

**CITY OF BRECKENRIDGE
HILLS, MISSOURI**

FINANCIAL REPORT
(Audited)

Year Ended December 31, 2020

CITY OF BRECKENRIDGE HILLS, MISSOURI
FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
CITY OF BRECKENRIDGE HILLS, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF BRECKENRIDGE HILLS, MISSOURI** (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A-3; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A-3.

Basis of Accounting

We draw attention to Note A-3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Adjustments to Prior Period Financial Statements

As part of our audit of the 2020 financial statements, we also audited adjustments described in Note K that were applied to restate the 2019 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2019 financial statements of the City other than with respect to the adjustments and, accordingly, do not express an opinion or any other form of assurance on the 2019 financial statements as a whole.

Other Matters - Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The management's discussion and analysis, and the supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental 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 the supplemental 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note A-3.

The management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June XX, 2021 on our consideration of the City'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 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 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's internal control over financial reporting and compliance.

Sikich LLP

Chesterfield, Missouri
June 29, 2021

CITY OF BRECKENRIDGE HILLS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

As management of the City of Breckenridge Hills, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the City exceeded its liabilities for the most recent fiscal year by \$2,265,625. The City has unrestricted net position of \$167,650.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$725,524.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$180,162 or 9.16% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental information in addition to the basic financial statements.

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

The statement of net position - modified cash basis presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities - modified cash basis presents information showing how the City's net position changed during the most recent fiscal year.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include administration, judicial, public relations, police, parks, and public works.

The City has elected to utilize a modified cash basis of accounting as explained in Note A-3 of the notes to financial statements.

CITY OF BRECKENRIDGE HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are considered to be governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize a current financial resources measurement focus as applied to the modified cash basis of accounting. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet - modified cash basis and in the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, Capital Improvement Fund, and Sewer Lateral Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section in this report.

The City adopts an annual appropriated budget for its General Fund, Capital Improvement Fund, Sewer Lateral Fund, Public Safety, and Police Training Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

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

Supplemental information. The budgetary comparison schedules and combining statements represent additional financial information. Such information provides users of this report with data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as "the basic financial statements").

CITY OF BRECKENRIDGE HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS - FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

A condensed version of the statement of net position - modified cash basis follows:

	December 31		2020 Change	
	2020	2019	Amount	Percent
ASSETS				
Current assets	\$ 831,910	639,438	192,472	30.1 %
Capital assets	1,615,625	1,484,905	130,720	8.8
Total Assets	<u>2,447,535</u>	<u>2,124,343</u>	<u>323,192</u>	15.2
LIABILITIES				
Other liabilities	106,386	32,832	73,554	224.0
Long-term liabilities	75,524	129,487	(53,963)	(41.7)
Total Liabilities	<u>181,910</u>	<u>162,319</u>	<u>19,591</u>	12.1
NET POSITION				
Net investment in capital assets	1,540,101	1,355,418	184,683	13.6
Restricted	557,874	683,186	(125,312)	(18.3)
Unrestricted	167,650	(76,580)	244,230	(318.9)
Total Net Position	<u>\$ 2,265,625</u>	<u>1,962,024</u>	<u>303,601</u>	15.5 %

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets exceed liabilities by \$2,265,625 at the close of the current fiscal year.

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

Governmental activities. Governmental activities increased the City's net position by \$303,601. Key elements of this are as follows:

CITY OF BRECKENRIDGE HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	For The Years		2020 Change	
	Ended December 31		Amount	Percent
	2020	2019		
REVENUES				
Program revenues:				
Charges for services	\$ 299,212	407,869	(108,657)	(26.6) %
Operating grants and contributions	591,207	230,090	361,117	156.9
Capital grants and contributions	117,689	112,605	5,084	4.5
General revenues:				
Taxes	1,555,870	1,562,355	(6,485)	(0.4)
Other	13,099	1,708	11,391	666.9
Total Revenues	<u>2,577,077</u>	<u>2,314,627</u>	<u>262,450</u>	11.3
EXPENSES				
Administration	491,189	539,426	(48,237)	(8.9)
Judicial	104,782	105,990	(1,208)	(1.1)
Public relations	2,000	4,383	(2,383)	(54.4)
Police	1,359,989	1,350,784	9,205	0.7
Parks	24,230	41,401	(17,171)	(41.5)
Public works	283,657	307,783	(24,126)	(7.8)
Interest on long-term debt	7,629	5,004	2,625	52.5
Total Expenses	<u>2,273,476</u>	<u>2,354,771</u>	<u>(81,295)</u>	(3.5)
CHANGE IN NET POSITION	303,601	(40,144)	343,745	856.3
NET POSITION, JANUARY 1	1,962,024	1,997,051	(35,027)	(1.8)
RESTATEMENT	<u>-</u>	<u>5,117</u>	<u>(5,117)</u>	(100.0)
NET POSITION, DECEMBER 31	<u>\$ 2,265,625</u>	<u>1,962,024</u>	<u>303,601</u>	15.5 %

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2020, the General Fund's fund balance was \$180,162.

CITY OF BRECKENRIDGE HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

The fund balance in the City's General Fund increased by \$249,353 or 360.4% from the prior year's fund balance. The change of the current year's fund balance is mainly due to:

- Total revenues increased by \$300,188 from the previous year, primarily due to an increase in grant revenues. The City received \$163,193 of CARES grant revenue and \$204,518 in various police grants to cover the costs of police salaries.
- Total expenditures increased by \$154,935 from the previous year, primarily due to increase in police expenditures as the City was able to hire more officers.

Changes in fund balances for other major governmental funds can be described as follows:

- The Capital Improvement Fund decreased by \$85,447. This decrease was a result of more capital outlay expenses paid during the fiscal year compared to prior year. The largest capital outlay project is the improvements to Rex Park; however, the majority of these expenses are covered by a grant from the Municipal Park Grant Commission that had not been reimbursed by year-end.
- The Sewer Lateral Fund decreased by \$2,859 due to the amount of public works departmental expenditures exceeding tax revenues.

CAPITAL ASSETS

The City has invested \$1,615,625 at December 31, 2020 in a broad range of capital assets, including land, buildings, construction in progress, equipment, infrastructure, vehicles, and website. This amount represents a net increase of \$130,720 for the current fiscal year (including additions and deletions). The City's capital assets, net of accumulated depreciation, consisted of:

	For The Years	
	Ended December 31	
	2020	2019
Land	\$ 297,781	297,781
Buildings	462,166	468,795
Construction in progress	210,335	-
Equipment	252,886	279,380
Infrastructure	213,418	245,711
Land improvement	10,511	11,357
Vehicles	167,128	181,881
Website	1,400	-
	<hr/>	<hr/>
Total Capital Assets	\$ 1,615,625	1,484,905

Additional information on the City's capital assets can be found in Note C in the notes to financial statements.

CITY OF BRECKENRIDGE HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

LONG-TERM DEBT

At December 31, 2020, the City had capital lease obligations for governmental activities in the amount of \$75,524 compared to \$129,487 at December 31, 2019.

Additional information on the City's long-term debt can be found in Note D in the notes to financial statements.

BUDGETARY HIGHLIGHTS

In the General Fund, the following significant variances occurred between budget and actual expenditures:

- Total tax revenues were \$74,855 (3.78%) more than the budgeted amount.
- Total expenditures were \$105,342 (2.56%) more than the budgeted amount.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the year ending December 31, 2021, the City projects revenue of \$1,953,011 and expenditures of \$1,922,533 for the General Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the City Clerk
City of Breckenridge Hills
9623 St. Charles Rock Road
Breckenridge Hills, MO 63114

CITY OF BRECKENRIDGE HILLS, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash	\$ 758,602
Restricted cash	70,070
Deposits	3,238
Capital assets:	
Nondepreciable	508,116
Depreciable, net of accumulated depreciation	1,107,509
Total Assets	2,447,535
 LIABILITIES	
Payroll liabilities	10,587
Other liabilities	95,799
Long-term liabilities:	
Due within one year	55,525
Due in more than one year	19,999
Total Liabilities	181,910
 NET POSITION	
Net investment in capital assets	1,540,101
Restricted:	
Capital projects	294,827
Sewer lateral	254,650
Public safety	8,397
Unrestricted	167,650
Total Net Position	\$ 2,265,625

CITY OF BRECKENRIDGE HILLS, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
Administration	\$ 491,189	107,196	-	13,328	(370,665)
Judicial	104,782	-	-	-	(104,782)
Public relations	2,000	-	-	-	(2,000)
Police	1,359,989	102,447	368,844	-	(888,698)
Parks	24,230	-	-	104,361	80,131
Public works	283,657	89,569	222,363	-	28,275
Interest on long-term debt	7,629	-	-	-	(7,629)
Total Governmental Activities	\$ 2,273,476	299,212	591,207	117,689	(1,265,368)
General Revenues					
Taxes:					
Property					67,600
Sales					1,243,180
Utility					245,090
Other					13,099
Total General Revenues					1,568,969
CHANGE IN NET POSITION					303,601
NET POSITION, JANUARY 1					1,962,024
NET POSITION, DECEMBER 31					\$ 2,265,625

See notes to financial statements

CITY OF BRECKENRIDGE HILLS, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Capital Improvement	Sewer Lateral	Other Governmental Funds	Total
ASSETS					
Cash	\$ 328,935	234,198	181,157	14,312	758,602
Restricted cash	70,070	-	-	-	70,070
Deposits	-	3,238	-	-	3,238
Due from other funds	17,289	58,361	73,493	-	149,143
	<u>\$ 416,294</u>	<u>295,797</u>	<u>254,650</u>	<u>14,312</u>	<u>981,053</u>
Total Assets					
 LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities					
Payroll liabilities	\$ 10,587	-	-	-	10,587
Due to other funds	129,746	970	-	18,427	149,143
Other liabilities	95,799	-	-	-	95,799
Total Liabilities	<u>236,132</u>	<u>970</u>	<u>-</u>	<u>18,427</u>	<u>255,529</u>
 Fund Balances (Deficits)					
Restricted for:					
Capital improvements	-	294,827	-	-	294,827
Sewer lateral repairs	-	-	254,650	-	254,650
Public safety	-	-	-	8,397	8,397
Unassigned	180,162	-	-	(12,512)	167,650
Total Fund Balances (Deficits)	<u>180,162</u>	<u>294,827</u>	<u>254,650</u>	<u>(4,115)</u>	<u>725,524</u>
Total Liabilities And Fund Balances (Deficits)	<u>\$ 416,294</u>	<u>295,797</u>	<u>254,650</u>	<u>14,312</u>	<u>981,053</u>

CITY OF BRECKENRIDGE HILLS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION -
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Total Fund Balances - Governmental Funds \$ 725,524

Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds financial statements.
The cost of the assets is \$2,808,375 and the accumulated depreciation
is \$1,192,750. 1,615,625

Certain long-term liabilities are not due and payable in the current period and,
therefore, are not reported as liabilities in the governmental funds. Long-
term liabilities at year-end consist of:

Capital leases (75,524)

Total Net Position Of Governmental Activities \$ 2,265,625

CITY OF BRECKENRIDGE HILLS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES (DEFICITS) - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Capital Improvement</u>	<u>Sewer Lateral</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES					
Taxes	\$ 1,164,611	128,045	42,268	-	1,334,924
Intergovernmental	626,501	117,689	-	226,788	970,978
Licenses and permits	115,322	-	-	-	115,322
Municipal court	102,447	-	-	9,023	111,470
Other	44,235	-	148	-	44,383
Total Revenues	<u>2,053,116</u>	<u>245,734</u>	<u>42,416</u>	<u>235,811</u>	<u>2,577,077</u>
EXPENDITURES					
Current:					
Administration	464,973	-	-	-	464,973
Judicial	106,052	-	-	-	106,052
Public relations	2,000	-	-	-	2,000
Police	1,215,833	-	-	77,027	1,292,860
Parks	772	-	-	-	772
Public works	177,407	-	45,275	-	222,682
Capital outlay	-	305,329	-	1,899	307,228
Debt service:					
Principal	-	22,197	-	31,766	53,963
Interest	-	3,655	-	3,974	7,629
Total Expenditures	<u>1,967,037</u>	<u>331,181</u>	<u>45,275</u>	<u>114,666</u>	<u>2,458,159</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>86,079</u>	<u>(85,447)</u>	<u>(2,859)</u>	<u>121,145</u>	<u>118,918</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	163,274	-	-	2,614	165,888
Transfer out	-	-	-	(165,888)	(165,888)
Total Other Financing Sources (Uses)	<u>163,274</u>	<u>-</u>	<u>-</u>	<u>(163,274)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	249,353	(85,447)	(2,859)	(42,129)	118,918
FUND BALANCES (DEFICITS), JANUARY 1	<u>(69,191)</u>	<u>380,274</u>	<u>257,509</u>	<u>38,014</u>	<u>606,606</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 180,162</u>	<u>294,827</u>	<u>254,650</u>	<u>(4,115)</u>	<u>725,524</u>

See notes to financial statements

CITY OF BRECKENRIDGE HILLS, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change In Fund Balances - Governmental Funds \$ 118,918

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold of \$274,023 exceeded depreciation of \$143,303. 130,720

The issuance of long-term debt (i.e., notes, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of long-term debt and related items.

Repayments 53,963

Change In Net Position Of Governmental Activities \$ 303,601

CITY OF BRECKENRIDGE HILLS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BRECKENRIDGE HILLS, MISSOURI** (the City) was incorporated as a village on February 27, 1950. On August 6, 1991, the residents approved a change to a third-class city. The City operates under a Mayor/City Council form of government and provides various services including legislative, police protection, streets, public improvements, planning and zoning, parks, and general administrative services. The more significant accounting policies consistently applied by the City in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information on all activities of the City. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Measurement Focus

In the government-wide statement of net position - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, all governmental funds utilize a “current financial resources” measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position - modified cash basis and statement of activities - modified cash basis and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenses/expenditures when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

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 not accounted for and reported in another fund.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Improvement Fund -- The Capital Improvement Fund is used to account for financial resources to be used for the acquisition, construction, or improvements and maintenance of major capital facilities and infrastructure.

Sewer Lateral Fund -- The Sewer Lateral Fund is used to account for the resources and expenditures of the sewer lateral tax.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Health insurance is maintained by a third-party indemnity company. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

5. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g.; roads, bridges, sidewalks, and similar items), are reported in the financial statements where applicable. Capital assets are defined by the City as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City has elected not to record the historical cost of infrastructure placed in service prior to January 1, 2004.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Capital Assets (Continued)

Depreciation is being computed on the straight-line method using asset lives as follows:

Assets	Years
Buildings	15 - 40
Equipment	5 - 10
Infrastructure	20 - 25
Vehicles	5
Website	3 - 5

6. Compensated Absences

Compensated absences have not been accrued on the financial statements of the City due to the modified cash basis of accounting. Employees must use all accrued vacation prior to their next anniversary date.

7. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position - modified cash basis.

8. Property Taxes

The City levies a tax on the assessed value of all real and personal property located within the City as of January 1 each year. Taxes are levied in October and are considered delinquent if not paid by December 31. St. Louis County assesses property values, collects the tax, and remits collected amounts to the City.

9. Use of Estimates

The preparation of basic 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 amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

10. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Fund Balance Policies (Continued)

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the City Council has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

11. Restricted Assets

Certain resources set aside for escrow and court bond amounts are classified as restricted on the balance sheet because their use is limited by the liability and legal requirements.

12. Pensions

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

Because of the accounting method used, the City does not record the net pension liability (asset), deferred outflows of resources, or deferred inflows of resources of the pension plan.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH DEPOSITS

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

As of December 31, 2020, the City's bank deposits are secure by certain securities held by the City or its agent in the City's name. The value of the securities exceeds the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

NOTE C - CAPITAL ASSETS

	For The Year Ended December 31, 2020			
	Balance December 31 2019	Increases	Decreases	Balance December 31 2020
Capital assets not being depreciated:				
Land	\$ 297,781	-	-	297,781
Construction in progress	-	210,335	-	210,335
Total Capital Assets Not Being Depreciated	297,781	210,335	-	508,116
Capital assets being depreciated:				
Buildings	645,731	10,955	-	656,686
Equipment	477,572	14,943	-	492,515
Infrastructure	652,312	-	-	652,312
Land improvement	12,698	-	-	12,698
Vehicles	448,258	36,290	-	484,548
Website	-	1,500	-	1,500
Total Capital Assets Being Depreciated	2,236,571	63,688	-	2,300,259
Less - Accumulated depreciation for:				
Buildings	176,936	17,584	-	194,520
Equipment	198,192	41,437	-	239,629
Infrastructure	406,601	32,293	-	438,894
Land improvement	1,341	846	-	2,187
Vehicles	266,377	51,043	-	317,420
Website	-	100	-	100
Total Accumulated Depreciation	1,049,447	143,303	-	1,192,750
Total Capital Assets Being Depreciated, Net	1,187,124	(79,615)	-	1,107,509
Capital Assets, Net	<u>\$ 1,484,905</u>	<u>130,720</u>	<u>-</u>	<u>1,615,625</u>

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

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

	For The Year Ended December 31 2020
General government	\$ 18,152
Parks	22,155
Police	58,530
Public works	<u>44,466</u>
Total	<u>\$ 143,303</u>

NOTE D - LONG-TERM DEBT

Changes in long-term debt are as follows:

	For The Year Ended December 31, 2020				Amounts Due Within One Year
	Balance December 31 2019	Additions	Payments	Balance December 31 2020	
	Capital leases	\$ 129,487	-	53,963	

The long-term debt is to be liquidated by the Capital Improvement and Public Safety Funds.

The City has lease agreements at December 31, 2020 for equipment which are accounted for as capital leases. The assets acquired through the capital leases are as follows:

Vehicles	\$ 207,612
Less - Accumulated depreciation	<u>83,348</u>
Total	<u>\$ 124,264</u>

A schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of December 31, 2020 are as follows:

	For The Years Ending December 31
2021	\$ 59,209
2022	<u>20,462</u>
Total Minimum Lease Payments	79,671
Less - Amount representing interest	<u>4,147</u>
Present Value Of Future Minimum Lease Payments	<u>\$ 75,524</u>

CITY OF BRECKENRIDGE HILLS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE E - DEFINED CONTRIBUTION PLAN

The City has established a money purchase pension plan, a defined contribution plan, for full-time City employees, administered by Public Employees Benefit Services Corporation. Employees are eligible for participation from date of employment.

The City contributes 5% of each employee's total compensation. Employee benefits funded by the City's contribution begin vesting after five years of credited service, at which time they become fully vested. Nonvested pension benefits are forfeited when an employee terminates employment prior to vesting. Forfeitures are designated within the plan document as being used to reduce the City's annual contribution.

Active participants have the right to direct, from among several alternatives, the nature of the investments of the contributions made by the City on their behalf. The Plan Administrator offers participants a number of publicly-traded mutual funds as investment alternatives. Effective April 30, 2020, the City will no longer contribute to this plan. Contributions made by the City to this plan were \$14,727 for the year ended December 31, 2020.

NOTE F - DEFINED BENEFIT PENSION PLAN

Plan Description

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Effective May 1, 2020, 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 supplemental 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 if a general employee or 55 if a police employee 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 if a general employee or age 50 if a police employee and receive a reduced allowance.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - DEFINED BENEFIT PENSION PLAN (Continued)

	<u>Initial Valuation</u>
Benefit multiplier	1.00% for life
Final average salary	3 years
Member contributions	4%

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 December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>23</u>
Total	<u>23</u>

Contributions

The City 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 City contribute 4% to the pension plan. The City’s contribution rates are 12.4% for general employee and 10.7% for police employee of annual covered payroll.

Net Pension Liability (Asset)

There is no calculation made for the net pension liability (asset) as of December 31, 2020. The initial valuation as of May 31, 2019 estimated the unfunded actuarial accrued liability to be approximately \$1 million which is comprised of a 50% service credit purchase and the related vesting for current employees.

The City’s net pension liability (asset) will be measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability (asset) will be determined by an actuarial valuation as of February 28, 2021.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERFUND TRANSACTIONS

Due to/From Other Funds

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. These amounts are expected to be repaid in the next fiscal year. The following is a reconciliation of internal receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>December 31 2020</u>
Capital Improvement	General	\$ 57,223
Sewer Lateral	General	72,523
General	Nonmajor	17,289
Capital Improvement	Nonmajor	1,138
Sewer Lateral	Capital Improvement	<u>970</u>
Total		<u>\$ 149,143</u>

Interfund transfers

Interfund transfers may be used to: 1) move revenues from the fund that ordinance or budget required to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds. Individual interfund transfers are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>December 31 2020</u>
Nonmajor	General	\$ 163,274
Nonmajor	Nonmajor	<u>2,614</u>
Total		<u>\$ 165,888</u>

NOTE H - COMMITMENTS AND CONTINGENCIES

The City is subject to claims and legal proceedings covering various matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect of the financial condition or results of operations of the City.

CITY OF BRECKENRIDGE HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - RESTRICTED NET POSITION

The government-wide statement of net position reports \$663,848 of restricted net position, all of which is restricted by enabling legislation.

NOTE J - DEFICIT FUND BALANCE

A deficit fund balance of \$12,512 exists in the Police Training Fund. The deficits result from expenditures in excess of revenues for this fund. The City plans to control spending out of the Police Training Fund to recover this deficit fund balance.

NOTE K - PRIOR PERIOD ADJUSTMENT

The previous amounts of net position have been restated as follows:

	<u>Governmental Activities</u>
Net position, December 31, 2019, as previously reported	\$ 1,956,907
Restatement for capital lease	(58,765)
Restatement for capital assets	<u>63,882</u>
Net Position, December 31, 2019, As Restated	<u><u>\$ 1,962,024</u></u>

NOTE L - SUBSEQUENT EVENT

Management has evaluated subsequent events through June 29, 2021, the date which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION SECTION

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE (DEFICITS) - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes			
Real estate	\$ 44,000	67,600	23,600
Utility franchise	240,000	245,090	5,090
Sales	825,000	714,866	(110,134)
Local option use	110,000	137,055	27,055
Total Taxes	<u>1,219,000</u>	<u>1,164,611</u>	<u>(54,389)</u>
Intergovernmental			
Road and bridge tax	26,000	36,070	10,070
Cigarette tax	36,321	36,426	105
Gasoline tax	140,000	120,866	(19,134)
Motor vehicle tax	65,000	65,427	427
Financial institution tax	50	-	(50)
Grants	80,000	367,712	287,712
Total Intergovernmental	<u>347,371</u>	<u>626,501</u>	<u>279,130</u>
Licenses and Permits			
Merchants' licenses	90,000	74,739	(15,261)
Liquor licenses	4,950	5,400	450
Vending licenses	3,000	-	(3,000)
Storage units	1,500	-	(1,500)
Dog tags	40	10	(30)
Occupancy permits	7,000	2,500	(4,500)
Building permits	13,000	8,384	(4,616)
Excavation and plumbing permits	7,000	5,704	(1,296)
Building inspections	29,500	18,165	(11,335)
Vacant property registration	1,600	420	(1,180)
Total Licenses And Permits	<u>157,590</u>	<u>115,322</u>	<u>(42,268)</u>
Municipal Court			
Court fines	200,000	101,567	(98,433)
Bond forfeitures	2,000	880	(1,120)
Total Municipal Court	<u>202,000</u>	<u>102,447</u>	<u>(99,553)</u>

(Continued)

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE (DEFICITS) - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES (Continued)			
Other			
Copies	50	844	794
Investment income	800	93	(707)
Liens	33,000	10,498	(22,502)
Rent income	-	26,203	26,203
False alarms	100	-	(100)
Tow trucks and releases	2,750	1,630	(1,120)
Board of adjustment/zoning meeting	600	180	(420)
Miscellaneous	15,000	4,787	(10,213)
Total Other	52,300	44,235	(8,065)
Total Revenues	1,978,261	2,053,116	74,855
EXPENDITURES			
Administration			
Personnel services:			
Salaries and wages	146,400	133,314	(13,086)
Employee insurance	47,094	33,451	(13,643)
Payroll taxes and penalties	11,200	10,516	(684)
Pension	3,950	6,391	2,441
Total Personnel Services	208,644	183,672	(24,972)
Accounting and audit	20,000	15,215	(4,785)
Advertising	500	290	(210)
Bank fees	1,200	4,453	3,253
Building, maintenance, and repair	33,000	4,448	(28,552)
Computer expense	15,000	17,957	2,957
Drug and alcohol testing	500	784	284
Dues and subscriptions	3,500	3,021	(479)
Elections	1,500	1,411	(89)
Filing liens	-	90	90
General insurance	35,000	72,018	37,018
Grant applications	20,000	26,985	6,985

(Continued)

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE (DEFICITS) - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)			
Administration (Continued)			
Legal	20,000	6,538	(13,462)
Office supplies and equipment	6,000	7,424	1,424
Postage	3,500	4,837	1,337
Recodification	-	2,422	2,422
Telephone	8,500	17,447	8,947
Training	1,500	25	(1,475)
Utilities	30,000	31,456	1,456
Workers' compensation	45,000	64,480	19,480
Total Administration	453,344	464,973	11,629
Judicial			
Personnel services:			
Salaries and wages	37,440	42,250	4,810
Employee insurance	12,904	12,433	(471)
Payroll taxes	3,560	2,908	(652)
Pension	1,872	2,277	405
Total Personnel Services	55,776	59,868	4,092
Equipment repair/REJIS	36,000	36,608	608
Operating supplies	4,000	3,492	(508)
Judge/prosecutor	20,000	-	(20,000)
Prisoner housing	2,000	6,084	4,084
Training	750	-	(750)
Total Judicial	118,526	106,052	(12,474)
Public Relations			
Events	1,950	290	(1,660)
Public notices and advertisements	1,740	1,710	(30)
Total Public Relations	3,690	2,000	(1,690)

(Continued)

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE (DEFICITS) - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)			
Police			
Personnel services:			
Salaries and wages	712,518	817,022	104,504
Employee insurance	257,998	205,224	(52,774)
Payroll taxes	54,431	63,231	8,800
Pension	35,000	40,541	5,541
Total Personnel Services	<u>1,059,947</u>	<u>1,126,018</u>	<u>66,071</u>
Dispatch	38,302	39,728	1,426
Equipment maintenance contracts	360	460	100
General equipment	11,000	13,110	2,110
Computer Software	-	745	745
Car washes	1,500	516	(984)
Miscellaneous	2,800	6,203	3,403
Motor fuels	26,000	23,046	(2,954)
Radio repair/radar	800	1,145	345
Uniforms and clothing	6,000	4,862	(1,138)
Total Police	<u>1,146,709</u>	<u>1,215,833</u>	<u>69,124</u>
Parks			
Miscellaneous	4,700	743	(3,957)
Grant expenses	-	29	29
Total Parks	<u>4,700</u>	<u>772</u>	<u>(3,928)</u>
Public Works			
Personnel services:			
Salaries and wages	101,720	88,289	(13,431)
Employee insurance	19,023	16,092	(2,931)
Payroll taxes	7,399	6,893	(506)
Pension	3,120	3,461	341
Total Personnel Services	<u>131,262</u>	<u>114,735</u>	<u>(16,527)</u>
Asphalt	3,000	1,407	(1,593)
Equipment rental	1,000	-	(1,000)
Landfill	-	3,707	3,707
Motor fuels and vehicle repairs	4,716	3,914	(802)

(Continued)

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE (DEFICITS) - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)			
Public Works (Continued)			
Salt/gravel	6,000	13,682	7,682
Signs and poles	1,000	2,953	1,953
Street lights	28,000	22,515	(5,485)
Repairs and maintenance	-	89	89
Tools and supplies	9,000	10,683	1,683
Utilities	4,400	1,266	(3,134)
Weed/insect control	2,500	2,456	(44)
Total Public Works	190,878	177,407	(13,471)
Total Expenditures	1,917,847	1,967,037	49,190
 REVENUES OVER EXPENDITURES	 60,414	 86,079	 25,665
 OTHER FINANCING SOURCES			
Transfers in	-	163,274	163,274
 NET CHANGE IN FUND BALANCE	 \$ 60,414	 249,353	 188,939
 FUND BALANCE (DEFICITS), JANUARY 1		 (69,191)	
 FUND BALANCE, DECEMBER 31		 \$ 180,162	

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - SEWER LATERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 40,000	42,268	2,268
Other	-	148	148
Total Revenues	40,000	42,416	2,416
EXPENDITURES			
Public works	35,000	45,275	10,275
NET CHANGE IN FUND BALANCE	\$ 5,000	(2,859)	(7,859)
FUND BALANCE, JANUARY 1		257,509	
FUND BALANCE, DECEMBER 31		\$ 254,650	

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - NOTES TO SCHEDULES OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(DEFICITS) - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The proposed budget on the modified cash basis of accounting is submitted to the City Council for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenues of the preceding year plus any fund balance at the end of such year.
- b. Public hearings are conducted in the City to obtain taxpayer input and comments.
- c. The budget must be adopted by the affirmative vote of a majority of the City Council for each fiscal year.
- d. The City Council may transfer budgeted amounts between departments to alter the total expenditures. All appropriations not spent or legally encumbered at year-end lapse.
- e. The City adopts a budget for the General, Capital Improvement, Sewer Lateral, Public Safety, and Police Training Funds. All other funds are unbudgeted.
- f. During the year the City Council did not authorize supplemental appropriations to the budget.

Expenditures

For the year ended December 31, 2020, expenditures exceeded appropriations as follows:

	Original And Final Budget	Actual	Over Budget
General Fund:			
Administration	\$ 453,344	464,973	11,629
Police	1,146,709	1,215,833	69,124
Capital Improvement Fund	134,476	331,181	196,705
Sewer Lateral Fund	35,000	45,275	10,275
Public Safety Fund	78,030	97,906	19,876
Police Training Fund	12,600	16,760	4,160

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Public Safety	Police Training	Narcotics Seizures	Total
ASSETS				
Cash	\$ 9,923	4,389	-	14,312
 LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Due to other funds	\$ 1,526	16,901	-	18,427
 Fund Balances (Deficits)				
Restricted for:				
Public safety	8,397	-	-	8,397
Unassigned	-	(12,512)	-	(12,512)
Total Fund Balances (Deficits)	8,397	(12,512)	-	(4,115)
Total Liabilities And Fund Balances (Deficits)	\$ 9,923	4,389	-	14,312

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Public Safety</u>	<u>Police Training</u>	<u>Narcotics Seizures</u>	<u>Total</u>
REVENUES				
Intergovernmental	\$ 226,788	-	-	226,788
Municipal court	-	9,023	-	9,023
Total Revenues	<u>226,788</u>	<u>9,023</u>	<u>-</u>	<u>235,811</u>
EXPENDITURES				
Current:				
Police	60,267	16,760	-	77,027
Capital outlay	1,899	-	-	1,899
Debt service:				
Principal	31,766	-	-	31,766
Interest	3,974	-	-	3,974
Total Expenditures	<u>97,906</u>	<u>16,760</u>	<u>-</u>	<u>114,666</u>
REVENUES OVER EXPEN- DITURES	<u>128,882</u>	<u>(7,737)</u>	<u>-</u>	<u>121,145</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,614	-	2,614
Transfer out	(163,274)	-	(2,614)	(165,888)
Total Financing Sources (Uses)	<u>(163,274)</u>	<u>2,614</u>	<u>(2,614)</u>	<u>(163,274)</u>
NET CHANGE IN FUND BALANCE	(34,392)	(5,123)	(2,614)	(42,129)
FUND BALANCES (DEFICITS), JANUARY 1	<u>42,789</u>	<u>(7,389)</u>	<u>2,614</u>	<u>38,014</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 8,397</u>	<u>\$ (12,512)</u>	<u>-</u>	<u>(4,115)</u>

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
MODIFIED CASH BASIS - PUBLIC SAFETY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Sales tax	\$ 280,000	226,788	(53,212)
EXPENDITURES			
Police:			
Computer software expenses	20,000	210	(19,790)
Firearms	6,000	7,771	1,771
Grant applications	-	15,150	15,150
K-9 expenses	-	3,283	3,283
Officer training	-	1,238	1,238
Traffic enforcement	5,000	3,347	(1,653)
Vehicle repairs	10,000	29,268	19,268
Total Police	41,000	60,267	19,267
Capital outlay	-	1,899	1,899
Debt service:			
Principal	37,030	31,766	(5,264)
Interest	-	3,974	3,974
Total Debt Service	37,030	35,740	(1,290)
Total Expenditures	78,030	97,906	19,876
REVENUES OVER EXPENDITURES	201,970	128,882	(73,088)
OTHER FINANCING SOURCES			
Transfer out	-	(163,274)	(163,274)
NET CHANGE IN FUND BALANCE	\$ 201,970	(34,392)	(236,362)
FUND BALANCE, JANUARY 1		42,789	
FUND BALANCE, DECEMBER 31		\$ 8,397	

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE (DEFICITS) - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - POLICE TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Municipal court	\$ 10,216	9,023	(1,193)
EXPENDITURES			
Police	12,600	16,760	4,160
REVENUES UNDER EXPENDITURES	(2,384)	(7,737)	(5,353)
OTHER FINANCING SOURCES			
Transfers in	-	2,614	2,614
NET CHANGE IN FUND BALANCE	\$ (2,384)	(5,123)	(2,739)
FUND BALANCE (DEFICITS), JANUARY 1		(7,389)	
FUND BALANCE (DEFICITS), DECEMBER 31		\$ (12,512)	

CITY OF BRECKENRIDGE HILLS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Sales tax	\$ 130,000	128,045	(1,955)
Intergovernmental	-	117,689	117,689
Total Revenues	130,000	245,734	115,734
EXPENDITURES			
Capital outlay	134,476	305,329	170,853
Debt service:			
Principal	-	22,197	22,197
Interest	-	3,655	3,655
Total Debt Service	-	25,852	25,852
Total Expenditures	134,476	331,181	196,705
NET CHANGE IN FUND BALANCE	\$ (4,476)	(85,447)	(80,971)
FUND BALANCE, JANUARY 1		380,274	
FUND BALANCE, DECEMBER 31		\$ 294,827	