City of Neosho, Missouri

Basic Financial Statements Year Ended September 30, 2022



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Honorable Mayor and City Council City of Neosho Neosho, Missouri

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Neosho, Missouri, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Neosho, 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

As described in Note 1 to the financial statements, during the year ended September 30, 2022, the City of Neosho adopted new accounting guidance, GASB Statement No. 87 - Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), budgetary comparison information, and the pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Neosho, Missouri's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023, on our consideration of the City of Neosho, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Neosho, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

Springfield, Missouri March 10, 2023

KPM CPAS, PC



Management's Discussion and Analysis September 30, 2022

The Management's Discussion and Analysis of the City of Neosho's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the City's financial statements.

Financial Highlights

The net position of the City's governmental activities increased by \$6,134,631 as a result of current year activities. The net position of the City's business activities increased by \$1,632,950 for the year.

The assets and deferred outflow of resources of the City exceeded liabilities and deferred inflow of resources by \$64.5 million (net position), as of September 30, 2022. Of this amount, \$19.4 million was unrestricted and may be used to meet future obligations of the City, \$5.7 million was restricted and \$39.5 million represents capital assets (net of related debt) of the City.

Total long-term liabilities of the City decreased by \$1,982,185 to a total of \$11.4 million. The decrease was due to the payments of principal during the year. The City made timely payments on all of its debt obligations.

Incoming revenues are monitored to allow for immediate reaction to changes. All budgets and expenses are continually scrutinized by all department heads with every employee diligently participating in cost saving ideas and input to use every dollar wisely and ensuring careful stewardship of all funds. The City continues to ensure we operate on a balanced budget and meet or exceed fund reserve requirements per our bond covenants and the City's fiscal and investment policy.

As stated above, the net position of the City's governmental activities has and continues to increase and improve due to following strict fiscal policies and ensuring the City Council and Administration are fully informed of the City's financial position at all times. Decisions made by the City are always fully investigated and scrutinized in all aspects to ensure the financial stability of the City continues to improve.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Management's Discussion and Analysis
September 30, 2022

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. The City's net position — the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources — is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two types of activities:

Governmental Activities: Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

Business-Type Activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer services are provided here.

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant funds and not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

Governmental Funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

Enterprise Funds: When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Enterprise funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management's Discussion and Analysis
September 30, 2022

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of September 30, 2022 and 2021:

	Governmental Activities	Business-Type Activities	Total September 30, 2022	Total September 30, 2021
Assets				
Current and other assets	\$ 17,013,990	\$ 6,705,750	\$ 23,719,740	\$ 22,463,300
Leases receivable	115,032	378,784	493,816	-
Net pension asset	4,351,194	787,800	5,138,994	6,782,044
Capital assets	32,621,819	19,643,027	52,264,846	48,486,278
Total Assets	54,102,035	27,515,361	81,617,396	77,731,622
Deferred Outflow of Resources				
Deferred pension outflow	242,463	7,564	250,027	265,811
Deferred charge on refundings	53,644		53,644	63,416
Total Deferred Outflow of Resources	296,107	7,564	303,671	329,227
Liabilities				
Long-term liabilities outstanding	4,142,526	7,255,680	11,398,206	13,380,391
Other liabilities	2,930,188	1,391,700	4,321,888	4,436,285
Total Liabilities	7,072,714	8,647,380	15,720,094	17,816,676
Deferred Inflow of Resources				
Deferred pension inflow	1,040,553	124,798	1,165,351	3,489,261
Deferred leases inflow	120,402	392,727	513,129	
Total Deferred Inflow of Resources	1,160,955	517,525	1,678,480	3,489,261
Net Position				
Net investment in capital assets	27,836,554	11,622,881	39,459,435	33,763,485
Restricted	5,447,825	251,674	5,699,499	8,707,392
Unrestricted	12,880,094	6,483,465	19,363,559	14,284,035
Total Net Position	\$ 46,164,473	\$ 18,358,020	\$ 64,522,493	\$ 56,754,912

Total Net Position of the City increased by \$7,767,581 for the year due to current year activities. Total liabilities for the City decreased by \$2,096,582. Net investment in capital assets increased \$5,695,950.

Management's Discussion and Analysis September 30, 2022

Changes in Net Position

	Governmental Activities	Business-Type Activities	Total Year Ended September 30, 2022	Total Year Ended September 30, 2021		
Revenues	·					
Program Revenues						
Charges for services	\$ 1,949,014	\$ 5,440,662	\$ 7,389,676	\$ 7,421,527		
Operating grants and contributions	239,646	-	239,646	314,659		
Capital grants and contributions	101,662	911,251	1,012,913	604,473		
General Revenues						
Property taxes	481,752	-	481,752	476,654		
Sales taxes	10,210,138	-	10,210,138	8,965,975		
Motor vehicle and gas taxes	531,806	-	531,806	502,254		
Other taxes	1,256,225	-	1,256,225	494,456		
Franchise fees	807,628	-	807,628	672,978		
Interest	51,265	35,684	86,949	55,323		
Other revenue	42,226	42,318	84,544	111,672		
Special Items						
Gain on sale of capital assets	23,550	-	23,550	44,794		
Insurance proceeds	43,101	-	43,101	12,345		
Transfers	(148,068)	148,068	, -	-		
Total Revenues	15,589,945	6,577,983	22,167,928	19,677,110		
Expenses						
Administrative	457,124		457,124	475,297		
Clerk/council	93,121	<u>-</u>	93,121	71,408		
Auditorium	310,674	<u>-</u>	310,674	279,804		
	191,013	-	191,013	159,398		
Development services Police	2,035,952	-	2,035,952	1,875,840		
Fire		-				
	1,783,271	-	1,783,271	1,454,420		
Emergency management Court	31,312 125,197	-	31,312 125,197	31,540		
		-		116,171 359,338		
Airport	474,876	-	474,876			
Drainage Street	189,868 1,594,094	-	189,868	162,102 1,258,129		
Parks	1,394,094 584,028	-	1,594,094 584,028			
Recreation	,	-	3,653	564,120		
Senior center	3,653	-	,	3,653		
	83,677	-	83,677	69,382		
Recycling center	96,204	-	96,204	89,750		
Cemetery	125,931 85,908	-	125,931 85,908	115,716 78,597		
Information technology		-	6,680	5,612		
Property control Human resources	6,680	-				
Golf course	65,926	-	65,926	64,999		
	501,881	-	501,881	472,590		
Tourism development	81,399	-	81,399	40,961		
Communication and events	32,722	-	32,722	17,727		
Economic development	408,309	-	408,309	58,136		
Other	157	-	157	8,758		
Debt service	92,338	4 0 4 5 0 3 3	92,338	231,899		
Water and sewer	0.455.34.4	4,945,033	4,945,033	4,679,914		
Total Expenses Changes in Net Position	9,455,314 \$ 6,134,631	4,945,033 \$ 1,632,950	\$ 7,767,581	12,745,261 \$ 6,931,849		
Changes in Net Pusition	<i>ϕ</i> 0,154,051	\$ 1,632,950	\$ 7,767,581	\$ 6,931,849		

Management's Discussion and Analysis

September 30, 2022

Governmental Activities

Governmental activities increased the net position of the City by \$6,134,631. Tax revenues for the City were \$13,287,549 which represents 84% of the funding of these activities. Program revenues for the functions totaled \$2,290,322 or 15% of the funding. The following table shows the cost of the City's programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

Net Cost of the City of Neosho's Governmental Activities

	Total Cost of Services	Net Cost of Services
Administrative	\$ 457,124	\$ 276,929
Clerk/council	93,121	93,121
Auditorium	310,674	248,767
Development services	191,013	72,831
Police	2,035,952	1,419,433
Fire	1,783,271	1,657,423
Emergency management	31,312	31,312
Court	125,197	106,534
Airport	474,876	42,281
Drainage	189,868	189,868
Street	1,594,094	1,567,767
Parks	584,028	573,847
Recreation	3,653	3,653
Senior center	83,677	83,677
Recycling center	96,204	(1,297)
Cemetery	125,931	73,154
Information technology	85,908	85,908
Property control	6,680	6,680
Human resources	65,926	65,926
Golf course	501,881	(17,113)
Tourism development	81,399	81,399
Communication and events	32,722	2,089
Economic development	408,309	408,309
Other	157	157
Debt service	92,338	92,338
	\$ 9,455,314	\$ 7,164,992

Management's Discussion and Analysis
September 30, 2022

Business-Type Activities

Business-type activities increased the City's net position by \$1,632,950. This is up from the increase received last year from the City's business-type activities. The increase in the prior year was \$897,790.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of September 30, 2022, were \$15,000,893. The combined fund balances are up \$1,093,223 from the prior year. The City continues to take strong measures to ensure the City stays in a position of financial stability. The staff in all City departments strives to bring a level of service the citizens of Neosho expect and deserve.

General Fund Budgetary Highlights

Differences between the original, the final amended budget, and the actual results can be summarized as follows:

The original revenue budget of \$6,312,241 was amended to \$8,953,480.

The original expenditures budget of \$3,986,903 was amended to \$4,263,803.

Budget adjustments were presented and approved by the City Council. Final amended budgeted revenues were \$959,016 more than actual revenues, and budgeted expenditures were \$440,381 above actual expenditures.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$32,621,819 (net of accumulated depreciation) as of September 30, 2022. This represents a \$3,241,503 increase from the prior year. The increase is due to the addition of new assets outweighing the current year provisions of depreciation. Capital assets for business-type activities were \$19,643,027 as of September 30, 2022. This represents a increase of \$537,065 from the prior year. The increase is due to current year addition of new assets outweighing the current year provisions of depreciation.

Debt

Total debt of the governmental activities as of September 30, 2022, was \$4,785,265 which is down \$1,112,663 from the prior year. The debt balance is net of deferred losses and premiums on refundings. The decrease is due to principal payments made in the current year.

Total debt of the business-type activities as of September 30, 2022, was \$8,020,146, which is down \$804,719. The decrease is due to principal payments made in the current year.

Management's Discussion and Analysis
September 30, 2022

Economic Factors and Next Year's Budget

The economic impact on the City from State and National resources appears to be consistent. We have seen peaks and valleys throughout the year in the General Fund (1% sales tax). Sales tax receipts have stayed consistent with a slight increase of 10% for FY2022. Our efforts to pursue capital improvement continue focused, but cautious. Growth for commercial and residential remains constant at a calm, but steady pace. Revenues are expected to remain steady for FY2023. The city serves 12,590 residents as of the 2020 U.S. Census, a 6.4% increase since the 2010 Census. The city limit population moved from 11,835 in 2010 to an estimated 12,130 in 2020. While the City's revenues remain fairly consistent, expenses across the board continue to rise. Several capital projects were contracted in FY 2022 and scheduled to be paid in FY 2023 under the Public Safety Tax. These capital projects are replacement computers for Police, new computers and a new fire engine for the Fire Department and upgrades to the MOSWIN tower.

We continue to seek out and apply for grants available to us. The City plans to apply and use MODOT grants again in 2023. The Police Department has been approved for the Officer Safety Equipment and Technology (OSET) grant for FY2023. In addition, the Police Department is applying for the Local Law Enforcement Block Grant (LLEGB) grant for funding small capital items along with the Local Violent Crime Prevention (LVCP). The City plans to renew the contract with the Neosho Area Fire Protection District and the Neosho YMCA. The City has been approved for DED funding for a stormwater mitigation project to begin in FY2023. In addition, the City received approval from DNR using an ARPA grant to complete two additional drainage projects.

The combined leadership of the Council and staff remains focused on proper and efficient use of City revenues. The replacement of worn-out equipment including vehicles will continue when appropriate to do so and only when the budget allows for those capital expenditures. Heating and cooling units are to be replaced at City Hall, Senior Center and the Lampo in this coming year. Improvements at Scenic Park, Big Spring Park and the Bike Trails in Morse Park are planned. In addition, resurfacing of roads and parking lot at Coler Street and Morse Park and IOOF Cemetery are planned for the upcoming year. Much needed roof repairs are scheduled to begin at City Hall and the Auditorium. With the rocky slope upgrade to Limekiln Dam, the park is reopened and benches and bar-b-que pits are planned improvements for Limekiln Park.

There are current plans in FY2023 for projects to promote tourism and grow revenue. Whenever possible, grant money will be used for these projects.

Master meters have been installed to monitor the 3 pressure zones established during FY2021. As high loss areas are determined, concentrated efforts are being made in replacing and repairing mains to reduce the City's high water loss.

A high priority is placed on respecting the budget and our duties to be transparent when considering costs, expenses, repairs, and purchases. The City continues to strive to ensure the Council and the citizens of Neosho are supplied with up-to-date financial information to ensure informed quality decisions are made on behalf of the City.

As stated in prior years, the greatest asset the City has is its staff of well trained, dedicated employees. Gradually increasing staff in vital City departments and improving the quality of staff and services through training and cross-training among positions is a priority to better serve the needs of the City and its citizens.

Management's Discussion and Analysis September 30, 2022

The contract with Alliance Water Resources for the management of the City's water treatment and wastewater facilities was renewed in October 2020. These types of arrangements will ensure the efficient delivery of quality drinking water and treatment of wastewater for the City of Neosho. This relationship will continue to be evaluated to ensure the continued collaboration remains in the best interest of the City.

By remembering the lessons learned from lean times, we strive to pursue economic growth and embrace new development that benefits our Citizens. The City is encouraging more community involvement in the process of long-term planning, goal setting, and budget preparations.

The debt of the City continues to be a focus of the City Council for the foreseeable future. Debt schedules are included in the notes to the financial statements. The City's overall financial picture will continue to require careful and concise planning to fulfill obligations to both debtors and the citizens. The City continues to maintain very strong reserves.

Contacting the City's Financial Management

For additional information or questions, please contact any of the following officers at:

City of Neosho 203 East Main Neosho, Missouri 64850 (417) 451-8050

David Kennedy, City Manager d.kennedy@neoshomo.gov

Leslie Forest, Finance Director Iforest@neoshomo.gov
Cheyenne Wright, City Clerk cwright@neoshomo.gov

Statement of Net Position

September 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents - unrestricted	\$ 12,529,264	\$ 5,662,072	\$ 18,191,336
Taxes receivable	1,800,221	-	1,800,221
Utilities receivable, net	-	504,997	504,997
Other accounts receivable	32,897	17,291	50,188
Court fines receivable, net	36,356	-	36,356
Intergovernmental receivable	139,087	-	139,087
Interest receivable	511	7,636	8,147
Leases receivable - current	1,099	14,031	15,130
Inventory	57,181	-	57,181
Prepaid expenses	295,965	117,547	413,512
Noncurrent	,	•	•
Restricted cash and cash equivalents	2,121,409	382,176	2,503,585
Leases receivable - noncurrent	115,032	378,784	493,816
Net pension asset	4,351,194	787,800	5,138,994
Capital Assets	, ,	•	•
Non-depreciable	12,711,645	1,289,686	14,001,331
Depreciable, net	19,910,174	18,353,341	38,263,515_
Total Assets	54,102,035	27,515,361	81,617,396
Deferred Outflow of Resources			
Deferred pension outflow	242,463	7,564	250,027
Deferred charge on refundings	53,644	7,504	53,644
Total Deferred Outflow of Resources	296,107	7,564	303,671
Liabilities	200,207	7,00	000,07
Current			
Accounts payable	154,912	404,873	559,785
Accrued expenses	150,261	24,347	174,608
Accrued interest payable	42,944	30,532	73,476
Deposits held	14,163	30,332	14,163
Meter deposits held	14,103	70,995	70,995
Unearned revenue	1,655,041	59,507	1,714,548
Current maturities of long-term debt		•	
Current maturities or long-term dept	912,867	801,446	1,714,313
Noncurrent	2,930,188	1,391,700	4,321,888
Financed purchases payable	200 220		200 220
· · · · · · · · · · · · · · · · · · ·	290,220	-	290,220
Certificates of participation payable	1,845,000	7 240 700	1,845,000
Bonds payable	1,790,822	7,218,700	9,009,522
Compensated absences payable	216,484	36,980	253,464
Total Liabilities	4,142,526	7,255,680	11,398,206
Total Liabilities	7,072,714	8,647,380	15,720,094

Statement of Net Position

September 30, 2022

	Governmental Activities	Business-Type Activities	Total
Deferred Inflow of Resources			
Deferred lease inflow	120,402	392,727	513,129
Deferred pension inflow	1,040,553	124,798	1,165,351
Total Deferred Inflow of Resources	1,160,955	517,525	1,678,480
Net Position			
Net investment in capital assets	27,836,554	11,622,881	39,459,435
Restricted	5,447,825	251,674	5,699,499
Unrestricted	12,880,094_	6,483,465	19,363,559
Total Net Position	\$ 46,164,473	\$ 18,358,020	\$ 64,522,493

Statement of Activities

Year Ended September 30, 2022

			Program Revenues		Net (Expenses), Revenues, and Changes in Net Posit				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
Governmental Activities									
Administrative	\$ (457,124)	\$ 48,821	\$ 131,374	\$ -	\$ (276,929)	\$ -	\$ (276,929)		
Clerk/Council	(93,121)	-	-	-	(93,121)	-	(93,121)		
Auditorium	(310,674)	61,907	-	-	(248,767)	-	(248,767)		
Development services	(191,013)	118,182	-	-	(72,831)	-	(72,831)		
Police	(2,035,952)	585,500	31,019	-	(1,419,433)	-	(1,419,433)		
Fire	(1,783,271)	125,848	-	-	(1,657,423)	-	(1,657,423)		
Emergency management	(31,312)	-	-	-	(31,312)	-	(31,312)		
Court	(125,197)	18,663	-	-	(106,534)	-	(106,534)		
Airport	(474,876)	330,933	-	101,662	(42,281)	-	(42,281)		
Drainage	(189,868)	-	-	-	(189,868)	-	(189,868)		
Street	(1,594,094)	26,327	-	-	(1,567,767)	-	(1,567,767)		
Parks	(584,028)	9,144	1,037	-	(573,847)	-	(573,847)		
Recreation	(3,653)	-	-	-	(3,653)	-	(3,653)		
Senior center	(83,677)	-	-	-	(83,677)	-	(83,677)		
Recycling center	(96,204)	42,497	55,004	-	1,297	-	1,297		
Cemetery	(125,931)	48,850	3,927	-	(73,154)	-	(73,154)		
Information technology	(85,908)	-	-	-	(85,908)	-	(85,908)		
Property control	(6,680)	-	-	-	(6,680)	-	(6,680)		
Human resources	(65,926)	-	-	-	(65,926)	-	(65,926)		
Golf course	(501,881)	518,994	-	-	17,113	-	17,113		
Tourism development	(81,399)	-	-	-	(81,399)	-	(81,399)		
Communications and events	(32,722)	13,348	17,285	-	(2,089)	-	(2,089)		
Economic development	(408,309)	-	-	-	(408,309)	-	(408,309)		
Other	(157)	-	-	-	(157)	-	(157)		
Debt service	(92,338)	-	-	-	(92,338)	-	(92,338)		
Total Governmental Activities	(9,455,314)	1,949,014	239,646	101,662	(7,164,992)	-	(7,164,992)		

Statement of Activities

Year Ended September 30, 2022

			Prog	gram Revenue	es	Net (Expenses), Re	evenues, and Chan	ges ii	n Net Position			
Functions/Programs	Expenses	for Grants and G		for		for Gr		Capital Grants and Contributions	Governmental Activities	Business-Type Activities		Total
Business-Type Activities Water and Sewer Total Business-Type	(4,945,033)	5,440,662			911,251		1,406,880		1,406,880			
Activities Total Government	(4,945,033) \$ (14,400,347)	5,440,662 \$ 7,389,676	\$	239,646	911,251 \$ 1,012,913	(7,164,992)	1,406,880 1,406,880		1,406,880 (5,758,112)			
	Other a Franchi Interesi Other r Special Ito Gain or	y taxes xes vehicle and gas to nd delinquent ta se fees : evenue				481,752 10,210,138 531,806 1,256,225 807,628 51,265 42,226 23,550 43,101	- - - - 35,684 42,318		481,752 10,210,138 531,806 1,256,225 807,628 86,949 84,544 23,550 43,101			
	Transfers	eneral Revenues	: Sne	ocial Itoms a	nd Transfers	(148,068)	148,068 226,070		13,525,693			
	Changes Net Posit	ia mansiers	6,134,631 40,029,842 \$ 46,164,473	1,632,950 16,725,070 \$ 18,358,020	<u> </u>	7,767,581 56,754,912 64,522,493						

Balance Sheet – Governmental Funds

September 30, 2022

		Spe	ecial Revenue Fu	nds			
	General Fund	Street Sales Tax Fund	Fire Sales Tax Fund	Tax Increment Financing Fund	Economic Development Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 5,746,844	\$ 1,974,453	\$ 484,665	\$ -	\$ 440,186	\$ 3,846,111	\$ 12,492,259
Taxes receivable	952,578	211,904	141,270	-	70,634	423,835	1,800,221
Leases receivable	116,131	-	-	-	-	-	116,131
Interest receivable	511	-	-	-	-	-	511
Other accounts receivable	27,660	-	-	-	-	5,237	32,897
Court fines receivable, net	36,356	-	-	-	-	-	36,356
Intergovernmental receivable	87,600	-	-	-	-	51,487	139,087
Inventory	57,181	-	-	-	-	-	57,181
Prepaid expenses	141,886	15,300	68,252	-	-	70,527	295,965
Restricted cash and cash equivalents	1,706,071	88,528				326,810	2,121,409
Total Assets	\$ 8,872,818	\$ 2,290,185	\$ 694,187	\$ -	\$ 510,820	\$ 4,724,007	\$ 17,092,017
Liabilities, Deferred Inflows, and Fund Bal	ances						
Liabilities							
Accounts payable	\$ 43,388	\$ 20,276	\$ 4,767	\$ -	\$ 28,084	\$ 54,742	\$ 151,257
Accrued expenses	90,922	10,330	48,346	-	-	663	150,261
Deposits held	5,640	-	-	-	-	8,523	14,163
Unearned revenue	1,655,041_	<u>-</u> _					1,655,041
Total Liabilities	1,794,991	30,606	53,113	-	28,084	63,928	1,970,722
Deferred Inflow of Resources							
Deferred inflow - leases	120,402	-	-	-	-	-	120,402

See accompanying Notes to the Financial Statements.

Balance Sheet – Governmental Funds

September 30, 2022

			Special Rev	enue Funds			
	General Fund	Street Sales Tax Fund	Fire Sales Tax Fund	Tax Increment Financing Fund	Economic Development Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance							
Nonspendable						42.420	42.420
Parks	-	-	-	-	-	43,128	43,128
Inventory	57,181	-	-	-	-		57,181
Prepaid items	141,886	15,300	68,252	-	-	70,527	295,965
Restricted for							
Public safety	19,832	-	-	-	-	11,802	31,634
Drainage	-	-	-	-	-	1,069,265	1,069,265
Auditorium	-	<u>-</u>	-	-	-	620,570	620,570
Streets	-	2,244,279	-	-	-	<u>-</u>	2,244,279
Senior center	-	-	-	-	-	201,348	201,348
Street and bridge	-	-	-	-	-	619,573	619,573
Tourism development	-	-	-	-	-	303,390	303,390
Debt service	-	-	-	-	-	357,766	357,766
Assigned to							
Drainage	-	-	-	-	-	90,900	90,900
Public safety	-	-	572,822	-	-	-	572,822
Parks and recreation	-	-	-	-	-	352,864	352,864
Auditorium	-	-	-	-	-	259,693	259,693
Senior center	-	-	-	-	-	62,219	62,219
Economic development	-	-	-	-	482,736	-	482,736
Golf course	-	-	-	-	-	442,039	442,039
Street and bridge	-	-	-	-	-	150,143	150,143
Tourism development	-	-	-	-	-	4,852	4,852
Unassigned	6,738,526	-	-	-	-	-	6,738,526
Total Fund Balances	6,957,425	2,259,579	641,074	-	482,736	4,660,079	15,000,893
Total Liabilities, Deferred Inflows,							
and Fund Balances	\$ 8,872,818	\$ 2,290,185	\$ 694,187	\$ -	\$ 510,820	\$ 4,724,007	\$ 17,092,017

See accompanying Notes to the Financial Statements.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2022

Fund balance - total governmental funds	\$ 15,000,893
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	69,956,997
Less accumulated depreciation	(37,335,178)
	 32,621,819
Internal Service Funds are used by management to charge the costs of insurance	
to individual funds. The assets and liabilities of the Internal Service Fund are	
included in governmental activities in the statement of net position.	33,350
The net pension asset and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension asset	4,351,194
Deferred outflows due to pensions	242,463
Deferred inflows due to pensions	(1,040,553)
	 3,553,104
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(42,944)
Long-term liabilities are not due and payable in the current period and,	
therefore, are not reported in the funds	(5,001,749)
	 (3/22=): 30/
Net Position of Governmental Activities	\$ 46,164,473

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Year Ended September 30, 2022

						Special Rev	enue F	unds						
		General Fund	Stre	eet Sales Tax Fund	Fire	Sales Tax Fund		Increment	Dev	Economic Development Sales Tax Fund		Nonmajor vernmental Funds	Total Governmental Funds	
Revenues														
Taxes	\$	6,438,142	\$	1,771,423	\$	826,229	\$	1,256,756	\$	413,113	\$	2,581,885	\$	13,287,548
Licenses and permits		216,088		-		-		-		-		-		216,088
Intergovernmental revenues		289,153		26,327		-		-		-		11,472		326,952
Charges for services		628,184		-		125,848		-		-		596,187		1,350,219
Fines and forfeitures		281,013		-		-		-		-		-		281,013
Donations and other contributions		3,927		-		-		-		-		19,472		23,399
Miscellaneous		137,957		21,577		280		7,286		938		18,105		186,143
Total Revenues		7,994,464		1,819,327		952,357		1,264,042	١.	414,051		3,227,121		15,671,362
Expenditures														
Current														
Administrative		494,487		-		_		-		_		-		494,487
Clerk/Council		103,255		-		_		-		_		-		103,255
Auditorium		-		_		_		_		_		161,575		161,575
Development services		209,205		_		_		_		_				209,205
Police		2,092,443		_		_		_		_		23,310		2,115,753
Fire		-,,		_		1,873,552		_		_				1,873,552
Emergency management		17,590		_		-,-:-,		_		_		_		17,590
Court		137,026		_		_		_		_		_		137,026
Airport		338,064		_		_		_		_		_		338,064
Drainage		-		_		_		_		_		142,185		142,185
Street		_		945,093		_		3,634,129		_				4,579,222
Parks and recreation		_		-		_		-		_		513,665		513,665
Senior center		_		_		_		_		_		64,541		64,541
Recycling center		100,432		_		_		_		_				100,432
Information technology		91,216		_		_		_		_		_		91,216
Property control		6,680		_		_		_		_		_		6,680
Human resources		74,371		_		_		_		_		_		74,371
Golf course		7 1,37 =		_		_		_		_		488,928		488,928
Tourism development		_		_		_		_		_		81,399		81,399
Communications and events		32,722		_		_		_		_		-		32,722
Cemetery		125,931		_		_		-		_		_		125,931
Economic development		-		_		_		-		2,341,478		_		2,341,478
Other		_		_		_		_		_,5 .1,7,0		157		157
Debt Service												13,		157
Principal and interest		_		_		_		_		_		783,786		783,786
Total Expenditures	-	3,823,422		945,093		1,873,552		3,634,129		2,341,478		2,259,546		14,877,220
Total Experiences		3,023,722		3 .3,033		1,0,0,002		J, UJ T, 12J		_, = , = , = , =		-,,		1,0,7,220

See accompanying Notes to the Financial Statements.

City of Neosho

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Year Ended September 30, 2022

		Spe	Special Revenue Funds				
	General Fund	Street Sales Tax Fund	Fire Sales Tax Fund	Tax Increment Financing Fund	Economic Development Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Excess (Deficit) of Revenues Over Expenditures	4,171,042	874,234	(921,195)	(2,370,087)	(1,927,427)	967,575	794,142
Other Financing Sources (Uses)							
Operating transfers in (out)	(1,959,488)	(472,026)	825,195	(358,196)	1,967,076	(172,764)	(170,203)
Sale of assets	-	-	-	-	23,550	-	23,550
Insurance proceeds	37,506	-	5,595	-	-	-	43,101
Debt proceeds	-	-	-	-	402,633	-	402,633
Total Other Financing Sources (Uses)	(1,921,982)	(472,026)	830,790	(358,196)	2,393,259	(172,764)	299,081
Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other							
(Uses)	2,249,060	402,208	(90,405)	(2,728,283)	465,832	794,811	1,093,223
Fund Balance, October 1	4,708,365	1,857,371	731,479	2,728,283	16,904	3,865,268	13,907,670
Fund Balance, September 30	\$ 6,957,425	\$ 2,259,579	\$ 641,074	\$ -	\$ 482,736	\$ 4,660,079	\$ 15,000,893

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended September 30, 2022

Net change in fund balances - total governmental funds	\$ 1,093,223
Amounts reported for governmental activities in the Statement of Activities are different because:	
Internal Service Fund receipts and disbursements are included in the Statement of Activities	12,957
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense. The following is the detail of the amount by which capital outlay exceeded depreciation for the year.	
Capital outlay	4,756,511
Depreciation	(1,515,008)
	3,241,503
The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the statement of activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net affect of these differences.	
Repayment of principal on debt	1,515,296
Debt proceeds	(402,633)
Change in accrued interest payable	7,582
	1,120,245
Some expenses reported in the statement of activities do not require the use of current	
financial resources and therefore are not reported as expenditures in the governmental funds:	
Change in pension related costs	631,959
Change in compensated absences	34,744
	666,703
Change in Net Position of Governmental Activities	\$ 6,134,631

Statement of Net Position – Proprietary Funds September 30, 2022

	Water and Sewer Fund	Internal Service Fund	
Assets			
Current Assets			
Cash and cash equivalents	\$ 5,662,072	\$ 37,005	
Utilities receivable, net	504,997	-	
Leases receivable -current	14,031	-	
Interest receivable	7,636	-	
Other accounts receivable	17,291	-	
Prepaid expenses	117,547	_	
Total Current Assets	6,323,574	37,005	
Noncurrent Assets			
Restricted cash and cash equivalents	382,176	-	
Net pension asset	787,800	-	
Leases receivable - noncurrent Capital assets	378,784	-	
Nondepreciable	1,289,686	_	
Depreciable, net	18,353,341	_	
Total Noncurrent Assets	21,191,787		
Total Assets	27,515,361	37,005	
Deferred Outflow of Resources			
Deferred pension outflow	7,564	-	
Liabilities			
Current Liabilities			
Accounts payable	404,873	3,655	
Accrued expenses	24,347	-	
Accrued interest payable	30,532	-	
Meter deposits payable	70,995	-	
Unearned revenue	59,507	-	
Current maturities of long-term debt	801,446		
Total Current Liabilities	1,391,700	3,655	
Long-Term Liabilities			
Revenue bonds payable	7,218,700	-	
Compensated absences payable	36,980		
Total Long-Term Liabilities	7,255,680		
Total Liabilities	8,647,380	3,655	
Deferred Inflow of Resources			
Deferred lease inflow	392,727	-	
Deferred pension inflow	124,798 517,525		
Net Position			
Net investment in capital assets	11,622,881	-	
Restricted for debt service	251,674	-	
Unrestricted	6,483,465_	33,350	
Total Net Position	\$ 18,358,020	\$ 33,350	

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds Year Ended September 30, 2022

	Water and Sewer Fund	Internal Service Fund		
Operating Revenues				
Charges for services				
Water and sewer	\$ 5,440,662	\$ -		
Employer insurance contributions	-	702,889		
Employee insurance contributions	<u> </u>	132,488		
Total Operating Revenues	5,440,662	835,377		
Operating Expenses				
Personnel services	888,817	-		
Contractual services	1,722,011	-		
Repairs and maintenance	375,923	-		
Supplies	133,766	-		
Utilities	647,119	-		
Insurance	106,786	-		
Depreciation	886,087	-		
Miscellaneous	7,575	-		
Insurance claims and premiums	- · · · · · · · · · · · · · · · · · · ·	844,555		
Total Operating Expenses	4,768,084	844,555		
Operating Income (Loss)	672,578	(9,178)		
Nonoperating Revenues (Expenses)				
Interest income	35,684	-		
Other revenue	42,318	-		
Intergovernmental revenues	911,251	-		
Interest expense	(176,949)	-		
Total Nonoperating Revenues (Expenses)	812,304			
Income (Loss) Before Operating Transfers	1,484,882	(9,178)		
Net Operating Transfers In	148,068	22,135		
Net Income	1,632,950	12,957		
Net Position, October 1	16,725,070_	20,393		
Net Position, September 30	\$ 18,358,020	\$ 33,350		

Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2022

	Water and Sewer Fund	Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 4,754,321	\$ 835,377
Cash paid to suppliers	(2,370,249)	(866,690)
Cash paid to employees	(912,865)	-
Other cash received for nonoperating revenues	42,318	<u> </u>
Net Cash Provided (Used) by Operating Activities	1,513,525	(31,313)
Cash Flows from Noncapital Financing Activities		
Operating transfers from other funds	148,068	22,135
Net Cash Provided by Noncapital Financing Activities	148,068	22,135
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(1,423,152)	-
Payment of principal on debt	(53,719)	=
Payment of principal on bonds	(751,000)	=
Grant proceeds	911,251	=
Payment of interest expense	(180,429)	
Net Cash (Used) by Capital and Related Financing Activities	(1,497,049)	-
Cash Flows from Investing Activities		
Interest received on investments	35,684	<u> </u>
Net Cash Provided by Investing Activities	35,684	-
Net Increase (Decrease) in Cash and Cash Equivalents	200,228	(9,178)
Cash and Cash Equivalents, Beginning of year	5,844,020	46,183
Cash and Cash Equivalents, End of year	6,044,248	37,005
Less Restricted Cash and Cash Equivalents	(382,176)	
Unrestricted Cash and Cash Equivalents	\$ 5,662,072	\$ 37,005
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 672,578	\$ (9,178)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	886,087	-
(Increase) decrease in	,	
Utilities receivable	(45,401)	-
Other accounts receivable	(400,451)	_
Prepaid expenses	(19,319)	-
Net pension asset	315,360	-
Deferred pension outflow	9,180	-
Increase (decrease) in		
Accounts payable	249,523	2
Accrued expenses	3,065	-
Meter deposits payable	1,415	-
Deferred pension inflow	(357,657)	-
Deferred lease inflow	392,727	-
Unearned revenue	(241,904)	-
Compensated absences	6,004	-
Other cash received for nonoperating revenues	42,318	
Net Cash Provided (Used) by Operating Activities	\$ 1,513,525	\$ (31,313)

Notes to the Financial Statements
September 30, 2022

1. Summary of Significant Accounting Policies

The City of Neosho, Missouri, (the City) adopted a home rule charter in 1973 and operates under the Council/City Manager form of government. The City provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public works, planning, and general administrative services. Other services include water and sewer operations and golf course.

The accounting policies of the City conform to 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 laws of the State of Missouri and is a primary government, which is governed by an elected council. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the financial statements. In addition, the City is not aware of any entity for which the City would be considered as a component unit of that entity.

Basis of Presentation

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

Government-Wide Financial Statements

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Notes to the Financial Statements September 30, 2022

Fund Financial Statements

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories. Governmental resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The emphasis in fund financial statements is on the major funds.

Governmental Fund Types: The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This means that the emphasis is on near-term inflows and outflows of resources and does not present the long-term impact of transactions. It is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance identifying categories that required conversion from the fund statements.

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 another fund.

Street Sales Tax Fund: The Street Sales Tax Fund accounts for sales tax revenues that are restricted, committed, or assigned for the purpose of funding street maintenance, improvements, and indebtedness.

Fire Sales Tax Fund: The Fire Sales Tax Fund accounts for sales tax revenues that are restricted, committed, or assigned for the purpose of funding fire department operations.

Tax Increment Financing Fund: The Tax Increment Financing Fund accounts for activities associated with infrastructure improvements within the identified redevelopment area.

Economic Development Sales Tax Fund: The Economic Development Sales Tax Fund accounts for sales tax revenues that are restricted, committed, or assigned for the purpose of funding economic development.

Proprietary Fund Types: The focus of proprietary fund measurement is upon determination of operating income, changes in net position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses, and depreciation on capital assets.

The City reports the following major proprietary funds:

Water and Sewer Fund: The Water and Sewer Fund is an enterprise fund and accounts for the activities and capital improvements of the City's water and sewer system which provides services to the residents of the City.

Internal Service Fund: The Internal Service Fund is used to account for the accumulation of resources used to fund claims under the City's health insurance plan.

Notes to the Financial Statements
September 30, 2022

Unearned Revenue

This is future grant revenue received in advance of corresponding grant expenses. These revenues will be recognized as income when the grant expenses are incurred.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the city elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Major moveable equipment	2-10 years
Sewer mains, lines and treatment plant	30-50 years
Water wells, mains and lines	15-40 years
Buildings and improvements	10-50 years
Streets	25 years
Bridges	50 years
Traffic lights and signals	25 years
Land improvements	25 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Pooled Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in interest-bearing accounts.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Inventory usage is recognized on the consumption method.

Revenue Recognition

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.

Notes to the Financial Statements
September 30, 2022

Compensated Absences

The City's vacation policy grants an employee two weeks of vacation after one year of service and three weeks of vacation after ten years. Vacations not taken within one year are forfeited unless written permission is granted to carry unused vacation forward. Unused vacation at termination of employment is paid to the terminated employee provided proper notice was given by the employee.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 City Council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Council 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.

Notes to the Financial Statements September 30, 2022

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

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 Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Operating Revenues and Expenses

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

Bond Premium

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has two items that qualify for reporting in this category, deferred amounts relating to the retirement plan and deferred amounts relating to debt refunding.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of this item that qualify for reporting in this category, deferred pension inflow relating to the retirement plan and deferred lease inflows. Deferred pension inflows are amounts are recognized as an inflow of

Notes to the Financial Statements
September 30, 2022

resources in the period that the amounts become available. Deferred lease inflows are recognized as an inflow of resources in the period that the amounts become available.

Pensions

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

New Pronouncement

The City implemented GASB Statement No. 87 – *Leases* during the year ended September 30, 2022. The objective of this pronouncement is to establish standards for the measurement, recognition, and display of lease obligations (lessee) and the measurement, recognition, and display of sums to be received from third parties where an entity is the lessor. While the application of the new pronouncement did not affect the City's net position or the net increase in net position for the year ended September 30, 2022, certain balances and other classifications were added that changed amounts previously reported.

2. Cash & Cash Equivalents

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 September 30, 2022, all bank balances on deposit were entirely insured or collateralized.

Notes to the Financial Statements
September 30, 2022

3. Restricted Cash & Cash Equivalents

Cash and cash equivalents have been restricted in the following funds as of September 30, 2022:

	Restricted Cash and Cash Equivalents	
General Fund		
Court bonds	\$ 11,885	
Police evidence	13,673	
Deposits held	5,640	
Donated police rewards	19,832	
Unearned grant revenue	 1,655,041	
	\$ 1,706,071	
Street Sales Tax Fund	 _	
TDD Funds	\$ 88,528	
Nonmajor Governmental Funds		
Auditorium deposits held	\$ 8,200	
Golf donations	11,965	
Police donations	1,464	
2012A/B COP reserve trust fund	1,504	
2016 COP reserve trust fund	 303,677	
	\$ 326,810	

Water and Sewer Fund

Restricted assets and restricted net position consist of the following at September 30, 2022:

	Restricted Cash and Cash Equivalents			Restricted Net Position	
Water and Sewer Fund					
Meter deposits	\$	70,995	\$	-	
Unearned grant revenue		59,507		-	
2009B Bond principal and interest trust funds		82,301		82,301	
2011 Bond principal and interest trust funds		138,790		138,790	
2012A COP reserve trust fund	30,583			30,583	
	\$	382,176	\$	251,674	

Notes to the Financial Statements
September 30, 2022

4. Assessed Valuation, Tax Levy, & Legal Debt Margin

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

	 2021
Assessed Valuation	
Real estate	\$ 131,671,920
Personal property	38,671,569
Total	\$ 170,343,489
Tax Rate Per \$100 of Assessed Valuation	
General Fund (Real Property)	\$.3523

The legal debt margin at September 30, 2022, was computed as follows:

	General Obligation Bonds					
	Ordinary (1)	Additional (2)	Total			
Constitutional Debt Limit	\$ 17,034,349	\$ 17,034,349	\$ 34,068,698			
General Obligation Bonds Payable Legal Debt Margin	\$ 17,034,349	\$ 17,034,349	\$ 34,068,698			

- (1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes 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 a 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, construction, 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.

Notes to the Financial Statements
September 30, 2022

5. Accounts Receivable

Accounts receivable is presented net of an allowance for doubtful accounts as follows:

	Gross		Net			
	Receivable		Allowance		Receivable	
Taxes Receivable		_				
General Fund	\$	952,578	\$	-	\$	952,578
Street Sales Tax Fund		211,904		-		211,904
Fire Sales Tax Fund		141,270		-		141,270
Economic Development Sales Tax Fund		70,634		-		70,634
Nonmajor Governmental Funds		423,835		-		423,835
	\$	1,800,221	\$	-	\$	1,800,221
Utilities Receivable						
Water and Sewer Fund		506,030	\$	1,033	\$	504,997
Other Accounts Receivable						
General Fund	\$	27,660	\$	-	\$	27,660
Golf Fund		5,237		-		5,237
Water and Sewer Fund		17,291				17,291
	\$	50,188	\$	-	\$	50,188
Court Fines Receivable						
General Fund	\$	430,989	\$	394,633	\$	36,356
Intergovernmental Receivable						
General Fund	\$	87,600	\$	-	\$	87,600
Nonmajor Governmental Funds		51,487		-		51,487
	\$	139,087	\$	-	\$	139,087

Notes to the Financial Statements
September 30, 2022

Long-Term Debt – Business-Type Activities

The business-type activities long-term debt at September 30, 2022, consists of the Series 2009B and 2011 revenue bond issues, a portion of the 2012A certificates of participation, a portion of a financed purchase, and compensated absences payable.

Waterworks Refunding and Improvement Revenue Bonds - Direct Loan Program

On December 19, 2011, the City approved issuing the Series 2011 waterworks refunding and improvement revenue bonds (State of Missouri - Direct Loan Program) in the maximum principal of \$9,425,000 for the purpose of refunding the Series 2010A revenue bonds and to fund waterworks system improvements. Bonds were issued as the project progressed, and prior to September 30, 2022, all of the bonds have been issued. In the event of default, after 60 days, Owners of not less than 10% may take legal action. Any amounts paid on the Bonds to the Owners will be applied first to interest and second to principal. Bonds outstanding at September 30, 2022, are due as follows:

Year Ended		Direct Placement				
September 30,	Princ	cipal	Interest		Total	
2023	\$ 4	74,000 \$	81,012	\$	555,012	
2024	4	84,000	73,816		557,816	
2025	4	93,000	66,478		559,478	
2026	5	03,000	58,996		561,996	
2027	5	13,000	51,363		564,363	
2028	5	24,000	43,571		567,571	
2029	5	35,000	35,621		570,621	
2030	5-	45,000	27,504		572,504	
2031	5	57,000	19,230		576,230	
2032	5	67,000	10,781		577,781	
2033	2	88,000	2,174		290,174	
	\$ 5,4	83,000 \$	470,546	\$	5,953,546	

Notes to the Financial Statements
September 30, 2022

Sewerage System Refunding and Improvement Revenue Bonds – ARRA Direct Loan Program

On November 10, 2009, the City approved issuing the Series 2009B sewerage system refunding and improvement revenue bonds (State of Missouri - Direct Loan Program - ARRA) in the maximum principal of \$5,488,800 for the purpose of refunding the Series 2009A revenue bonds and to provide funding for sewerage system improvements. The bonds bear interest at 1.51%. Principal and interest payments are due January 1 and July 1 of each year. In the event of default, after 60 days, Owners of not less than 10% may take legal action. Any amounts paid on the Bonds to the Owners will be applied first to interest and second to principal. The bonds outstanding at September 30, 2022, are due as follows:

Year Ended		Direct Placement					
September 30,	F	Principal		Interest		Total	
2023	\$	292,600	\$	36,685	\$	329,285	
2024		298,300		32,246		330,546	
2025		304,100		27,720		331,820	
2026		310,100		23,105		333,205	
2027		316,100		18,400		334,500	
2028		322,300		13,604		335,904	
2029		328,600		8,714		337,314	
2030		330,200		3,727		333,927	
	\$	2,502,300	\$	164,201	\$	2,666,501	

Certificates of Participation

In 2012, the City issued \$320,000 in Certificates of Participation, Series 2012A for the purpose of refunding a portion of the Series 2003 Certificates of Participation. \$305,000 of the \$320,000 outstanding certificates was recorded as long-term debt within the business-type activities and \$15,000 was recorded in the governmental activities of the City. The Certificates of Participation bear interest at various rates ranging from 2.125% to 3.250% with principal payments due each May 1, and interest payments due May 1 and November 1 of each year. The certificates outstanding at September 30, 2022, are due as follows:

Year Ended						
September 30,	P	rincipal	Int	erest	,	Total
2023	\$	30,000	\$	975	\$	30,975
Amount recorded in:						
Water and Sewer Fund/Business-Type Activities					\$	28,594
Governmental Activities						1,406
Total					\$	30,000

Notes to the Financial Statements
September 30, 2022

Financed Purchase

On July 5, 2018, the City entered into a financed purchase agreement to finance the purchase of public safety equipment. Of the \$559,674 issued, \$29,988 was recorded as long-term debt within the business-type activities and \$529,686 in the governmental activities of the City. The agreement requires annual lease payments of \$120,588 with interest at 3.20%. In the event of default, the Seller may declare all rental payments immediately due and payable and/or retake possession of the equipment at the expense of the City. The following is a schedule of future minimum lease payments under the financed purchase agreement:

Year Ended		Direct Borrowing						
September 30,	P	Principal	In	terest	,	Total		
2023	\$	116,692	\$	3,896	\$	120,588		
Amount recorded in: Water and Sewer Fund/Business-Type Activities Governmental Activities					\$	6,252 110,440		
Total					\$	116,692		

Although the financed purchase provides for the cancellation of the financed purchase if the City should fail to appropriate funds at the annual renewal date, the City does not foresee exercising its options to cancel. Therefore, the financed purchase is accounted for as noncancellable financed purchase in accordance with GASB Section L20, "Leases."

A summary of the changes in long-term debt of the business-type activities for the year ended September 30, 2022, is as follows:

	Balance September 30,			Balance September 30,	Amounts Due Within
	2021	Additions	Retirements	2022	One Year
Direct Placements					
Revenue Bonds					
2009B Revenue Bonds - ARRA					
Direct Loan Program	\$ 2,789,300	\$ -	\$ 287,000	\$ 2,502,300	\$ 292,600
2011 Revenue Bonds - Direct					
Loan Program	5,947,000	-	464,000	5,483,000	474,000
Certificates of Participation					
2012A Certificates of Participation	76,250	-	47,656	28,594	28,594
Direct Borrowing					
Financed Purchase					
Equipment	12,315	-	6,063	6,252	6,252
Compensated Absences Payable	30,976	6,004		36,980	
Total	\$ 8,855,841	\$ 6,004	\$ 804,719	\$ 8,057,126	\$ 801,446

Notes to the Financial Statements
September 30, 2022

7. Long-Term Debt – Governmental Activities

Long-term debt for governmental activities at September 30, 2022, consists of a portion of the 2012A certificates of participation; the 2016 certificates of participation; the 2021 special obligation refunding bonds; a portion of a financed purchase; two financed purchases; and compensated absences payable.

Certificates of Participation

On February 5, 2016, the City issued \$4,040,000 in Certificates of Participation, Series 2016 for the purpose of providing funds to advance refund the Series 2006A and 2006B Certificates of Participation. The Certificates of Participation bear interest between 2.00% and 3.00% with principal payments due May 1 and interest payments due May 1 and November 1 of each year. In the event of default, the Trustee may declare all payments to be due; sell, lease, or take possession of the property; or take whatever action at law or in equity deemed necessary. The certificates outstanding at September 30, 2022, are due as follows:

Year Ended September 30,	 Principal	I	nterest	 Total
2023	\$ 190,000	\$	57,200	\$ 247,200
2024	190,000		51,500	241,500
2025	190,000		46,987	236,987
2026	185,000		42,475	227,475
2027	200,000		37,387	237,387
2028	205,000		31,888	236,888
2029	215,000		26,250	241,250
2030	225,000		19,800	244,800
2031	 435,000		13,050	448,050
	\$ 2,035,000	\$	326,537	\$ 2,361,537

Bonds

On February 9, 2021, the City issued \$3,075,000 in Series 2021 Special Obligation Refunding Bonds for the purpose of refunding the 2014A Certificates of Participation and the 2013 Special Obligation Refunding Bonds. The bonds bear interest at 2.0% with principal payments due April 1 and interest payments due April 1 and October 1 each year. In the event of default, after 60 days, Owners of not less than 10% may take legal action. The bonds outstanding at September 30, 2022, are due as follows:

Year Ended							
September 30,	<u>P</u>	Principal Intere		nterest	Total		
2023	\$	455,000	\$	38,450	\$	493,450	
2024		470,000		29,200		499,200	
2025		480,000		19,700		499,700	
2026		505,000		9,850		514,850	
2027		240,000		2,400		242,400	
	\$	2,150,000	\$	99,600	\$	2,249,600	

Notes to the Financial Statements
September 30, 2022

Financed Purchases

In April 2019, the City entered into a financed purchase obligation to purchase mower equipment for the golf course in the amount of \$126,055. The financed purchase requires monthly payments of \$2,351 through April 2024. The stated interest rate on the lease is 4.5%. In the event of default, the seller may declare all remaining payments immediately due and payable, retake possession of the equipment, or sell, lease, or sublease the equipment with the City remaining liable for the full remaining financed purchase payments. The financed purchase outstanding at September 30, 2022, is due as follows:

Year Ended			Direct	Borrowing	ng					
September 30,	Pr	incipal	Interest		Total					
2023	\$	27,396	\$	813	\$	28,209				
2024		16,212		244		16,456				
	\$	43,608	\$	1,057	\$	44,665				

In December 2021, the City entered into a financed purchase to purchase Motorola radio equipment in the amount of \$402,633. The lease requires annual payments of \$142,184 through May 2025. The stated interest rate is 2.51%. In the event of default, the seller may stop work on the project until a customer cure plan is approved or retake possesion. The financed purchase outstanding as of September 30, 2022, is due as follows:

Year Ended				
September 30,	P	rincipal	 nterest	 Total
2023	\$	128,625	\$ 13,559	\$ 142,184
2024		135,306	6,878	142,184
2025		138,702	3,481	142,183
	\$	402,633	\$ 23,918	\$ 426,551

Notes to the Financial Statements September 30, 2022

A summary of the changes in long-term debt – governmental activities for the year ended September 30, 2022, is as follows:

	Balance September 30,			Balance September 30,	Amounts Due Within
	2021	Additions	Retirements	2022	One Year
Direct Borrowings					
Financed Purchase Obligations					
Motorola Equipment	\$ -	\$ 402,633	\$ -	\$ 402,633	\$ 128,625
Equipment	217,528	-	107,088	110,440	110,440
Golf Course Mowers	68,680	-	25,072	43,608	27,396
Ladder Truck	699,270		699,270		
	985,478	402,633	831,430	556,681	266,461
Certificates of Participation					
Series 2012A	3,750	-	2,344	1,406	1,406
Series 2016	2,255,000		220,000	2,035,000	190,000
	2,258,750	-	222,344	2,036,406	191,406
Less: Deferred loss on debt					
refundings	(63,416)		(9,772)	(53,644)	
	2,195,334	-	212,572	1,982,762	191,406
Special Obligation Refunding Bonds					
Series 2021	2,600,000	-	450,000	2,150,000	455,000
Premium on Series 2021	117,116		21,294	95,822	
	2,717,116	-	471,294	2,245,822	455,000
Compensated Absences Payable	251,228		34,744	216,484	
Total	\$ 6,149,156	\$ 402,633	\$ 1,550,040	\$ 5,001,749	\$ 912,867

Notes to the Financial Statements
September 30, 2022

8. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance					Balance
	September 3	30,				September 30,
	2021		Additions		eletions	2022
Governmental Activities				•		
Non-Depreciable Capital Assets						
Land	\$ 9,560,16	53 \$	-	\$	-	\$ 9,560,163
Construction in progress	568,79	98	3,068,704		486,020	3,151,482
Total Non-Depreciable Capital Assets	10,128,96	51 \$	3,068,704	\$	486,020	12,711,645
Depreciable Capital Assets						
Land improvements	655,86	57 \$	-	\$	-	655,867
Building and improvements	10,425,54	14	405,547		-	10,831,091
Machinery and equipment	8,525,02	27	734,435		223,913	9,035,549
Golf course infrastructure	3,502,69	90	-		-	3,502,690
Infrastructure	32,186,33	10	1,033,845			33,220,155
Total Depreciable Capital Assets	55,295,43	38 \$	2,173,827	\$	223,913	57,245,352
Less Accumulated Depreciation	36,044,08	33 \$	1,515,008	\$	223,913	37,335,178
Total Depreciable Capital Assets, Net	19,251,35	55_				19,910,174
Total Capital Assets - Governmental						
Activities, Net	\$ 29,380,32	16				\$ 32,621,819

Notes to the Financial Statements September 30, 2022

Depreciation expense	for governmental	activities was	charged to	functions as follov	vs:

Administration							\$	26,048
Auditorium								164,826
Development services								3,765
Police								133,980
Fire								193,389
Emergency management								13,722
Recycling								4,217
Senior center								26,216
Golf course								51,537
Court								1,200
Airport								142,603
Parks								104,166
Recreation								3,653
Drainage								62,827
Street								582,859
							\$	1,515,008
		D. I						D.L.
	C-	Balance					C	Balance
	5e	ptember 30,		A dditi a ma	_	alations	Sel	otember 30,
Dualinasa Tuna Antivitias		2021		Additions		eletions		2022
Business-Type Activities								
Water and Sewer								
Non-Depreciable Capital Assets Land	\$	476 207	۲.		\$	18,720	\$	157,577
Lanu								
Construction in progress	ڔ	176,297	\$	1 004 041	Ą		۲	
Construction in progress		132,708		1,084,941		85,540		1,132,109
Construction in progress Total Non-Depreciable Capital Assets			\$	1,084,941 1,084,941	\$		<u> </u>	
Total Non-Depreciable Capital Assets		132,708				85,540	—	1,132,109
Total Non-Depreciable Capital Assets Depreciable Capital Assets		132,708 309,005	\$		\$	85,540	· ·	1,132,109 1,289,686
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings		132,708 309,005 163,900		1,084,941		85,540		1,132,109 1,289,686 163,900
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment		132,708 309,005 163,900 14,434,355	\$	1,084,941 - 436,321	\$	85,540	-	1,132,109 1,289,686 163,900 14,870,676
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment Sewer plant and equipment		132,708 309,005 163,900 14,434,355 27,736,432	\$	- 436,321 6,150	\$	85,540		1,132,109 1,289,686 163,900 14,870,676 27,742,582
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment		132,708 309,005 163,900 14,434,355	\$	1,084,941 - 436,321	\$	85,540		1,132,109 1,289,686 163,900 14,870,676
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment Sewer plant and equipment Total Depreciable Capital Assets		132,708 309,005 163,900 14,434,355 27,736,432 42,334,687	\$	- 436,321 6,150 442,471	\$ \$	85,540		1,132,109 1,289,686 163,900 14,870,676 27,742,582 42,777,158
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment Sewer plant and equipment Total Depreciable Capital Assets Less Accumulated Depreciation		132,708 309,005 163,900 14,434,355 27,736,432 42,334,687 23,537,730	\$	- 436,321 6,150	\$	85,540		1,132,109 1,289,686 163,900 14,870,676 27,742,582 42,777,158 24,423,817
Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment Sewer plant and equipment Total Depreciable Capital Assets Less Accumulated Depreciation Total Depreciable Capital Assets, Net		132,708 309,005 163,900 14,434,355 27,736,432 42,334,687	\$	- 436,321 6,150 442,471	\$ \$	85,540		1,132,109 1,289,686 163,900 14,870,676 27,742,582 42,777,158
Total Non-Depreciable Capital Assets Depreciable Capital Assets Buildings Water plant and equipment Sewer plant and equipment Total Depreciable Capital Assets Less Accumulated Depreciation		132,708 309,005 163,900 14,434,355 27,736,432 42,334,687 23,537,730	\$	- 436,321 6,150 442,471	\$ \$	85,540		1,132,109 1,289,686 163,900 14,870,676 27,742,582 42,777,158 24,423,817

Notes to the Financial Statements
September 30, 2022

9. Employee Pension Plan

General Information about the Pension Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City 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.

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 and fire) 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 fire) and receive a reduced allowance.

	2022 Valuation
Benefit Multiplier	1.50% for life, plus 0.50% to age 65
Final Average Salary	3 years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2022, the following employees were covered by the benefit terms:

General	Police	Fire	lotai
58	17	18	93
41	22	12	75
50	23	22	95
149	62	52	263
	41 50	58 17 41 22 50 23	58 17 18 41 22 12 50 23 22

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 4.2% (General), 6.7% (Police), and 10.5% (Fire) of annual covered payroll.

Notes to the Financial Statements September 30, 2022

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

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

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation (General); 2.75% to 6.55% including wage inflation (Police); 2.75% to 7.15% including
	wage inflation (Fire)
Investment rate of return	7.00% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

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

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

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

Target	Long-Term Expected
Allocation	Real Rate of Return
15.00%	3.67%
35.00%	4.78%
31.00%	1.41%
36.00%	3.29%
8.00%	5.25%
-25.00%	-0.29%
	Allocation 15.00% 35.00% 31.00% 36.00% 8.00%

Notes to the Financial Statements September 30, 2022

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Asset

	Increase (Decrease)										
	Lial	Pension bility a)		nn Fiduciary et Position (b)	Net Pension (Asset) (a) - (b)						
General Division	<u> </u>										
Balances at beginning of year	\$	7,915,672	\$	11,160,260	\$	(3,244,588)					
Changes for the year				_							
Service cost		201,999		-		201,999					
Interest		546,876		-		546,876					
Difference between expected											
and actual experiences		(28,103)		-		(28,103)					
Contributions - employer		-		77,021		(77,021)					
Net investment income		-		7,218		(7,218)					
Benefits paid, including refunds		(411,852)		(411,852)		-					
Administrative expenses		-		(15,359)		15,359					
Other changes		-		(67,696)		67,696					
Net Changes		308,920		(410,668)		719,588					
Balances at end of year		8,224,592		10,749,592		(2,525,000)					

Notes to the Financial Statements

September 30, 2022

		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Police Division			(6) (6)
Balances at beginning of year	3,817,147	5,207,547	(1,390,400)
Changes for the year			
Service cost	125,834	-	125,834
Interest	267,893	-	267,893
Difference between expected			
and actual experiences	72,240	-	72,240
Contributions - employer	-	74,306	(74,306)
Net investment income	-	4,067	(4,067)
Benefits paid, including refunds	(105,713)	(105,713)	-
Administrative expenses	-	(4,973)	4,973
Other changes		(10,188)	10,188
Net Changes	360,254	(42,501) 5,165,046	402,755
Balances at end of year	4,177,401	3,103,040	(987,645)
Fire Division			
Balances at beginning of year	5,678,734	7,825,790	(2,147,056)
Changes for the year			
Service cost	142,000	-	142,000
Interest	391,398	-	391,398
Difference between expected			
and actual experiences	27,124	-	27,124
Contributions - employer	-	108,830	(108,830)
Net investment income	-	7,517	(7,517)
Benefits paid, including refunds	(319,677)	(319,677)	-
Administrative expenses	-	(5,857)	5,857
Other changes	-	(70,675)	70,675
Net Changes	240,845	(279,862)	520,707
Balances at end of year	5,919,579	7,545,928	(1,626,349)
Total Plan Balances at end of year	\$ 18,321,572	\$ 23,460,566	\$ (5,138,994)

Notes to the Financial Statements September 30, 2022

The Net Pension (Asset) is allocated as follows:

Net Pension
(Asset)

Governmental Activities

\$ (4,351,194)
Business-Type Activities

(787,800)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following present the Net Pension Asset of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Asset would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

(5,138,994)

	Current Single Discount Rate									
	1	% Decrease	A	Assumption	1% Increase					
		6.00%		7.00%	8.00%					
General Division										
Total Pension Liability	\$	9,382,177	\$	8,224,592	\$	7,276,650				
Fiduciary Net Position		10,749,592		10,749,592		10,749,592				
Net Pension (Asset)		(1,367,415)		(2,525,000)		(3,472,942)				
Police Division										
Total Pension Liability		4,875,300		4,177,401		3,615,279				
Fiduciary Net Position		5,165,046		5,165,046		5,165,046				
Net Pension (Asset)		(289,746)	'	(987,645)		(1,549,767)				
Fire Division										
Total Pension Liability		6,809,291		5,919,579		5,195,235				
Fiduciary Net Position	_	7,545,928		7,545,928		7,545,928				
Net Pension (Asset)		(736,637)		(1,626,349)		(2,350,693)				
Total Net Pension (Asset)	\$	(2,393,798)	\$	(5,138,994)	\$	(7,373,402)				

Notes to the Financial Statements
September 30, 2022

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

For the year ended 2022, the employer recognized pension credits of \$187,758 in the general division, \$41,843 in the police division and \$160,221 in the fire division. The employer reported deferred outflows and inflows of resources to be recognized in future pension expenses from the following sources:

	Ou	eferred tflows of esources	ı	Deferred nflows of Resources	Net Deferred Outflows of Resources		
General Division							
Differences in experiences	\$	2,063	\$	(108,567)	\$	(106,504)	
Assumption changes		-		(68,349)		(68,349)	
Differences in investment returns		-		(223,078)		(223,078)	
Contributions subsequent to							
the measurement date*		22,180				22,180	
		24,243		(399,994)		(375,751)	
Police Division							
Differences in experiences		89,344		(49,177)		40,167	
Assumption changes		-		(16,349)		(16,349)	
Differences in investment returns		-		(101,156)		(101,156)	
Contributions subsequent to							
the measurement date*		21,394				21,394	
		110,738		(166,682)		(55,944)	
Fire Division							
Differences in experiences		66,129		(310,577)		(244,448)	
Assumption changes		17,583		(54,421)		(36,838)	
Differences in investment returns		-		(233,677)		(233,677)	
Contributions subsequent to							
the measurement date*		31,334				31,334	
		115,046		(598,675)		(483,629)	
Total	\$	250,027	\$	(1,165,351)	\$	(915,324)	

Notes to the Financial Statements September 30, 2022

Deferred outflows and inflows have been allocated as follows:

		Deferred Outflows of		Deferred	Net Deferred (Inflows) of Resources		
				(Inflows) of			
	Resources			Resources			
Governmental Activities	\$	242,463	\$	(1,040,553)	\$	(798,090)	
Business-Type Activities		7,564		(124,798)		(117,234)	
	\$	250,027	\$	(1,165,351)	\$	(915,324)	

^{*}The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the Net Pension Asset for the year ending September 30, 2023.

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

Year Ending	Net Deferred Outflows (Inflows) of Resources									
September 30,		General		Police		Fire			Total	
2023		\$	(201,556)	\$	(23,852)	\$	(180,242)	\$	(405,650)	
2024			(139,607)		(38,921)		(169,079)		(347,607)	
2025			(208,694)		(89,220)		(220,227)		(518,141)	
2026			151,926		74,655		71,627		298,208	
2027			-		-		(16,451)		(16,451)	
Thereafter			-				(591)		(591)	
	Total	\$	(397,931)	\$	(77,338)	\$	(514,963)	\$	(990,232)	

10. Risk Management

The City is exposed to various risks of losses 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 a public self-insured insurance pool. 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.

11. Lease Receivable

The City, as a Lessor, has entered into two lease agreements for tower and land usage and three leases for hangar land rentals, the terms of which expire between 2039 through 2071. The City recognizes a lease receivable and a deferred inflow of resources. Lease and interest revenue recognized under the agreements during the year ended September 30, 2022, was \$43,854 and \$12,608, respectively.

Notes to the Financial Statements September 30, 2022

Below is a schedule of future payments that are included in the measurements of the lease receivable:

Year Ended							
September 30,	Principal		Interest		Total		
2023	\$	15,131	\$	15,480	\$	30,611	
2024		15,631		15,020		30,651	
2025		19,146		14,545		33,691	
2026		19,770		13,962		33,732	
2027		20,413		13,361		33,774	
2028-2032		112,454		57,077		169,531	
2033-2037		131,883		38,830		170,713	
2038-2042		88,052		18,769		106,821	
2043-2047		10,636		12,522		23,158	
2048-2052		12,354		10,803		23,157	
2053-2057		14,351		8,807		23,158	
2058-2062		16,670		6,487		23,157	
2063-2067		19,365		3,793		23,158	
2068-2071		13,090		804		13,894	
	\$	508,946	\$	230,260	\$	739,206	
Amount recovered in:							
Water and Sewer Fund/Business-Type Activities	\$	392,815					
General Fund/Governmental-Type Activities	ڔ	116,131					
Total	\$	508,946					
IUlai	Ş	300,940					

Notes to the Financial Statements
September 30, 2022

12. Interfund Transfers

Interfund transfers for the year ended September 30, 2022, consisted of the following:

	1	Transfers In	Tra	ansfers Out
General Fund	\$	28,433	\$	1,987,921
Hotel/Motel Tax Fund		-		20,020
Golf Fund		495,893		274,173
Street Sales Tax Fund		-		472,026
Fire Sales Tax Fund		1,683,724		858,529
Tax Increment Financing Fund		-		358,196
D.A.R.E Fund		-		540
Drainage Sales Tax Fund		54,540		155,828
Parks Sales Tax Fund		35,000		482,333
Auditorium Fund		-		265,554
Senior Center Sales Tax Fund		-		53,848
Economic Development Sales Tax Fund		2,267,076		300,000
Street/Bridge Sales Tax Fund		-		228,259
Police Grants Fund		2,467		-
2021 Bond Fund		497,500		-
2016 COP Fund		184,937		-
2012 COP Fund		37,454		-
Water and Sewer Fund		148,068		-
Internal Service Fund		22,135		
	\$	5,457,227	\$	5,457,227

Transfers are used 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, and (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.

13. 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. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of September 30, 2022, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

Notes to the Financial Statements
September 30, 2022

14. Debt Refunding Loss

On February 5, 2016, the City issued \$4,040,000 in Series 2016 Refunding Certificates of Participation with interest rates ranging from 2.00% to 3.00%. The City issued the certificates to refund \$4,420,000 of outstanding Series 2006A Refunding Certificates of Participation and \$290,000 of outstanding Series 2006B Refunding Certificates of Participation with interest rates ranging from 4.375% to 6.625%. The advance refunding resulted in the recognition of a deferred loss of \$122,048, which is the remaining deferred loss from the 2006 refunding, in the governmental activities. The deferred loss is amortized as an adjustment to interest expense through 2031.

A summary of the deferred loss on bond refunding is listed below:

	В	alance						В	Balance			
September 30,							urrent	September 30,				
		2021	Additions			Amo	rtization		2022			
Governmental Activities	\$	63,416	\$		-	\$	(9,772)	\$	53,644			

15. Commitments

At September 30, 2022, the City had the following commitments:

- Visu-Sewer of Missouri, LLC in the amount of \$70,438 for Timber Ridge Sewer Improvement project.
- Blevins Asphalt Company, Inc. in the amount of \$535,473 for 2022 Overlay project.
- Precision Industries, Inc. in the amount of \$719,345 for pumper fire truck.

16. Pledged Revenues

The City has pledged future water and sewer customer revenues to repay the Series 2009B and 2011 Revenue Bonds issued to improve and expend the system. The bonds are payable solely from customers net revenues and are payable through 2033. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds is \$7,985,300. Principal and interest paid for the current year and total customer net revenues were \$880,096 and \$1,558,665, respectively.

Notes to the Financial Statements

September 30, 2022

17. Restatement

During the current year, the City adopted GASB Statement No. 87 – *Leases*. Net Position of the Governmental Activities and Business-Type Activities and General Fund Balance have been restated to reflect application of the new pronouncement, however there was no net effect on net position or fund balance.

Governmental Activities	
Net Position, as previously stated, September 30, 2021	\$ 40,029,842
Lease receivable	45,669
Deferred lease inflows	(45,669)
Net Position, as restated, October 1, 2021	\$ 40,029,842
General Fund	
Fund Balance, as previously stated, September 30, 2021	\$ 4,708,365
Lease receivable	45,669
Deferred lease inflows	(45,669)
Fund Balance, as restated, October 1, 2021	\$ 4,708,365
Enterprise Activities	
Net Position, as previously stated, September 30, 2021	\$ 16,725,070
Lease receivable	414,294
Deferred lease inflows	(414,294)
Net Position, as restated, October 1, 2021	\$ 16,725,070

Required Supplementary Information

Schedule of Changes in Net Pension Asset and Related Ratios

Year Ended September 30, 2022

	Missouri	Local Governmer	nt Employees Reti	rement System (L	AGERS)			
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability		-						
Service cost	\$ 469,833	\$ 463,535	\$ 434,528	\$ 422,542	\$ 414,136	\$ 395,107	\$ 391,139	\$ 399,461
Interest on the total pension liability	1,206,167	1,230,083	1,153,185	1,105,875	1,069,610	1,047,617	1,004,497	974,376
Difference between expected and actual experience	71,261	(388,918)	217,265	(111,545)	(293,652)	(508,438)	(609,884)	(294,998)
Changes of assumptions	-	(274,489)	-	-	-	-	462,449	-
Benefit payments including refunds	(837,242)	(702,915)	(812,289)	(729,591)	(659,663)	(621,580)	(688,017)	(631,570)
Net Change in Total Pension Liability	910,019	327,296	992,689	687,281	530,431	312,706	560,184	447,269
Total Pension Liability, Beginning	17,411,553	17,084,257	16,091,568	15,404,287	14,873,856	14,561,150	14,000,966	13,553,697
Total Pension Liability, Ending	18,321,572	17,411,553	17,084,257	16,091,568	15,404,287	14,873,856	14,561,150	14,000,966
Plan Fiduciary Net Position								
Contributions - employer	260,157	227,618	222,362	245,465	264,039	261,400	293,632	317,093
Pension plan net investment income	18,802	5,324,546	249,192	1,289,199	2,118,438	1,860,492	(31,596)	323,289
Benefit payments, including refunds	(837,242)	(702,915)	(812,289)	(729,591)	(659,663)	(621,580)	(688,017)	(631,570)
Pension plan administrative expense	(26,189)	(23,731)	(31,328)	(28,254)	(19,379)	(18,290)	(17,749)	(19,946)
Other	(148,559)	(71,084)	(113,221)	(64,456)	(2,249)	(137,249)	16,467	(270,346)
Net Change in Plan Fiduciary Net Position	(733,031)	4,754,434	(485,284)	712,363	1,701,186	1,344,773	(427,263)	(281,480)
Plan Fiduciary Net Position, Beginning	24,193,597	19,439,163	19,924,447	19,212,084	17,510,898	16,166,125	16,593,388	16,874,868
Plan Fiduciary Net Position, Ending	23,460,566	24,193,597	19,439,163	19,924,447	19,212,084	17,510,898	16,166,125	16,593,388
Employer Net Pension (Asset)	\$ (5,138,994)	\$ (6,782,044)	\$ (2,354,906)	\$ (3,832,879)	\$ (3,807,797)	\$ (2,637,042)	\$ (1,604,975)	\$ (2,592,422)
Plan fiduciary net position as a percentage								
of the total pension liability	128.05%	138.95%	113.78%	123.82%	124.72%	117.73%	111.02%	119%
Covered payroll	\$ 3,903,520	\$ 4,116,999	\$ 3,891,193	\$ 3,633,974	\$ 3,619,993	\$ 3,527,826	\$ 3,364,217	\$ 3,553,838
Employer's net pension asset as a percentage of covered payroll	131.65%	164.73%	60.52%	105.47%	105.19%	74.75%	47.71%	72.95%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Schedule of Contributions

Year Ended September 30, 2022

Missouri Local Government Employees Retirement System (LAGERS)

											•	•	•							
		2022		2021		2020		2019		2018		2017		2016		2015		2014		2013
Actuarially determined contribution	\$	322,590	\$	243,478	\$	221,368	\$	244,224	\$	270,089	\$	259,473	\$	294,052	\$	312,806	\$	327,508	\$	350,617
Contributions in relation to the actuarially determined contribution		275 246		227.605		224 260		224.040		265.074		250 472		204.052		242.006		227 500		250.647
		275,216		227,685		221,368		234,819		265,974		259,473		294,052		312,806		327,508		350,617
Contribution deficiency	\$	47,374	\$	15,793	\$		\$	9,405	\$	4,115	\$	_	\$	-	\$		\$	_	\$	
Covered payroll	\$ 4	1,236,129	\$ 4	1,148,421	\$ 3	3,878,259	\$3	,809,377	\$ 3	3,730,002	\$ 3	3,632,303	\$ 3	3,606,430	\$ 3	3,682,580	\$ 3	3,694,022	\$3	,398,859
Contributions as a percentage of covered payroll		6.50%		5.49%		5.71%		6.16%		7.13%		7.14%		8.15%		8.49%		8.87%		10.32%
		0.5070		3.4370		5.71/0		0.1070		7.13/0		7.14/0		0.1370		0.4370		0.0770		10.32/0

Notes to Schedule of Contributions

Year Ended September 30, 2022

Valuation Date: February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022, to June 30, 2022, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: Level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period, or (ii) 15 years.

Remaining Amortization Period: Multiple bases from 13 to 15 years

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation (General)

2.75% to 6.55% including wage inflation (Police)

2.75% to 7.15% including wage inflation (Fire)

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

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

Other Information: None

Budgetary Comparison Schedule – General Fund

D	Original Budget	 Final Budget		Actual	Variance With Final Budget		
Revenues							
Taxes	420.000	402.000		404 750		(2.40)	
Property tax	\$ 430,000	\$ 482,000	\$	481,752	\$	(248)	
City sales tax	2,673,141	3,344,282		3,451,119		106,837	
Financial institution tax	500	500		1,145		645	
Utility franchise tax	676,000	784,557		807,628		23,071	
Cigarette tax	54,000	54,000		49,270		(4,730)	
Public safety tax	1,336,571	1,604,786		1,647,228		42,442	
	5,170,212	6,270,125		6,438,142		168,017	
Licenses and Permits							
Occupational licenses	31,500	48,900		48,821		(79)	
Building permits	83,000	119,448		118,182		(1,266)	
Animal licenses and fees	500	500		235		(265)	
Cemetery fees	 40,000	48,850		48,850			
	155,000	217,698		216,088		(1,610)	
Intergovernmental Revenues							
Grants	177,004	1,417,718		289,153		(1,128,565)	
Charges for Services							
Sanitation	85,000	104,897		104,897		-	
Airport fuel sales	85,500	249,350		249,465		115	
Recycling center fees	22,400	42,498		42,498		-	
Other	 222,845	227,957		231,324		3,367	
	 415,745	624,702		628,184		3,482	
Fines and Forfeitures							
City court fines	271,400	277,261		276,845		(416)	
Police training fees	2,000	4,168		4,168		-	
	273,400	281,429	•	281,013		(416)	
Miscellaneous							
Leases and rent income	84,820	92,588		82,144		(10,444)	
Interest	6,700	6,200		23,878		17,678	
Donations and other contributions	3,500	3,500		3,927		427	
Other	25,860	39,520		31,935		(7,585)	
	120,880	141,808		141,884		76	
Total Revenues	6,312,241	 8,953,480		7,994,464		(959,016)	

Budgetary Comparison Schedule – General Fund

	Original	Final		Variance With
- "	Budget	Budget	Actual	Final Budget
Expenditures				
Current	F22 42F	F4F 42C	404 407	FO 020
Administrative	523,435	545,426	494,487	50,939
Clerk/council	92,818	104,509	103,255	1,254
Development services	230,955	312,091	209,205	102,886
Police	2,294,613	2,292,406	2,092,443	199,963
Emergency management	19,024	19,024	17,590	1,434
Court	144,395	147,507	137,026	10,481
Airport	214,504	349,704	338,064	11,640
Recycling center	110,791	120,799	100,432	20,367
Information technology	102,548	112,407	91,216	21,191
Fleet maintenance	8,000	6,680	6,680	-
Human resources	74,576	74,439	74,371	68
Communications and events	39,644	47,211	32,722	14,489
Cemetery	131,600	131,600	125,931	5,669
Total Expenditures	3,986,903	4,263,803	3,823,422	440,381
Excess of Revenues Over Expenditures	2,325,338	4,689,677	4,171,042	(518,635)
Other Financing Sources (Uses)				
Operating transfers in	24,504	24,504	28,433	3,929
Operating transfers (out)	(2,414,807)	(2,762,747)	(1,987,921)	774,826
Sale of assets	30,000	-	-	-
Insurance proceeds	-	20,434	37,506	17,072
Total Other Financing Sources (Uses)	(2,360,303)	(2,717,809)	(1,921,982)	795,827
Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)	(34,965)	1,971,868	2,249,060	277,192
Fund Balance, October 1 Fund Balance, September 30	4,708,365 \$ 4,673,400	4,708,365 \$ 6,680,233	4,708,365 \$ 6,957,425	\$ 277,192

Budgetary Comparison Schedule – Street Sales Tax Fund

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Street sales taxes	\$ 960,27	76 \$ 1,207,612	\$ 1,239,617	\$ 32,005
Motor vehicle taxes	477,00	531,540	531,806	266
Intergovernmental revenues	24,02	25 50,352	26,327	(24,025)
Miscellaneous	19,30	00 21,100	21,577	477
Total Revenues	1,480,60	1,810,604	1,819,327	8,723
Expenditures				
Current				
Street	1,455,73	39 1,843,961	945,093	898,868
Total Expenditures	1,455,73	1,843,961	945,093	898,868
Excess (Deficit) of Revenues Over Expenditures	24,86	52 (33,357)	874,234	907,591
Other Financing (Uses)				
Operating transfers (out)	(98,78	34) (104,284)	(472,026)	(367,742)
Total Other Financing (Uses)	(98,78	(104,284)	(472,026)	(367,742)
Excess (Deficit) of Revenues Over				
Expenditures and Other (Uses)	(73,92	22) (137,641)	402,208	539,849
Fund Balance, October 1	1,857,37	711,857,371	1,857,371	
Fund Balance, September 30	\$ 1,783,44	\$ 1,719,730	\$ 2,259,579	\$ 539,849

Budgetary Comparison Schedule – Fire Sales Tax Fund

	Original Budget	 Final Budget	Actual		Variance With Final Budget		
Revenues							
Fire sales taxes	\$ 639,841	\$ 804,851	\$	826,229	\$	21,378	
Charges for services	126,489	126,489		125,848		(641)	
Miscellaneous	 -	 -		280		280	
Total Revenues	 766,330	 931,340		952,357	•	21,017	
Expenditures							
Current							
Fire	1,957,898	1,913,764		1,873,552		40,212	
Total Expenditures	1,957,898	 1,913,764		1,873,552		40,212	
(Deficit) of Revenues Over Expenditures	(1,191,568)	(982,424)		(921,195)		61,229	
Other Financing Sources (Uses)							
Operating transfers in	1,951,121	1,951,121		1,683,724		(267,397)	
Operating transfers (out)	(811,673)	(834,081)		(858,529)		(24,448)	
Insurance proceeds	-	-		5,595		5,595	
Total Other Financing Sources (Uses)	1,139,448	1,117,040		830,790		(286,250)	
Excess (Deficit) of Revenues and Other							
Sources Over Expenditures and Other (Uses)	(52,120)	134,616		(90,405)		(225,021)	
Fund Balance, October 1	731,479	731,479		731,479		-	
Fund Balance, September 30	\$ 679,359	\$ 866,095	\$	641,074	\$	(225,021)	

Budgetary Comparison Schedule – Tax Increment Financing Fund Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 300,000	\$ 1,012,166	\$ 1,256,756	\$ 244,590
Miscellaneous	5,000	5,000	7,286	2,286
Total Revenues	305,000	1,017,166	1,264,042	246,876
Expenditures				
Current				
Street	2,400,000	3,668,082	3,634,129	33,953
Total Expenditures	2,400,000	3,668,082	3,634,129	33,953
(Deficit) of Revenues Over Expenditures	(2,095,000)	(2,650,916)	(2,370,087)	280,829
Other Financing Sources (Uses)				
Operating transfers in	71,750	71,750	-	(71,750)
Operating transfers (out)	(52,135)	(52,135)	(358,196)	(306,061)
Total Other Financing Sources (Uses)	19,615	19,615	(358,196)	(377,811)
(Deficit) of Revenues and Other Sources				
Over Expenditures and Other (Uses)	(2,075,385)	(2,631,301)	(2,728,283)	(96,982)
Fund Balance, October 1	2,728,283	2,728,283	2,728,283	-
Fund Balance, September 30	\$ 652,898	\$ 96,982	\$ -	\$ (96,982)

Budgetary Comparison Schedule – Economic Development Sales Tax Fund Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 320,064	\$ 402,424	\$ 413,113	\$ 10,689
Miscellaneous	1,200	1,200	938	(262)
Total Revenues	321,264	403,624	414,051	10,427
Expenditures				
Current				
Economic development	4,490,654	4,776,075	2,341,478	2,434,597
Total Expenditures	4,490,654	4,776,075	2,341,478	2,434,597
(Deficit) of Revenues Over Expenditures	(4,169,390)	(4,372,451)	(1,927,427)	2,445,024
Other Financing Sources (Uses)				
Operating transfers in	4,490,654	4,903,427	2,267,076	(2,636,351)
Operating transfers (out)	(303,777)	(300,000)	(300,000)	-
Sale of property	-	-	23,550	23,550
Debt proceeds			402,633	402,633
Total Other Financing Sources (Uses)	4,186,877	4,603,427	2,393,259	(2,210,168)
Excess of Revenues and Other Sources Over				
Expenditures and Other (Uses)	17,487	230,976	465,832	234,856
Fund Balance, October 1	16,904	16,904	16,904	
Fund Balance, September 30	\$ 34,391	\$ 247,880	\$ 482,736	\$ 234,856

Notes to the Budgetary Comparison Schedules
Year Ended September 30, 2022

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

- 1. Prior to October, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
- 2. One public hearing is conducted by the City Council in late August or early September to obtain taxpayers' comments on the proposed budget and tax levy.
- 3. Prior to October 1, ordinances are passed by Council which provide for legally adopted budgets for all funds of the City.
- 4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.
- 5. Formal budgetary integration is employed as a management control device for all funds of the City.
- 6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by City Council on approved budget adjustment forms.



Combining Balance Sheet – Nonmajor Governmental Funds September 30, 2022

					Special Re	venue Funds				
	Police Grants Fund	Police Donations Fund	Drainage S Sales Tax Fund	Parks Sales Tax Fund	Auditorium Fund	Senior Center Sales Tax Fund	Street/ Bridge Sales Tax Fund	Hotel/ Motel Tax Fund	Golf Fund	D.A.R.E. Fund
Assets		· ·								
Cash and cash equivalents	\$10,338	\$ -	\$1,012,225	\$ 245,580	\$ 779,995	\$ 230,971	\$ 699,082	\$ 334,380	\$437,827	\$ -
Sales tax receivable	-	-	97,446	114,459	105,972	35,324	70,634	-	-	-
Intergovernmental receivable	-	-	51,487	-	-	-	-	-	-	-
Other accounts receivable	-	-	-	-	-	-	-	-	5,237	-
Prepaid expenses	-	-	2,648	33,493	14,354	3,916	-	-	16,116	-
Cash and cash equivalents - restricted	-	1,464	-	-	8,200	-	-	-	11,965	-
Total Assets	\$10,338	\$ 1,464	\$1,163,806	\$ 393,532	\$ 908,521	\$ 270,211	\$ 769,716	\$ 334,380	\$471,145	\$ -
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 795	\$ 6,710	5,704	\$ 2,728	\$ -	26,138	12,667	\$ -
Accrued expenses	-	-	198	465	-	-	-	-	-	-
Deposits held				-	8,200				323	
Total Liabilities	-		993	7,175	13,904	2,728		26,138	12,990	

Combining Balance Sheet – Nonmajor Governmental Funds September 30, 2022

	Special Revenue Funds												
	-	_		_	-	Senior	Street/						
	Police	Police	Drainage	Parks		Center	Bridge	Hotel/	- 16				
	Grants	Donations	Sales Tax	Sales Tax	Auditorium	Sales Tax	Sales Tax	Motel Tax	Golf	D.A.R.E.			
Fund Balance	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	Fund	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	Fund			
Nonspendable													
Permanent	-	-	-	-	- 	-	-	-	<u>-</u>	-			
Prepaid items	-	-	2,648	33,493	14,354	3,916	-	-	16,116	-			
Restricted for													
Public safety	10,338	1,464	-	-	-	-	-	-	-	-			
Drainage	-	-	1,069,265	-	-	-	-	-	-	-			
Auditorium	-	-	-	-	620,570	-	-	-	-	-			
Senior center	-	-	-	-	-	201,348	-	-	-	-			
Street and bridge	-	-	-	-	-	-	619,573	-	-	-			
Tourism development	-	-	-	-	-	-	-	303,390	-	-			
Debt service	-	-	-	-	-	-	-	-	-	-			
Assigned to													
Drainage	-	-	90,900	-	-	-	-	-	-	-			
Parks and recreation	-	-	-	352,864	-	-	-	-	-	-			
Auditorium	-	-	-	-	259,693	-	-	-	-	-			
Senior center	-	-	-	-	-	62,219	-	-	-	-			
Golf course	-	-	-	-	-	-	-	-	442,039	-			
Street and bridge	-	-	-	-	-	-	150,143	-	-	-			
Tourism development	-	-	_	-	-	-	-	4,852	-	-			
Total Fund Balances	10,338	1,464	1,162,813	386,357	894,617	267,483	769,716	308,242	458,155	-			
Total Liabilities and Fund Balance	\$10,338	\$ 1,464	\$1,163,806	\$ 393,532	\$ 908,521	\$ 270,211	\$ 769,716	\$ 334,380	\$471,145	\$ -			

Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2022

		Debt Service Funds									Permanent Funds			
			2013 Bond Fund		2012 COP Fund	2016 COP Fund		2021 Bond Fund		Abbot Brothers Fund		Morse Park Fund		Total Nonmajor vernmental Funds
Assets														
Cash and cash equivalents	\$	150	\$	11,582	\$ 38,227	\$	-	\$	2,626	\$ 39,47	75	\$	3,653	\$ 3,846,111
Sales tax receivable		-		-	-		-		-		-		-	423,835
Intergovernmental receivable		-		-	-		-		-		-		-	51,487
Other accounts receivable		-		-	-		-		-		-		-	5,237
Prepaid expenses		-		-	-		-		-		-		-	70,527
Cash and cash equivalents - restricted		-		-	1,504		303,677		-		-		-	326,810
Total Assets	\$	150	\$	11,582	\$ 39,731	\$	303,677	\$	2,626	\$ 39,47	75	\$	3,653	\$ 4,724,007
Liabilities and Fund Balances														
Liabilities														
Accounts payable	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	\$ 54,742
Accrued expenses		-		_	-		-		-		-		-	663
Deposits held		-		_	-		-		-		-		-	8,523
Total Liabilities		-		-	-		-		-		-		-	63,928

City of Neosho

${\bf Combining\ Balance\ Sheet-Nonmajor\ Governmental\ Funds}$

September 30, 2022

		De	Perman					
	2014 COP Fund	2013 Bond Fund	2012 COP Fund	2016 COP Fund	2021 Bond Fund	Abbot Brothers Fund	Morse Park Fund	Total Nonmajor Governmental Funds
Fund Balances								
Nonspendable								
Permanent	-	-	-	-	-	39,475	3,653	43,128
Prepaid items	-	-	_	-	-	· -	, -	70,527
Restricted for								
Public safety	-	-	_	-	-	_	_	11,802
Drainage	-	-	-	-	-	-	-	1,069,265
Auditorium	-	-	-	-	-	-	-	620,570
Senior center	-	-	_	-	-	_	_	201,348
Street and bridge	-	-	-	-	-	-	-	619,573
Tourism development	-	-	-	-	-	-	-	303,390
Debt service	150	11,582	39,731	303,677	2,626	-	-	357,766
Assigned to								
Drainage	-	-	-	-	-	_	-	90,900
Parks and recreation	-	-	-	-	-	-	-	352,864
Auditorium	-	-	-	-	-	-	-	259,693
Senior center	-	-	-	-	-	_	-	62,219
Golf course	-	-	-	-	-	-	-	442,039
Street and bridge	-	-	-	-	-	-	-	150,143
Tourism development		<u> </u>						4,852
Total Fund Balances	150	11,582	39,731	303,677	2,626	39,475	3,653	4,660,079
Total Liabilities and Fund Balances	\$ 150	\$ 11,582	\$ 39,731	\$ 303,677	\$ 2,626	\$ 39,475	\$ 3,653	\$ 4,724,007

City of Neosho

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds Year Ended September 30, 2022

	Special Revenue Funds											
	Police Grants Fund	Police Donations Fund	Drainage Sales Tax Fund	Parks Sales Tax Fund	Auditorium Fund	Senior Center Sales Tax Fund	Street/Bridge Sales Tax Fund	Hotel/ Motel Tax Fund	Golf Fund	D.A.R.E. Fund		
Revenues												
Taxes	\$ -	\$ -	\$ 495,737	\$ 743,605	\$ 619,671	\$ 206,557	\$ 413,112	\$ 103,203	\$ -	\$ -		
Intergovernmental revenues	11,472	-	-	-	-	-	-	-	-	-		
Charges for services	-	-	-	15,286	61,907	-	-	-	518,994	-		
Donations and other												
contributions	-	18,435	-	1,037	-	-	-	-	-	-		
Miscellaneous		9	3,349	2,107	2,591	641	1,982	1,151	4,978	2		
Total Revenues	11,472	18,444	499,086	762,035	684,169	207,198	415,094	104,354	523,972	2		
Expenditures												
Current												
Police	4,244	19,066	-	-	-	-	-	-	-	-		
Drainage	-	-	142,185	-	-	-	-	-	-	-		
Parks and recreation	-	-	-	513,665	-	-	-	-	-	-		
Auditorium	-	-	-	-	161,575	-	-	-	-	-		
Senior center	-	-	-	-	-	64,541	-	-	-	-		
Golf course	-	-	-	-	-	-	-	-	488,928	-		
Tourism development	-	-	-	-	-	-	-	81,399	-	-		
Other	-	-	-	-	-	-	-	-	-	-		
Debt Service												
Principal and interest								_				
Total Expenditures	4,244	19,066	142,185	513,665	161,575	64,541		81,399	488,928	-		

City of Neosho

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds Year Ended September 30, 2022

	Special Revenue Funds											
	Police	Police	Drainage	Parks		Senior Center	Street/Bridge	Hotel/				
	Grants	Donations	Sales Tax	Sales Tax	Auditorium	Sales Tax	Sales Tax	Motel Tax	Golf	D.A.R.E.		
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund		
Excess (Deficit) of Revenues Over												
Expenditures	7,228	(622)	356,901	248,370	522,594	142,657	415,094	22,955	35,044	2		
Other Financing Sources (Uses)												
Operating transfers in	2,467	-	54,540	35,000	-	-	-	-	495,893	-		
Operating transfers (out)			(155,828)	(482,333)	(265,554)	(53,848)	(228,259)	(20,020)	(274,173)	(540)		
Total Other Financing Sources												
(Uses)	2,467		(101,288)	(447,333)	(265,554)	(53,848)	(228,259)	(20,020)	221,720	(540)		
Excess (Deficit) of Revenues and Other Sources Over Expenditures												
and Other (Uses)	9,695	(622)	255,613	(198,963)	257,040	88,809	186,835	2,935	256,764	(538)		
Fund Balance, October 1	643	2,086	907,200	585,320	637,577	178,674	582,881	305,307	201,391	538		
Fund Balance, September 30	\$ 10,338	\$ 1,464	\$ 1,162,813	\$ 386,357	\$ 894,617	\$ 267,483	\$ 769,716	\$ 308,242	\$ 458,155	\$ -		

City of Neosho

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds Year Ended September 30, 2022

			1	Permane							
	2014 COP Fund		2013 Bond Fund	2012 COP Fund		2016 COP Fund	2021 Bond Fund	Abbot Brothers Fund	Morse Park Fund	Total Nonmajor Governmental Funds	
Revenues											
Taxes	\$	- :	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ 2,581,885	
Intergovernmental revenues		-	-	-		-	-	-	-	11,472	
Charges for services		-	-	-		-	-	-	-	596,187	
Donations and other contributions		-	-	-		-	-	-	-	19,472	
Miscellaneous			40	33		929	143	138	12	18,105	
Total Revenues		-	40	33		929	143	138	12	3,227,121	
Expenditures											
Current											
Police		-	-	-		-	-	-	-	23,310	
Drainage		-	-	-		-	-	-	-	142,185	
Parks and recreation		-	-	-		-	-	-	-	513,665	
Auditorium		-	-	-		-	-	-	-	161,575	
Senior center		-	-	-		-	-	-	-	64,541	
Golf course		-	-	-		-	-	-	-	488,928	
Tourism development		-	-	-		-	-	-	-	81,399	
Other		-	-	-		-	-	157	-	157	
Debt Service											
Principal and interest		-	-	918		285,050	497,818	-	-	783,786	
Total Expenditures			-	918		285,050	497,818	157		2,259,546	
Excess (Deficit) of Revenues Over Expenditures		-	40	(885)	(284,121)	(497,675)	(19)	12	967,575	
Other Financing Sources (Uses)											
Operating transfers in		_	_	37,454		184,937	497,500	_	_	1,307,791	
Operating transfers (out)		_	_	-		-	-	_	_	(1,480,555)	
Total Other Financing Sources (Uses)				37,454		184,937	497,500			(172,764)	
Excess (Deficit) of Revenues and Other Sources Over Expenditures	-						***************************************				
and Other (Uses)		-	40	36,569		(99,184)	(175)	(19)	12	794,811	
Fund Balance, October 1	1	.50	11,542	3,162		402,861	2,801	39,494	3,641	3,865,268	
Fund Balance, September 30	\$ 1	.50		\$ 39,731		303,677	\$ 2,626	\$ 39,475	\$ 3,653	\$ 4,660,079	





Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and City Council City of Neosho Neosho, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Neosho, Missouri, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Neosho, Missouri's basic financial statements and have issued our report thereon dated March 10, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

KPM CPAs, PC

Springfield, Missouri March 10, 2023

KPM CPAS, PC