



FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2021

CITY OF GREEN PARK, MISSOURI

FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
CITY OF GREEN PARK, MISSOURI

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, and each major fund of the **CITY OF GREEN PARK, MISSOURI** (the City), as of and for the year ended December 31, 2021, and the related notes to 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 modified cash basis financial position of the governmental activities and each major fund of City of Green Park as of December 31, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note A-3.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 a Matter - 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A-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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS we:

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

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

Other Matters

Supplemental 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 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. Such 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 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 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.

Other Information

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

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

Sikich LLP

St. Louis, Missouri
October 11, 2022

CITY OF GREEN PARK, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

This section of the City of Green Park, Missouri's (the City) financial report is a narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. 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 \$17,219,400 (net position). The City has unrestricted net position of \$3,639,139.
- The cost of the governmental activities was \$1,819,366 in fiscal year 2021.
- As of the close of the current year, the governmental funds reported combined ending fund balances of \$3,718,883, an increase of \$39,539 in comparison to the prior year. Unassigned funds available for spending at the City's discretion amounted to \$3,199,139 or 86% of total fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,199,139 or 176% of the General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's financial statements. The City's 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, engineering, police protection, sanitation, streets, and debt service.

CITY OF GREEN PARK, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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. Only current financial assets and liabilities are generally included on their balance sheet. 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 the governmental funds and the government-wide governmental activities.

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the 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. In addition to the basic financial statements and accompanying notes, certain supplemental information provides budget and prior year data.

CITY OF GREEN PARK, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

CONDENSED FINANCIAL STATEMENTS

A condensed version of the statement of net position - modified cash basis compared to the prior year follows:

	December 31		2021 Change	
	2021	2020	Amount	Percent
ASSETS				
Current and other assets	\$ 3,878,716	3,833,173	45,543	1.2 %
Capital assets	13,500,517	12,877,201	623,316	4.8
Total Assets	17,379,233	16,710,374	668,859	4.0
LIABILITIES				
Current and other liabilities	159,833	153,829	6,004	3.9
Total Liabilities	159,833	153,829	6,004	3.9
NET POSITION				
Net investment in capital assets	13,500,517	12,877,201	623,316	4.8
Restricted for capital projects	79,744	196,862	(117,118)	(59.5)
Unrestricted	3,639,139	3,482,482	156,657	4.5
Total Net Position	\$ 17,219,400	16,556,545	662,855	4.0 %

A condensed version of the statement of activities - modified cash basis compared to prior year follows:

CITY OF GREEN PARK, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	For The Years		2021 Change	
	Ended December 31		Amount	Percent
	2021	2020		
REVENUES				
Program revenues:				
Charges for services	\$ 147,474	156,492	(9,018)	(5.8) %
Operating grants and contributions	303,954	232,320	71,634	30.8
Capital grants and contributions	140,596	587,372	(446,776)	(76.1)
General revenues:				
Taxes:				
Sales	1,108,038	1,298,573	(190,535)	(14.7)
Gross receipts	500,931	472,467	28,464	6.0
Cigarette	4,960	5,570	(610)	(11.0)
Investment income	11,008	45,327	(34,319)	(75.7)
Intergovernmental	264,137	-	264,137	N/A
Other	1,123	1,135	(12)	(1.1)
Total Revenues	<u>2,482,221</u>	<u>2,799,256</u>	<u>(317,035)</u>	<u>(11.3)</u>
EXPENSES				
Administration	441,211	426,733	14,478	3.4
Engineering	183,227	199,259	(16,032)	(8.0)
Police protection	350,592	324,361	26,231	8.1
Sanitation	239,500	239,308	192	0.1
Streets	604,836	516,685	88,151	17.1
Interest on long-term debt	-	21,398	(21,398)	(100.0)
Total Expenses	<u>1,819,366</u>	<u>1,727,744</u>	<u>91,622</u>	<u>5.3</u>
CHANGE IN NET POSITION	662,855	1,071,512	(408,657)	(38.1)
NET POSITION, JANUARY 1	<u>16,556,545</u>	<u>15,485,033</u>	<u>1,071,512</u>	6.9
NET POSITION, DECEMBER 31	<u>\$ 17,219,400</u>	<u>16,556,545</u>	<u>662,855</u>	4.0 %

The City's property tax rates in 2021 remained at zero; the same as 2020.

One can think of the City's net position (the difference between assets and liabilities) as 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. One will need to consider other nonfinancial factors such as changes in the City's property tax base, the amount of snow during the winter season, etc., to assess the overall health of the City. The current year's growth in net position is attributed to increased sales tax and operating and capital grants.

**CITY OF GREEN PARK, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The City has committed \$440,000 of fund balance for future contingencies. This amount of fund balance has been set aside on the internal records of the City and is included in unrestricted net position on the statement of net position - modified cash basis.

GOVERNMENTAL FUNDS

Total fund balances for all governmental funds increased by \$39,539. The General Fund balance increased by \$156,657 and the Capital Projects Fund decreased by \$117,118 primarily due to significant road construction improvements.

BUDGETARY HIGHLIGHTS

General Fund expenditures were \$78,179 over budgeted expenditures of \$1,736,400. General Fund revenues were \$362,736 over the amount budgeted of \$1,608,500. General Fund expenditures decreased approximately 11.4% primarily due to the decrease in debt payment expenditures in 2021. Overall General Fund revenues decreased approximately 13.1%, primarily due to decreases in sales tax revenues.

Capital Projects Fund expenditures were \$122,034 or 24.1% over budgeted expenditures of \$506,069. Capital Projects Fund revenues were \$97,871 or 16.1% under the amount budgeted of \$608,856.

CAPITAL ASSETS

The City added \$623,316 in net capital assets during the year ended December 31, 2021 due to street improvements during the current year. The balances of capital assets over the capitalization threshold, net of accumulated depreciation, were as follows:

	December 31	
	2021	2020
Capital assets, net of accumulated depreciation:		
Land and easements	\$ 337,073	337,073
Construction in progress	772,048	143,945
Building	907,237	935,152
Building improvements	138,158	142,584
Infrastructure	<u>11,346,001</u>	<u>11,318,447</u>
 Total Capital Assets	 <u><u>\$ 13,500,517</u></u>	 <u><u>12,877,201</u></u>

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

**CITY OF GREEN PARK, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The General Fund experienced a 33.5% decrease in general sales tax revenue in 2021. The Capital Projects Fund experienced a 3.8% decrease in capital improvements sales tax when compared to 2020.
- The City anticipates receiving \$682,000 in grants in 2022 for reimbursement of street expenditures.
- The Capital Projects Fund expenditures for 2022 are projected to be \$1,439,407, primarily for City street repairs and replacements.
- The 2022 budget was prepared with property tax rates remaining at zero.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents and taxpayers with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City Clerk's office at 11100 Mueller Road, Suite 6, Green Park, MO 63123 or telephone, 314-894-7336.

CITY OF GREEN PARK, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2021

ASSETS

Cash and investments	\$ 3,744,855
Cash - restricted for deposits	130,306
Other deposits	3,555
Capital assets:	
Land and easements	337,073
Construction in progress	772,048
Other capital assets, net of accumulated depreciation	12,391,396
Total Assets	<u>17,379,233</u>

LIABILITIES

Payroll liabilities	5,558
Sewer lateral fees	23,969
Escrow and lease deposits	130,306
Total Liabilities	<u>159,833</u>

NET POSITION

Net investment in capital assets	13,500,517
Restricted for capital projects	79,744
Unrestricted	<u>3,639,139</u>
Total Net Position	<u><u>\$ 17,219,400</u></u>

CITY OF GREEN PARK, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
Administration	\$ 441,211	147,474	-	-	(293,737)
Engineering	183,227	-	-	-	(183,227)
Police protection	350,592	-	114,886	-	(235,706)
Sanitation	239,500	-	-	-	(239,500)
Streets	604,836	-	189,068	140,596	(275,172)
Total Governmental Activities	<u>\$ 1,819,366</u>	<u>147,474</u>	<u>303,954</u>	<u>140,596</u>	<u>(1,227,342)</u>
General Revenues					
Taxes:					
Sales					1,108,038
Gross receipts					500,931
Cigarette					4,960
Investment income					11,008
Intergovernmental					264,137
Other					<u>1,123</u>
Total General Revenues					<u>1,890,197</u>
CHANGE IN NET POSITION					662,855
NET POSITION, JANUARY 1					<u>16,556,545</u>
NET POSITION, DECEMBER 31					<u>\$ 17,219,400</u>

CITY OF GREEN PARK, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Capital Projects Fund	Total
ASSETS			
Cash and investments	\$ 3,665,111	79,744	3,744,855
Cash - restricted for deposits	130,306	-	130,306
Other deposits	3,555	-	3,555
Total Assets	<u>\$ 3,798,972</u>	<u>79,744</u>	<u>3,878,716</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Payroll liabilities	\$ 5,558	-	5,558
Sewer lateral fees	23,969	-	23,969
Escrow and lease deposits	130,306	-	130,306
Total Liabilities	<u>159,833</u>	<u>-</u>	<u>159,833</u>
Fund Balances			
Restricted for capital projects	-	79,744	79,744
Committed for:			
Contingencies	440,000	-	440,000
Unassigned	3,199,139	-	3,199,139
Total Fund Balances	<u>3,639,139</u>	<u>79,744</u>	<u>3,718,883</u>
Total Liabilities And Fund Balances	<u>\$ 3,798,972</u>	<u>79,744</u>	<u>3,878,716</u>

CITY OF GREEN PARK, 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, 2021

Total Fund Balances - Governmental Funds	\$ 3,718,883
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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.	<u>13,500,517</u>
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Total Net Position Of Governmental Activities	<u><u>\$ 17,219,400</u></u>
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CITY OF GREEN PARK, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Capital Projects Fund	Total
REVENUES			
Taxes	\$ 1,316,739	510,985	1,827,724
Grants	494,892	-	494,892
Licenses and permits	38,130	-	38,130
Lease income	108,093	-	108,093
Investment income	11,008	-	11,008
Other	2,374	-	2,374
Total Revenues	<u>1,971,236</u>	<u>510,985</u>	<u>2,482,221</u>
EXPENDITURES			
Administration	408,870	-	408,870
Engineering	183,227	-	183,227
Police protection	350,592	-	350,592
Sanitation	239,500	-	239,500
Street maintenance	632,390	-	632,390
Street projects	-	628,103	628,103
Total Expenditures	<u>1,814,579</u>	<u>628,103</u>	<u>2,442,682</u>
NET CHANGES IN FUND BALANCES	156,657	(117,118)	39,539
FUND BALANCES, JANUARY 1	<u>3,482,482</u>	<u>196,862</u>	<u>3,679,344</u>
FUND BALANCES, DECEMBER 31	<u><u>\$ 3,639,139</u></u>	<u><u>79,744</u></u>	<u><u>3,718,883</u></u>

CITY OF GREEN PARK, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Changes In Fund Balances - Governmental Funds	\$ 39,539
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$1,015,827) exceeded depreciation (\$392,511) in the current year.	<u>623,316</u>
Change In Net Position Of Governmental Activities	<u><u>\$ 662,855</u></u>

CITY OF GREEN PARK, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF GREEN PARK, MISSOURI** (the City) was incorporated in 1995. The City operates under a Mayor-Board of Aldermen form of government and provides various services including legislative, public safety (police only), streets, health and social services, public improvements, planning and zoning, 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. 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 balances, revenues, and expenses/expenditures when they result from cash transactions. 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 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 statements would be presented on the accrual basis of accounting.

3. Measurement Focus

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.

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.

CITY OF GREEN PARK, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus (Continued)

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.

4. Fund Accounting

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 of the activities of the City. 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 charges to those directly relating to the function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

The following major governmental funds are used by the City:

General Fund -- The General Fund accounts for all activities except those accounted for in another fund. Revenues in this fund are derived from taxes, fees, and other sources that usually are not designated for any specific purpose. The revenue is used for general ongoing government services such as police, public works, sanitation, and administration.

Capital Projects Fund -- The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

5. Property Taxes

The City does not levy a tax on the assessed value of real and personal property located within the City.

6. Investments

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

Investments are stated at fair value. Fair value for certain U.S. government securities which mature within less than one year from purchase is determined by calculating amortized cost, which approximates fair value. Fair value for all other investments is based on quoted market prices.

CITY OF GREEN PARK, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Capital Assets

Capital assets, which include land and building, office furniture and equipment, and infrastructure assets (e.g., roads), are reported in the governmental activities of the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than 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 City has elected to report major general infrastructure assets prospectively from 2002.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's life are not capitalized.

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

Assets	Years
Office furniture and equipment	3 - 10
Building	20
Building improvements	10 - 20
Infrastructure	5 - 40

8. Compensated Absences

Employees accrue vacation and sick pay during the year and vested amounts remain unpaid at December 31, 2021. The City records expenditures for compensated absences on the cash basis.

9. Use of Estimates

The preparation of basic financial statements 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/Net Position

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

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

CITY OF GREEN PARK, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Fund Balance Policies/Net Position (Continued)

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 Board of Aldermen, 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 Board of Aldermen has designated authority. Deficit balances in other governmental funds are also reported as unassigned.

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.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

11. Accounting pronouncements

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postponed various statements to provide temporary relief in light of the COVID-19 pandemic.

NOTE B - CASH AND INVESTMENTS

1. Deposits

The City's bank deposits are secured 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 B - CASH AND INVESTMENTS (Continued)

2. Investments

Investment Policies

The City's formal investment policies are as follows:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes credit risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City does business and diversifying the portfolio so that potential losses on individual securities are minimized.

Custodial Credit Risk the custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investment held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City minimizes interest rate risk by structuring the investment portfolio so the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City addresses custodial credit risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt).

CITY OF GREEN PARK, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

3. Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. Non-negotiable certificates of deposit and money market funds are not subject to fair value classification.

NOTE C - CAPITAL ASSETS

Capital assets activity was as follows:

CITY OF GREEN PARK, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended December 31, 2021			
	Balance December 31 2020	Increases	Decreases	Balance December 31 2021
Capital assets not being depreciated:				
Land and easements	\$ 337,073	-	-	337,073
Construction in progress	143,945	957,620	329,517	772,048
Total Capital Assets Not Being Depreciated	481,018	957,620	329,517	1,109,121
Capital assets being depreciated:				
Office furniture and equipment	24,590	-	-	24,590
Building	1,116,600	-	-	1,116,600
Building improvements	207,251	9,850	-	217,101
Infrastructure	13,816,732	377,874	-	14,194,606
Total Capital Assets Being Depreciated	15,165,173	387,724	-	15,552,897
Less - Accumulated depreciation for:				
Office furniture and equipment	24,590	-	-	24,590
Building	181,448	27,915	-	209,363
Building improvements	64,667	14,276	-	78,943
Infrastructure	2,498,285	350,320	-	2,848,605
Total Accumulated Depreciation	2,768,990	392,511	-	3,161,501
Total Capital Assets Being Depreciated, Net	12,396,183	(4,787)	-	12,391,396
Capital Assets, Net	<u>\$ 12,877,201</u>	<u>952,833</u>	<u>329,517</u>	<u>13,500,517</u>

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

	For The Year Ended December 31 2021
Administration	\$ 42,191
Streets	350,320
Total	<u>\$ 392,511</u>

CITY OF GREEN PARK, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - OPERATING LEASES AS LESSOR

The City has various leases for real estate with non-cancelable lease terms. Total rental income for these leases for the year ended December 31, 2021 amounted to \$108,093. The following is a schedule by year of future minimum rentals required under operating leases as lessor as of December 31, 2021:

<u>For The Years Ending December 31</u>	
2022	\$ 14,640
2023	4,880
	<hr/>
Total	\$ 19,520
	<hr/> <hr/>

NOTE E - COMMITMENTS AND CONTINGENCIES

The City contracted the St. Louis County Police Department to provide public safety services. Payments for services for the year ended December 31, 2021 amounted to \$350,592. The annually renewable contract term ends December 31 each year and will automatically renew unless either party elects to cancel. This amount can be adjusted when both parties agree that special circumstances require additional related costs.

The City contracted American Eagle Waste Ind., L.L.C. to provide residential solid waste collection services. Payments for services for the year ended December 31, 2021 amounted to \$239,500. The contract terms are for a period of five years, expiring April 30, 2024.

NOTE F - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The employee health insurance is provided by a commercial insurer. The City is a member of the Missouri Public Entity Risk Management Fund (MOPERM), which is a public entity risk pool for general liability, law enforcement liability, public officials' errors and omission, automobile liability, and worker's compensation. The City pays an annual contribution to MOPERM for its insurance coverage. Should the contributions received not produce sufficient funds to meet obligations, MOPERM is empowered to make special assessments. Members of MOPERM are jointly and severally liable for all claims against MOPERM. Settled claims have not exceeded the City's commercial coverages in any of the past three fiscal years.

CITY OF GREEN PARK, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE G - RETIREMENT PLAN

The City offers qualifying employees a retirement plan through a savings incentive match plan for employees of small employers, Simple IRA, created in accordance with Internal Revenue Code Section 457. The plan was established by an ordinance of the City's Board of Aldermen through a plan dated February 2017. The plan, available to all qualified City employees, permits them to contribute a portion of their salary until future years. Pursuant to the plan's provisions, the City is obligated to match contributions equal to 3% of the employees' compensation. The City's contributions paid to the plan amounted to \$3,864 for the year ended December 31, 2021.

NOTE H - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for the year ending December 31, 2022.
- GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this Statement are effective for the year ending December 31, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for the year ending December 31, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the year ending December 31, 2023.

CITY OF GREEN PARK, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to: a) the determination of the public-private and public-public partnership (PPP) term and b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to non-monetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending December 31, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending December 31, 2024.

CITY OF GREEN PARK, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE H - FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

- GASB Statement No. 100, *Accounting Changes and Error Corrections--an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that: a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ending December 31, 2024.
- GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for: 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: a) the leave is attributable to services already rendered, b) the leave accumulates, and c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences--including parental leave, military leave, and jury duty leave--not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as it is identified as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ending December 31, 2024.

SUPPLEMENTAL INFORMATION SECTION

CITY OF GREEN PARK, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Cigarette	\$ 4,500	4,500	4,960	460
Cable and utility	492,000	492,000	500,931	8,931
Gasoline	75,000	75,000	71,067	(3,933)
Motor vehicle fee increase	12,000	12,000	12,919	919
Motor vehicle sales tax	20,000	20,000	28,445	8,445
Public safety	105,000	105,000	161,524	56,524
Road and bridge	97,000	97,000	101,364	4,364
Sales	670,000	670,000	435,529	(234,471)
Total Taxes	1,475,500	1,475,500	1,316,739	(158,761)
Grants	-	-	494,892	494,892
Licenses and permits	34,000	34,000	38,130	4,130
Lease income	90,000	90,000	108,093	18,093
Investment income	9,000	9,000	11,008	2,008
Other	(1,093)	-	2,374	2,374
Total Revenues	1,607,407	1,608,500	1,971,236	362,736
EXPENDITURES				
Administration:				
Wages	170,550	170,550	152,015	(18,535)
Building:				
Water	1,500	1,500	2,456	956
Sewer	1,200	1,200	799	(401)
Electric	2,000	2,000	1,027	(973)
Maintenance	40,000	40,000	34,215	(5,785)
Insurance	5,500	5,500	13,920	8,420
Capital outlay	30,000	-	-	-
Dues and subscriptions	4,000	4,000	1,854	(2,146)
Election fees	2,500	2,500	1,687	(813)
Employee training	3,000	3,000	90	(2,910)
Health insurance	29,000	29,000	20,860	(8,140)

(Continued)

CITY OF GREEN PARK, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
Administration (Continued):				
Insurance	6,000	6,000	11,475	5,475
Legal notices and publications	6,000	6,000	1,601	(4,399)
Licenses and permits	9,000	9,000	8,579	(421)
Maintenance and repairs	2,000	-	-	-
Newsletters and delivery	6,000	6,000	2,766	(3,234)
Office and miscellaneous	67,900	67,900	33,628	(34,272)
Outside labor	10,000	10,000	3,773	(6,227)
Payroll taxes	11,500	11,500	16,276	4,776
Postage	2,000	2,000	1,355	(645)
Professional fees	109,000	109,000	88,483	(20,517)
Public relations	8,000	8,000	637	(7,363)
Retirement	-	-	3,526	3,526
Telephone	-	-	-	-
Utilities	9,750	9,750	7,848	(1,902)
Total Administration	<u>536,400</u>	<u>504,400</u>	<u>408,870</u>	<u>(95,530)</u>
Engineering:				
General	<u>205,000</u>	<u>205,000</u>	<u>183,227</u>	<u>(21,773)</u>
Police protection	<u>340,000</u>	<u>340,000</u>	<u>350,592</u>	<u>10,592</u>
Sanitation	<u>240,000</u>	<u>240,000</u>	<u>239,500</u>	<u>(500)</u>
Streets:				
Street maintenance	<u>415,000</u>	<u>447,000</u>	<u>632,390</u>	<u>185,390</u>
Total Expenditures	<u>1,736,400</u>	<u>1,736,400</u>	<u>1,814,579</u>	<u>78,179</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (128,993)</u></u>	<u><u>(127,900)</u></u>	<u><u>156,657</u></u>	<u><u>284,557</u></u>

CITY OF GREEN PARK, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 500,000	500,000	510,985	10,985
Grants	785,000	108,856	-	(108,856)
Total Revenues	<u>1,285,000</u>	<u>608,856</u>	<u>510,985</u>	<u>(97,871)</u>
 EXPENDITURES				
Street projects	<u>1,340,000</u>	<u>506,069</u>	<u>628,103</u>	<u>122,034</u>
 NET CHANGE IN FUND BALANCE	<u><u>\$ (55,000)</u></u>	<u><u>102,787</u></u>	<u><u>(117,118)</u></u>	<u><u>(219,905)</u></u>

CITY OF GREEN PARK, MISSOURI
SUPPLEMENTAL INFORMATION - NOTES TO SCHEDULES OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Budgetary Data

The City follows these procedures in establishing the budgetary data:

- a) The proposed budget is submitted to the Board of Aldermen. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenues plus any fund balance at the end of such year. Budgets are adopted on the modified cash basis of accounting.
- b) The budget must be adopted by the Board of Aldermen. Expenditures may not exceed appropriations on the fund level.
- c) Budget amendments must be approved by the Board of Aldermen.
- d) All annual appropriations lapse at year-end.

For the year ended December 31, 2021, expenditures exceeded the budget by \$78,179 and \$122,034 in the General and Capital Projects funds.