## Notes to the Financial Statements

December 31, 2021

### 4. Restricted Assets

Cash and cash equivalents, investments, fund balance, and net position have been restricted in the following funds:

	<b>Restricted Cash and Investments</b>	<b>Restricted Fund Balance/ Net Position</b>
<b>Governmental Funds</b>		
<i>Cemetery Fund</i>		
Nonspendable		
Cemetery perpetual care	\$ 94,000	\$ 94,000
Cemetery - restricted	3,236	3,236
	\$ 97,236	\$ 97,236
<i>Park Fund</i>		
Parks and recreation	\$ 22,377	\$ 22,377
	\$ 56,096	\$ 56,096
<i>ARPA Fund</i>		
Grant proceeds	\$ 56,096	\$ 56,096
	\$ 14,050	\$ 14,050
<b>Enterprise Funds</b>		
<i>Water Fund</i>		
Customer Water Deposits	\$ 14,050	\$ 14,050
	\$ 14,050	\$ 14,050

### 5. Compensated Absences

The following table is a summary of the changes in compensated absences for the year ended December 31, 2021:

	<b>Balance December 31, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance December 31, 2021</b>
Governmental Activities	\$ 2,737	\$ -	\$ 2,122	\$ 615
Business-Type Activities	\$ 859	\$ -	\$ 269	\$ 590
	\$ 3,596	\$ -	\$ 2,391	\$ 1,205

# City of Leeton

## Notes to the Financial Statements

December 31, 2021

### 6. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levies per \$100 assessed valuation of that property were as follows:

	<b>2021</b>
<b>Assessed Valuation</b>	
Real estate	\$ 2,633,105
Personal property	989,878
	\$ 3,622,983
 <b>Tax Rates Per \$100 of Assessed Valuation</b>	
General Fund	\$ .8880

The legal debt margin at December 31, 2021, was computed as follows:

	<b>General Obligation Bonds</b>		
	<b>Ordinary (1)</b>	<b>Additional (2)</b>	<b>Total</b>
Constitutional debt limit	\$ 362,298	\$ 362,298	\$ 724,596
General Obligation Bonds payable	-	-	-
<b>Legal Debt Margin</b>	<b>\$ 362,298</b>	<b>\$ 362,298</b>	<b>\$ 724,596</b>

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights of way, constructing, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

### 7. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2021, significant amounts of grantor disbursements have not been audited by grantor governments, but the City believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual funds or the overall financial position of the City.

# City of Leeton

## Notes to the Financial Statements

December 31, 2021

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### 8. 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 has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

### 9. Interfund Transfers

Transfers between funds of the City for the year ended December 31, 2021, were as follows:

	<b>Transfers in (out)</b>
General Fund	\$ (6,937)
Cemetery Fund	6,937
	<u>\$ -</u>

Transfers are made to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, (2) use unrestricted receipts in the Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) reimburse various funds for amounts owed from the other funds.

### 10. Bond Ordinance

On June 2, 2020, the citizens of the City approved issuing combined water and sewer system revenue bonds not to exceed \$2,000,000 to acquire, renovate and improve its combined water and sewer system including, but not limited to, the renovation and improvement of the sewer system to assure compliance with environmental regulations and its operating permit and the refurbishing and painting of the existing water tower, the costs and maintenance of said combined water and sewer system and the principal of and interest on said combined water and sewer system revenue bonds to be payable solely from the revenues derived from the operation of its combined water and sewer system including all future improvements and extensions. As of December 31, 2021, none of the bonds had been issued.

### 11. Commitment

At December 31, 2021, the City was committed to Lamp Rynearson for professional services related to WWTP Improvements in the amount of \$208,600.

## Other Information

## City of Leeton

### Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Receipts</b>				
Taxes				
General sales tax	\$ 41,000	\$ 41,000	\$ 46,068	\$ 5,068
Capital improvement sales tax	20,000	20,000	23,034	3,034
Use tax	15,000	15,000	19,165	4,165
Law enforcement sales tax	34,000	34,000	38,613	4,613
Motor vehicle taxes	22,500	22,500	24,270	1,770
Property taxes	36,000	36,000	38,619	2,619
Franchise taxes	29,000	29,000	33,912	4,912
Financial institution tax	-	-	1,239	1,239
	<u>197,500</u>	<u>197,500</u>	<u>224,920</u>	<u>27,420</u>
Licenses and Permits				
Merchant licenses	1,000	1,000	1,275	275
Building permits	-	-	5	5
Animal licenses	300	300	465	165
	<u>1,300</u>	<u>1,300</u>	<u>1,745</u>	<u>445</u>
Intergovernmental receipts				
School resource officer	2,500	2,500	2,980	480
Fines and forfeitures				
Court fines	1,250	1,250	3,133	1,883
Miscellaneous				
Interest	4,500	4,500	2,082	(2,418)
Other receipts	1,200	1,200	3,112	1,912
	<u>5,700</u>	<u>5,700</u>	<u>5,194</u>	<u>(506)</u>
<b>Total Receipts</b>	<u>208,250</u>	<u>208,250</u>	<u>237,972</u>	<u>29,722</u>
<b>Disbursements</b>				
Current				
Administrative	122,780	122,780	133,717	(10,937)
Police	66,589	82,701	71,424	11,277
Street	38,425	38,425	47,960	(9,535)
<b>Total Disbursements</b>	<u>227,794</u>	<u>243,906</u>	<u>253,101</u>	<u>(9,195)</u>
<i>(Deficit) of Receipts Over Disbursements</i>	(19,544)	(35,656)	(15,129)	20,527
<b>Other Financing (Uses)</b>				
Operating transfers (out)	-	-	(6,937)	(6,937)
<i>(Deficit) of Receipts Over Disbursements and Other (Uses)</i>	(19,544)	(35,656)	(22,066)	13,590
Fund Balance, January 1	164,744	164,744	164,744	-
<b>Fund Balance, December 31</b>	<u>\$ 145,200</u>	<u>\$ 129,088</u>	<u>\$ 142,678</u>	<u>\$ 13,590</u>

See accompanying notes to the Budgetary Comparison Schedules.

## City of Leeton

### Budgetary Comparison Schedule – Park Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Receipts</b>				
Sales taxes	\$ 17,500	\$ 17,500	\$ 20,457	\$ 2,957
<b>Total Receipts</b>	17,500	17,500	20,457	2,957
<b>Disbursements</b>				
Current				
Parks and recreation	17,988	17,988	13,019	4,969
<b>Total Disbursements</b>	17,988	17,988	13,019	4,969
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(488)	(488)	7,438	7,926
Fund Balance, January 1	14,939	14,939	14,939	-
<b>Fund Balance, December 31</b>	\$ 14,451	\$ 14,451	\$ 22,377	\$ 7,926

See accompanying notes to the Budgetary Comparison Schedules.



## City of Leeton

### Budgetary Comparison Schedule – Cemetery Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Receipts</b>				
Charges for services	\$ 2,200	\$ 2,200	\$ 1,305	\$ (895)
Miscellaneous				
Donations	2,500	2,500	2,294	(206)
Interest	3,000	3,000	208	(2,792)
	5,500	5,500	2,502	(2,998)
<b>Total Receipts</b>	7,700	7,700	3,807	(3,893)
<b>Disbursements</b>				
Current				
Cemetery	12,701	12,701	10,398	2,303
<b>Total Disbursements</b>	12,701	12,701	10,398	2,303
<i>(Deficit) of Receipts Over Disbursements</i>	(5,001)	(5,001)	(6,591)	(1,590)
<b>Other Financing Sources</b>				
Operating transfers in	-	-	6,937	6,937
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(5,001)	(5,001)	346	5,347
Fund Balance, January 1	96,890	96,890	96,890	-
<b>Fund Balance, December 31</b>	\$ 91,889	\$ 91,889	\$ 97,236	\$ 5,347

See accompanying notes to the Budgetary Comparison Schedules.

## City of Leeton

### Budgetary Comparison Schedule – ARPA Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Receipts</b>				
Intergovernmental receipts	\$ -	\$ -	\$ 56,096	\$ 56,096
<b>Total Receipts</b>	-	-	56,096	56,096
<b>Disbursements</b>				
Current				
American Rescue Plan Act	-	-	-	-
<b>Total Disbursements</b>	-	-	-	-
<i>Excess of Receipts Over Disbursements</i>	-	-	56,096	56,096
Fund Balance, January 1	-	-	-	-
<b>Fund Balance, December 31</b>	\$ -	\$ -	\$ 56,096	\$ 56,096

See accompanying notes to the Budgetary Comparison Schedules.

# City of Leeton

## Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2021

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### **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule:

1. Prior to January, the City Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed disbursement plans and the proposed means of financing them.
2. One public hearing is conducted by the City in December to obtain taxpayers' comments on the proposed budget.
3. Prior to January 1, the Board of Aldermen adopts a budget for the City.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with the modified cash basis. Budgeted amounts may be amended during the year by the Board of Aldermen.