

City of LaBelle, Missouri

Basic Financial Statements

And Management's Discussion and Analysis

For the Fiscal Year

Ended April 30, 2022

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Financial Section



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Independent Auditor's Report

The Honorable Mayor
and Board of Aldermen
City of LaBelle, Missouri

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of LaBelle, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Independent Auditor's Report (Concluded)

- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of LaBelle, Missouri's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wade Stables P.C.
Wade Stables P.C.
Certified Public Accountants

October 11, 2022
Quincy, Illinois

Management's Discussion and Analysis

The discussion and analysis of the City of LaBelle, Missouri's, financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended April 30, 2022. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

Financial Highlights

- The assets of the City of LaBelle, Missouri, exceeded its liabilities at the close of the fiscal year ending April 30, 2022, by \$2,229,322 (net position). Of this amount, \$782,275 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of LaBelle, Missouri's, total net position increased by \$55,759 for the year ended April 30, 2022. The increase in net position can be attributed to the business-type activities' increase in net position of \$25,482, and the governmental activities' increase in net position of \$30,277.
- The fund balance of the City's General Fund increased by \$49,422 to a balance of \$287,646 at April 30, 2022.

Using this Annual Financial Report

The discussion and analysis serve as an introduction to the City of LaBelle, Missouri's, basic financial statements. The City of LaBelle, Missouri's basic financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements are designed to provide readers with a broad overview of the City of LaBelle, Missouri's finances. The Statement of Net Position represents information on all of the City of LaBelle, Missouri'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 of LaBelle, Missouri, is improving or deteriorating. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure to assess the overall health or financial condition of the City. The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- Governmental Activities - Most of the City's basic services are reported here, including the street department and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.
- Business-type Activities - The City's water and sewer system is reported here. The City charges fees to customers to help cover all or most of the costs of certain services it provides.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

- Governmental funds - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near

future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term effect of the government's near-term financing decisions. The relationships and differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in reconciliations following the fund financial statements.

The City of LaBelle, Missouri, maintains two individual governmental funds. Information is presented separately on the Balance Sheet - Governmental Funds for the General Fund and Street Fund, which are both considered major funds.

- **Proprietary Funds** - The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in the proprietary fund. The proprietary fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund (a component of the proprietary fund) is identical to the business type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary fund.

The City of LaBelle, Missouri, maintains one individual enterprise fund. The City uses this enterprise fund to account for its water and sewer activities. The fund provides the same type of information as the government-wide financial statements, only in more detail.

Notes to the 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. The notes to the financial statements can be found immediately following the basic financial statements.

The City as a Whole - Government-Wide Financial Analysis

The City's combined net position was \$2,229,322 as of April 30, 2022. Analyzing the net position and net revenues of governmental and business-type activities separately, the governmental activities' net position is \$396,227 and the business-type activities' net position is \$1,833,095. The analysis focuses on the net position (Table 1) and significant expenses of the City's governmental and business-type activities (Table 2).

Net position of the City's governmental activities increased by \$30,277 or 8.27%, when compared to the prior year.

Net position of the City's business-type activities increased by \$25,482 or 1.41%, when compared to the prior year.

For the year ended April 30, 2022, governmental and business-type activities increased the City's net position by \$55,759 compared to the increase in net position of \$33,741 for the prior year. The key elements of these changes are shown on the next page.

City of LaBelle, Missouri
Management's Discussion and Analysis
For the Fiscal Year Ended April 30, 2022
(Unaudited)

Table 1
Summary of Net Position
at April 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 365,931	\$ 335,203	\$ 497,235	\$ 445,511	\$ 863,166	\$ 780,714
Restricted assets	-	-	144,640	144,608	144,640	144,608
Capital assets - net of depreciation	33,470	35,509	2,502,988	2,583,704	2,536,458	2,619,213
Total Assets	<u>\$ 399,401</u>	<u>\$ 370,712</u>	<u>\$ 3,144,863</u>	<u>\$ 3,173,823</u>	<u>\$ 3,544,264</u>	<u>\$ 3,544,535</u>
Current liabilities	\$ 3,174	\$ 4,762	\$ 10,892	\$ 25,442	\$ 14,066	\$ 30,204
Long-term liabilities	-	-	1,300,876	1,340,768	1,300,876	1,340,768
Total Liabilities	<u>\$ 3,174</u>	<u>\$ 4,762</u>	<u>\$ 1,311,768</u>	<u>\$ 1,366,210</u>	<u>\$ 1,314,942</u>	<u>\$ 1,370,972</u>
Net position:						
Net investment in capital assets	\$ 33,470	\$ 35,509	\$ 1,205,271	\$ 1,246,201	\$ 1,238,741	\$ 1,281,710
Restricted	-	-	208,306	144,608	208,306	144,608
Unrestricted	362,757	330,441	419,518	416,804	782,275	747,245
Total Net Position	<u>\$ 396,227</u>	<u>\$ 365,950</u>	<u>\$ 1,833,095</u>	<u>\$ 1,807,613</u>	<u>\$ 2,229,322</u>	<u>\$ 2,173,563</u>

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 1,825	\$ 2,384	\$ 256,419	\$ 273,121	\$ 258,244	\$ 275,505
Capital grants and contributions	-	-	63,666	-	63,666	-
General Revenues:						
Property taxes	63,222	64,358	-	-	63,222	64,358
Intergovernmental revenues	124,143	114,873	-	-	124,143	114,873
Miscellaneous revenue	10,624	2,510	1,278	1,773	11,902	4,283
Interest income	251	189	491	762	742	951
Total revenues	<u>\$ 200,065</u>	<u>\$ 184,314</u>	<u>\$ 321,854</u>	<u>\$ 275,656</u>	<u>\$ 521,919</u>	<u>\$ 459,970</u>
Expenses:						
General government	\$ 81,977	\$ 75,868	\$ -	\$ -	\$ 81,977	\$ 75,868
Streets	87,811	41,760	-	-	87,811	41,760
Water and sewer	-	-	296,372	308,601	296,372	308,601
Total expenses	<u>\$ 169,788</u>	<u>\$ 117,628</u>	<u>\$ 296,372</u>	<u>\$ 308,601</u>	<u>\$ 466,160</u>	<u>\$ 426,229</u>
Increase (decrease) in net position	\$ 30,277	\$ 66,686	\$ 25,482	\$ (32,945)	\$ 55,759	\$ 33,741
Net Position beginning of year	365,950	299,264	1,807,613	1,840,558	2,173,563	2,139,822
Net Position end of year	<u>\$ 396,227</u>	<u>\$ 365,950</u>	<u>\$ 1,833,095</u>	<u>\$ 1,807,613</u>	<u>\$ 2,229,322</u>	<u>\$ 2,173,563</u>

The City's total revenues increased by \$61,949 or 13.47% compared to the prior year. The increase can be attributed largely to the receipt of ARPA grant funds in the current year.

Total expenses increased by \$39,931, or 9.37% compared to the prior year. The increase can be attributed largely in part to the expenses related to an increase in street maintenance expenses.

Governmental Activities

The City's general revenues from governmental activities increased when compared to the prior year by \$16,310 or 8.96%. The key elements of these changes are as follows:

Table 3
General Revenues
Governmental Activities

	2022	2021	Increase (Decrease)
Property taxes	\$ 63,222	\$ 64,358	\$ (1,136)
Intergovernmental revenues	124,143	114,873	9,270
Miscellaneous revenue	10,624	2,510	8,114
Interest income	251	189	62
Total general revenues	<u>\$ 198,240</u>	<u>\$ 181,930</u>	<u>\$ 16,310</u>

Total expenses for governmental activities increased \$52,160 from last year. This was due in part to the increase of street expenses of \$46,051 and an increase of \$6,109 in general government expenses.

The most significant ongoing governmental expense for the City was in providing for general administration which incurred expenses of \$81,977. The major component of general administration is salaries and related taxes, which incurred expenses of \$42,636 during the fiscal year. Other significant governmental expenses for the City include general insurance of \$5,185, utilities of \$13,893 and office expense of \$3,834.

Business-type Activities

Revenues of the City's business-type activities were \$321,854 for the fiscal year ending April 30, 2022. Expenses for the City's business-type activities were \$296,372 for the year, resulting in an increase in net position of \$25,482.

Property, Plant and Equipment and Debt

At the end of the fiscal year, the City had \$2,536,458 invested in property, plant and equipment. This amount represents a decrease of \$82,755 from the prior year.

Table 4
Property, Plant and Equipment

	Governmental Activities	Business-type Activities	Total
Governmental funds	\$ 33,470	\$ -	\$ 33,470
Water and Sewer	-	2,502,988	2,502,988
Total	<u>\$ 33,470</u>	<u>\$ 2,502,988</u>	<u>\$ 2,536,458</u>

Debt

At year-end, the City had \$1,297,717 in revenue bonds. The City paid \$39,786 in principal and \$39,137 in interest during the year.

Table 5
Outstanding Debt

	Governmental Activities	Business-type Activities	Total
Bonds payable	\$ -	\$ 1,297,717	\$ 1,297,717
Total	\$ -	\$ 1,297,717	\$ 1,297,717

The City's Fund

At the close of the City's fiscal year on April 30, 2022, the governmental funds of the City reported a combined fund balance of \$362,757. The ending balance includes an increase in fund balance of \$49,422 in the City's General Fund.

General Fund Budgeting Highlights

For fiscal year ending April 30, 2022, actual General Fund expenditures on a budgetary basis were \$86,874 compared to the budget amount of \$87,913, resulting in a favorable variance of \$1,039.

The City's General Fund actual revenues on a budgetary basis were \$144,357 as compared to the budget amount of \$129,700, resulting in a favorable variance of \$14,657.

Economic Factors and Next Year's Budget and Rates

Local, national and international economic factors influence the City's revenues. Positive economic growth correlates with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, assessed valuation, and enterprise fund revenues. The City has prepared its budget for the next fiscal year considering the economic factors discussed above.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact City Hall, 309 State St., LaBelle, MO 63447.

Basic Financial Statements

City of LaBelle, Missouri
Government-Wide Statement of Net Position
April 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and equivalents	\$ 344,743	\$ 439,973	\$ 784,716
Intergovernmental receivables	15,686	-	15,686
Accounts receivable - customers	-	51,425	51,425
Prepaid items	5,502	5,837	11,339
Total Current Assets	\$ 365,931	\$ 497,235	\$ 863,166
Restricted Assets			
Cash and equivalents	-	144,640	144,640
Property, plant & equipment - net of depreciation	33,470	2,502,988	2,536,458
Total Assets	\$ 399,401	\$ 3,144,863	\$ 3,544,264
Liabilities			
Current Liabilities			
Accounts payable	\$ 2,430	\$ 1,963	\$ 4,393
Customer deposits	-	7,000	7,000
Accrued payroll and deductions payable	744	1,929	2,673
Total Current Liabilities	\$ 3,174	\$ 10,892	\$ 14,066
Noncurrent Liabilities			
Accrued interest payable	\$ -	\$ 3,159	\$ 3,159
Bonds payable due within one year	-	41,078	41,078
Bonds payable due in more than one year	-	1,256,639	1,256,639
Total Noncurrent Liabilities	\$ -	\$ 1,300,876	\$ 1,300,876
Total Liabilities	\$ 3,174	\$ 1,311,768	\$ 1,314,942
Net Position			
Invested in capital assets, net of related debt	\$ 33,470	\$ 1,205,271	\$ 1,238,741
Restricted for:			
Debt service	-	144,640	144,640
ARPA	-	63,666	63,666
Unrestricted	362,757	419,518	782,275
Total Net Position	\$ 396,227	\$ 1,833,095	\$ 2,229,322

City of LaBelle, Missouri
Government-Wide Statement of Activities
For the Year Ended April 30, 2022

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government and administration	\$ 81,977	\$ -	\$ -	\$ -	\$ (81,977)	\$ -	\$ (81,977)
Streets	87,811	1,825	-	-	(85,986)	-	(85,986)
Total Governmental Activities	\$ 169,788	\$ 1,825	\$ -	\$ -	\$ (167,963)	\$ -	\$ (167,963)
Business-type Activities:							
Water and sewer	\$ 296,372	\$ 256,419	\$ -	\$ 63,666	\$ -	\$ 23,713	\$ 23,713
Total Government	\$ 466,160	\$ 258,244	\$ -	\$ 63,666	\$ (167,963)	\$ 23,713	\$ (144,250)
General Revenues Collected:							
Property taxes					\$ 63,222	\$ -	\$ 63,222
Intergovernmental revenues					124,143	-	124,143
Interest income					251	491	742
Miscellaneous					10,624	1,278	11,902
Total General Revenues and Transfers					\$ 198,240	\$ 1,769	\$ 200,009
Change in Net Position					\$ 30,277	\$ 25,482	\$ 55,759
Net Position, beginning of year					365,950	1,807,613	2,173,563
Net Position, end of year					\$ 396,227	\$ 1,833,095	\$ 2,229,322

	General Fund	Street Fund	Total Governmental Funds
Assets			
Cash and equivalents	\$ 276,646	\$ 68,097	\$ 344,743
Intergovernmental receivable	10,094	5,592	15,686
Prepaid expenses	3,380	2,122	5,502
Total Assets	\$ 290,120	\$ 75,811	\$ 365,931
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 1,632	\$ 798	\$ 2,430
Accrued payroll and deductions payable	842	(98)	744
Total Liabilities	\$ 2,474	\$ 700	\$ 3,174
Fund Balances			
Nonspendable:			
Prepaid items	\$ 3,380	\$ 2,122	\$ 5,502
Assigned for:			
Street	-	72,989	72,989
Unassigned	284,266	-	284,266
Total Fund Balances	\$ 287,646	\$ 75,111	\$ 362,757
Total Liabilities and Fund Balances	\$ 290,120	\$ 75,811	\$ 365,931

City of LaBelle, Missouri
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position
April 30, 2022

Total fund balance - total governmental funds	\$ 362,757
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	<u>33,470</u>
Net position of governmental activities	<u><u>\$ 396,227</u></u>

City of LaBelle, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended April 30, 2022

	General Fund	Street Fund	Total Governmental Funds
Revenues			
Taxes	\$ 39,319	\$ 23,903	\$ 63,222
Intergovernmental revenues	93,548	30,595	124,143
Charges for services	-	1,825	1,825
Miscellaneous revenue	10,875	-	10,875
Total Revenues	\$ 143,742	\$ 56,323	\$ 200,065
Expenditures			
Current:			
General government and administration	\$ 81,977	\$ -	\$ 81,977
Streets	-	83,429	83,429
Capital outlay	2,343	-	2,343
Total Expenditures	\$ 84,320	\$ 83,429	\$ 167,749
Excess (Deficiency) of Revenues Over Expenditures	\$ 59,422	\$ (27,106)	\$ 32,316
Other Financing Sources (Uses)			
Transfers in	\$ -	\$ 10,000	\$ 10,000
Transfers out	(10,000)	-	(10,000)
Total Other Financing Sources (Uses)	\$ (10,000)	\$ 10,000	\$ -
Net Change in Fund Balances	\$ 49,422	\$ (17,106)	\$ 32,316
Fund Balances, beginning of year	238,224	92,217	330,441
Fund Balances, end of year	\$ 287,646	\$ 75,111	\$ 362,757

City of LaBelle, Missouri
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended April 30, 2022

Net change in fund balances - total governmental funds	\$ 32,316
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Governmental-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	2,343
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Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.	<u>(4,382)</u>
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Change in net position of governmental activities	<u>\$ 30,277</u>
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City of LaBelle, Missouri
Statement of Net Position
Proprietary Fund
April 30, 2022

	Business-type Activities Water and Sewer Fund
Assets	
Current Assets	
Cash and equivalents	\$ 439,973
Accounts receivable - customers	51,425
Prepaid expenses	5,837
Total Current Assets	<u>\$ 497,235</u>
Restricted Assets	
Cash and equivalents	144,640
Property, plant and equipment - net of depreciation	<u>2,502,988</u>
Total Assets	<u><u>\$ 3,144,863</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 1,963
Customer deposits	7,000
Accrued payroll and deductions payable	1,929
Total Current Liabilities	<u>\$ 10,892</u>
Noncurrent Liabilities	
Accrued interest	\$ 3,159
Bonds payable due within one year	41,078
Bonds payable due in more than one year	1,256,639
Total Noncurrent Liabilities	<u>\$ 1,300,876</u>
Total Liabilities	<u><u>\$ 1,311,768</u></u>
Net Position	
Invested in capital assets, net of related debt	\$ 1,205,271
Restricted for:	
Debt service	144,640
ARPA	63,666
Unrestricted	419,518
Total Net Position	<u><u>\$ 1,833,095</u></u>

City of LaBelle, Missouri
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Fund
For the Fiscal Year Ended April 30, 2022

	Business-type Activities Water and Sewer Fund
Operating Revenues	
Charges for services	\$ 248,877
Fees	7,542
Other	1,278
Total Operating Revenues	\$ 257,697
Operating Expenses	
Salaries	\$ 77,218
Payroll taxes	5,779
Fringe benefits	7,317
Repairs and maintenance	3,165
Lab testing	1,853
Office supplies	4,009
Telephone	797
Dues	600
Fuel and oil	2,090
Utilities	4,434
Professional fees	4,025
Water purchases	40,883
General insurance	6,606
General supplies	5,127
Training	1,049
Chemicals	2,222
Miscellaneous	1,956
Depreciation expense	88,211
Total Operating Expenses	\$ 257,341
Income (Loss) from Operations	\$ 356
Non-Operating Revenues (Expenses)	
Interest expense	\$ (39,031)
Grant revenues	63,666
Interest income	491
Total Non-Operating Revenues (Expenses)	\$ 25,126
Change in Net Position	\$ 25,482
Net Position, beginning of year	1,807,613
Net Position, end of year	\$ 1,833,095

City of LaBelle, Missouri
Statement of Cash Flows
Proprietary Fund
For the Year Ended April 30, 2022

	Business-type Activities Water and Sewer Fund
Cash Flows from Operating Activities:	
Cash received from customers	\$ 250,597
Cash payments to suppliers for goods and services	(107,747)
Cash payments to employees for services	(77,218)
	<u>65,632</u>
Net Cash Provided (Used) by Operating Activities	\$ 65,632
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	\$ (7,495)
Other receipts (payments)	63,666
Interest paid	(39,137)
Principal paid on capital debt	(39,786)
	<u>(22,752)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (22,752)
Cash Flows from Investing Activities:	
Interest revenue	\$ 491
	<u>491</u>
Net Cash Provided (Used) by Investing Activities	\$ 491
Net Increase (Decrease) in Cash and Cash Investments	\$ 43,371
Cash and Cash Equivalents, beginning of year	<u>541,242</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 584,613</u></u>

City of LaBelle, Missouri
Statement of Cash Flows (Concluded)
Proprietary Fund
For the Year Ended April 30, 2022

**Business-type
Activities**
**Water and
Sewer Fund**

**Reconciliation of Operating Income to Net Cash
Provided (Used) by Operating Activities**

Income (loss) from operations	\$ 356
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	\$ 88,211
Change in assets and liabilities:	
(Increase) Decrease in accounts receivable	(7,100)
(Increase) Decrease in prepaid expenses	(1,285)
Increase (Decrease) in accounts payable	(14,694)
Increase (Decrease) in customer deposits	(18)
Increase (Decrease) in accrued payroll and deductions payable	162
Total Adjustments	\$ 65,276
Net Cash Provided (Used) by Operating Activities	\$ 65,632

Notes to Financial Statements

1) Summary of Significant Accounting Policies

The City of LaBelle, Missouri (the "City"), was incorporated in the State of Missouri in 1872. The City operates under a Mayor-Board of Aldermen form of government and provides the following services to its residents: Public Safety, Streets, Water and Sewer, and General Administrative Services.

A. Financial Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The financial statements of City of La Belle, Missouri, have been prepared on the accrual basis of accounting, which is the basis of accounting generally accepted as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and the fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information for enhanced analysis and comparability.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, culture and recreation, etc.) that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, culture and recreation, etc.) or business-type activity.

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 and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants column includes operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants and contributions.

1) Summary of Significant Accounting Policies (Continued)**B. Government-wide and Fund Financial Statements (Continued)**

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The following is a brief description of the specific funds used by the City.

1. Governmental Funds

Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance". The measurement focus is on determination of changes in financial position, rather than on income determination. The following are the City's major governmental funds:

a) General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, license, permits and charges for services.

b) Special Revenue Funds

Special revenue funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The City has one special revenue fund: Street Fund. The Street Fund is presented as a major governmental fund in the fund financial statements.

2. Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

1) Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Concluded)

2. Proprietary Funds (Concluded)

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's enterprise fund includes the Water and Sewer Fund, which is presented as a major fund in the fund financial statements.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds' statements. Long-term assets and long-term liabilities are included in the government-wide statements.

In the Government-wide Statement of Net Position and Statement of Activities, all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the Statement of Net Position.

The Statement of Net Position, Statement of Activities, and financial statements of the Proprietary Fund are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General Fund and special revenue funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized when they become measurable and available. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

D. Restricted Cash

Certain debt proceeds of the City's enterprise funds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

E. Inventories

The City has not maintained inventory cost records, nor has a physical inventory been performed as of the end of the fiscal year. Inventories are deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

F. Statement of Cash Flows

For purpose of the Statement of Cash Flows, the Water and Sewer Fund considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

1) Summary of Significant Accounting Policies (Continued)**G. Capital Assets**

Capital outlays are recorded as expenditures of the General Fund and special revenue funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold and useful life requirement are met. In accordance with GASB Statement No. 34, infrastructure has been capitalized beginning with the year the Statement was implemented (May 1, 2004). Depreciation is recorded on general capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings	20 - 50 years
Improvements	10 - 20 years
Equipment	5 - 10 years

Capital outlays of the Proprietary Fund are recorded as capital assets and depreciated over their estimated useful lives on a straight-line basis on both the funds basis and the government-wide basis using the following estimated useful lives:

Buildings	20 - 50 years
Improvements	10 - 20 years
Water and sewer system	30 - 50 years
Equipment	5 - 10 years

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

H. Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or about September 1 and are due and payable at that time. All unpaid taxes become delinquent January 1 of the following year. A lien attaches to all property on January 1 for which taxes are unpaid. Property tax revenues are recognized when they are assessed.

The property tax receivables in the Governmental Funds and the receivables from customers as reflected in the Proprietary Fund are considered fully collectible. The direct write-off method is used to record uncollectible accounts as determined by the Board of Aldermen.

I. Fund Balance and Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities and deferred inflows of resources. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by laws or regulations of the government. It is the City's policy to expend restricted resources first if the restrictions are met. All other net position that does not meet the definition of "restricted" is reported as unrestricted net position.

Fund balances are classified as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City had \$5,502 of nonspendable fund balances as of April 30, 2022.

1) Summary of Significant Accounting Policies (Concluded)

I. Fund Balance and Net Position (Concluded)

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had no restricted fund balances as of April 30, 2022.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City had no committed fund balances as of April 30, 2022.

Assigned - This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council through budgetary process. The City had assigned fund balances of \$72,989 as of April 30, 2022.

Unassigned - All amounts not included in other spendable classifications.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

2) Cash and Cash Equivalents

The City complies with various restrictions on deposits and investments which are imposed by state statutes as follows:

All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

At year-end, the carrying amount of the City's deposits was \$929,356 and the bank balances totaled \$938,521. Of the bank balance, \$636,857 was covered by federal depository insurance and \$301,664 was covered by collateral in the pledging banks' correspondent bank in the City's name.

The City has no formal written policy in regards to custodial credit risk or interest rate risk.

Investments

The City may invest in bonds of the State of Missouri or any wholly owned corporation of the United States; or in other short-term obligations of the United States. The City held no investments during the year.

3) Intergovernmental Revenues

The City receives revenue from various state and local intergovernmental sources including motor vehicle sales tax and fee increases, state gas tax, and special road district monies. The City also receives grant funds from various state and local sources.

4) Related Party Transactions

There were no related party transactions to report.

5) Use of Estimates in the Preparation of Financial Statements

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

6) Capital Assets

The following is a summary of Capital Asset transactions for the year ended April 30, 2022:

	Balance May 1, 2021	Additions	Retirements	Balance April 30, 2022
Buildings	\$ 16,164	\$ -	\$ -	\$ 16,164
Equipment	168,097	2,343	-	170,440
Total assets being depreciated	\$ 184,261	\$ 2,343	\$ -	\$ 186,604
Less: accumulated depreciation	(161,105)	(4,382)	-	(165,487)
Net total of capital assets being depreciated	\$ 23,156	\$ (2,039)	\$ -	\$ 21,117
Land	12,353	-	-	12,353
Governmental Activities Capital Assets	<u>\$ 35,509</u>	<u>\$ (2,039)</u>	<u>\$ -</u>	<u>\$ 33,470</u>

Depreciation expense for Governmental Activities for the year ended April 30, 2022, was \$4,382.

	Balance May 1, 2021	Additions	Retirements	Balance April 30, 2022
Water/sewer systems	\$ 4,313,274	\$ 7,495	\$ -	\$ 4,320,769
Equipment	134,733	-	-	134,733
Total assets being depreciated	\$ 4,448,007	\$ 7,495	\$ -	\$ 4,455,502
Less: accumulated depreciation	(1,914,832)	(88,211)	-	(2,003,043)
Net total of capital assets being depreciated	\$ 2,533,175	\$ (80,716)	\$ -	\$ 2,452,459
Land	\$ 50,529	\$ -	\$ -	\$ 50,529
Business-Type Activities Capital Assets	<u>\$ 2,583,704</u>	<u>\$ (80,716)</u>	<u>\$ -</u>	<u>\$ 2,502,988</u>

Depreciation expense for Business-Type Activities for the year ended April 30, 2022, was \$88,211.

7) Long-Term Debt

On February 27, 2006, the City passed an ordinance authorizing the issuance of \$500,000 Series A Combined Waterworks and Sewage System Revenue Bonds. As of April 30, 2022, \$376,000 of the Series A Bonds had been issued. The bonds bear interest from the effective date of registration at a rate of 4.25% per annum. Interest expense on the bonds amounted to \$8,035 for the year ended April 30, 2022. As of April 30, 2022, the City had \$639 in accrued interest due on the bonds.

7) Long-Term Debt (Concluded)

On July 14, 2014, the City approved the issuance of the Combined Waterworks and Sewerage System Revenue Bond B, in the principal amount of \$1,282,000, for the purpose of extending and improving the combined waterworks and sewerage system of the City. The bonds bear interest from the effective date of registration at a rate of 2.75% per annum. Interest expense on the bonds amounted to \$30,996 for the year ended April 30, 2022. As of April 30, 2022, the City had \$2,520 in accrued interest due on the bonds.

The following is a summary of the bond transactions for the year ended April 30, 2022:

Bonds payable, May 1, 2021	\$ 1,337,503
Additions	-
Bonds retired	(39,786)
Bonds payable, April 30, 2022	<u>\$ 1,297,717</u>

The annual requirement to amortize revenue bonds outstanding with payment schedules as of April 30, 2022, for the Series A bonds is as follows:

Fiscal Year Ended	Interest	Principal	Total
2023	\$ 7,528	\$ 13,880	\$ 21,408
2024	6,944	14,464	21,408
2025	6,298	15,110	21,408
2026	5,642	15,766	21,408
2027	4,957	16,451	21,408
2028-2032	13,448	93,592	107,040
2033	21,886	13,597	35,483
Total	\$ 66,703	\$ 182,860	\$ 249,563

The annual requirement to amortize revenue bonds outstanding with payment schedules as of April 30, 2022, for the Series B bonds is as follows:

Fiscal Year Ended	Interest	Principal	Total
2023	\$ 30,318	\$ 27,198	\$ 57,516
2024	29,560	27,956	57,516
2025	28,782	28,734	57,516
2026	27,981	29,535	57,516
2027	27,159	30,357	57,516
2028-2032	122,631	164,949	287,580
2033-2037	98,348	189,232	287,580
2038-2042	70,489	217,091	287,580
2043-2047	38,528	249,052	287,580
2048-2050	63,403	150,753	214,156
	<u>\$ 537,199</u>	<u>\$ 1,114,857</u>	<u>\$ 1,652,056</u>

8) Subsequent Events

Subsequent events have been evaluated through October 11, 2022, which is the date the financial statements were available to be issued.

9) Contingencies

Litigation – There are presently no pending or threatening litigation or claims or assessment that would have a significant effect on the City's financial statements.

Grant Audits – The City may receive state and federal grants for specific purposes that are subject to review and audit by the respective funding agencies. Such audit could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the City management, such disallowance, if any, would not be significant.

10) Tax Abatements

A tax abatement program was initiated by the Industrial Development Authority of Lewis County, Missouri, to encourage commercial development in Lewis County and to create jobs in the county. Commercial real estate taxes are the focus of the abatement program. The director of the Industrial Development Authority works in conjunction with the Lewis County Assessor to determine the level of abatement. Most of Lewis County is designated as an Enhanced Enterprise Zone. The tax abatement eligibility is based upon the amount of capital investment and the number of jobs created in the county. Properties are appraised at full value then the percentage of abatement is applied to get an assessed value upon which taxes are calculated. Properties receiving tax abatements must maintain the number of employees that they originally stated would be employed in the county. If the number of employees fall out of the bracketed area, the level of abatement will be lowered. Abatements are a percentage of the appraised value. The approximate taxes abated for the City of LaBelle, Missouri, for fiscal year April 30, 2022, is unknown.

11) Binding Long Term Contract - Water Purchases

The City has entered into a binding contract to purchase water from Clarence Cannon Wholesale Water Commission.

The contract calls for monthly payments as follows:

- a. At least sixty (60) days before the commencement of each Contract Year, the seller shall prepare and provide to each Purchaser a budget presenting a detailed estimate of the Monthly Water Supply Costs and the Equity Adjustment for such Contract Year.
- b. At the end of each month of each Contract Year, the seller shall review its budget of Water Supply Costs and Equity Adjustment for such Contract Year, including credits thereto, and in the event such budget does not substantially correspond with actual receipts or expenditures or if there have been or are expected to be at any time during any Contract Year extraordinary receipts, credits or payments of costs substantially affecting the Water Supply Costs or the Equity Adjustment, the seller shall prepare and mail to the Purchaser a revised budget of Monthly Water Supply Costs and the Equity Adjustment incorporating adjustments to reflect such receipts, credits, or payments and any payments required to replenish working capital, which revised budget shall supersede the previous budget of Water Supply Costs and Equity Adjustment.
- c. On or before the tenth (10th) day of each month, the Seller shall provide to each Purchaser a monthly statement equal to the sum of the following:
 1. 120% of the Northern Extension Base Charge;
 2. the Northern Extension Water Rate multiplied by the number of gallons of water (in thousands) delivered to Purchaser during the preceding Month at all Points of Delivery; plus
 3. the Equity Adjustment.

The sum of the charges defined in subparagraphs 1, 2 and 3 above will be such that the total charge for capital costs to the Purchaser will be equal to such charge to all Contracting Members on a per 1,000 gallon basis of Entitlement Share and the charge for water supply costs to the Purchaser will be equal to such charge to all other Contracting Members on a per 1,000 gallons basis of purchased water.

11) Binding Long Term Contract - Water Purchases (Concluded)

The purchaser shall receive as a credit against the amount due under subparagraphs (1), (2) and (3) above all surplus revenues, funds and monies from prior fiscal years which are retained by Seller in the Surplus Account established under the Bond Resolution. The purchaser shall pay to the seller the amounts shown on such statement on or before the 20th day of such month.

The following definitions of the contract shall apply:

- a. "Northern Extension Base Charge" shall mean the amount each Month owed by Purchaser to Seller, which is equal to the product of (i) the proportion which the Purchaser's Entitlement Share (measured in guaranteed delivery amount) bears to the sum of the Purchaser's Entitlement Share and all other New Contracting Members' entitlement shares (as set forth in water supply contracts between the Seller and said other New Contracting Members) and (ii) the amount of Debt Service required under the Bond Resolution to be deposited during each Month into any fund or account established by the Bond Resolution.
- b. "Monthly Water Supply Costs" shall mean all of the seller's costs – calculated in total dollars and in form of a rate per 1,000 gallons of Water sold – to the extent not included in the Costs of Acquisition and Construction resulting from the ownership, operation, and maintenance and repair of, and renewals, replacements, additions, improvements, betterments and modifications to, the Northern Extension, including but not limited to the following items of costs that are paid or incurred by the Seller during each Month of each Contract Year in connection with the Northern Extension:
 1. the amount of Debt Service required under the Bond Resolution to be deposited during each Month into any fund or account established by the Bond Resolution;
 2. one-twelfth (1/12) of the costs of operation, maintenance, administration and general expenses of the Northern Extension for such Contract Year which are not included in the costs and expenses specified in other clauses of this paragraph;
 3. the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution in connection with the Northern Extension, other than amounts required to be paid or deposited by reason of the transfer of amounts from such funds or accounts to the funds or accounts referred to in clause (1) above, including the Administrative Fee, the Commission's Allocable Portion of the Trustee's fee and the Commission's Allocable Portion of the Master Trustee's Disclosure Fee (as these terms are defined in the Bond Resolution); and
 4. any amount which the Seller may be required during such Month to pay for the prevention or correction of any unusual loss or damage or for major renewals, replacements, repairs, additions, improvements, betterments and modifications necessary, in the opinion of the Consulting Engineer, to keep the Northern Extension in good operating condition or to prevent a loss of revenues therefrom to the extent that (a) the Seller is not reimbursed by the proceeds of insurance covering the same; (b) funds for such payment are not available to the seller from any funds or accounts established under the bond Resolution for such purpose; and (c) funds for such payment are not provided by the issuance of additional bonds pursuant to Section 7.1 of this contract.
- c. "Northern Extension Water Rate" shall mean an amount established by Seller and approved by any governmental entity having jurisdiction over the rates of the Seller, if any, per each 1,000 gallons of water sold by the Seller to the Purchaser and the other New Contracting Members, based upon the costs of operation, maintenance, administration and general expenses of the Northern Extension for such Contract Year which are included in the cost and expenses specified in clauses (2), (3) and (4) of paragraphs (o) of Section 1.1 of the Contract.

Required Supplementary Information

City of LaBelle, Missouri
General Fund
Statement of Revenues and Expenditures
Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budgetary Basis	Variance- Over (Under)
	Original	Final				
Revenues						
Taxes						
Property taxes	\$ 39,800	\$ 39,800	\$ 39,319	\$ (190)	\$ 39,129	\$ (671)
Surtax	2,700	2,700	2,787	-	2,787	87
Business licenses	1,000	1,000	1,017	-	1,017	17
Sales tax	40,000	40,000	43,597	1,349	44,946	4,946
Use tax	10,000	10,000	12,842	(205)	12,637	2,637
Franchise	30,000	30,000	33,305	(338)	32,967	2,967
Interest income	200	200	251	-	251	51
Other revenue	6,000	6,000	10,624	(1)	10,623	4,623
Total Revenues	\$129,700	\$ 129,700	\$ 143,742	\$ 615	\$ 144,357	\$ 14,657
Expenditures						
Salaries	\$ 35,563	\$ 35,563	\$ 39,405	\$ (33)	\$ 39,372	\$ 3,809
Payroll taxes	2,700	2,700	3,231	(46)	3,185	485
Fringe benefits	3,150	3,150	2,777	912	3,689	539
Repairs and maintenance	2,000	2,000	1,838	-	1,838	(162)
Utilities	16,000	16,000	13,893	52	13,945	(2,055)
Telephone	500	500	421	-	421	(79)
Dues	600	600	376	-	376	(224)
Fuel and oil	2,500	2,500	1,900	-	1,900	(600)
Training	2,500	2,500	1,040	-	1,040	(1,460)
General insurance	5,500	5,500	5,185	10	5,195	(305)
Election costs	1,800	1,800	499	1,164	1,663	(137)
Professional fees	5,000	5,000	3,653	194	3,847	(1,153)
General supplies	2,500	2,500	2,714	(640)	2,074	(426)
Office supplies	4,800	4,800	3,834	-	3,834	(966)
Assessment expense	1,800	1,800	585	941	1,526	(274)
Miscellaneous	1,000	1,000	626	-	626	(374)
Total government and administration	\$ 87,913	\$ 87,913	\$ 81,977	\$ 2,554	\$ 84,531	\$ (3,382)
Capital outlay	-	-	2,343	-	2,343	2,343
Total Expenditures	\$ 87,913	\$ 87,913	\$ 84,320	\$ 2,554	\$ 86,874	\$ (1,039)
Excess of Revenues Over (Under) Expenditures	\$ 41,787	\$ 41,787	\$ 59,422	\$ (1,939)	\$ 57,483	\$ 15,696
Other Financing Sources (Uses)						
Transfers out	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ -	\$ (10,000)	\$ -
Total Other Financing Sources (Uses)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ -	\$ (10,000)	\$ -
Net Change in Fund Balances	\$ 31,787	\$ 31,787	\$ 49,422	\$ (1,939)	\$ 47,483	\$ 15,696

City of LaBelle, Missouri
Street Fund
Statement of Revenues and Expenditures
Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budgetary Basis	Variance- Over (Under)
	Original	Final				
Revenues						
Taxes						
Property taxes	\$ 23,500	\$ 23,500	\$ 23,903	\$ (103)	\$ 23,800	\$ 300
Surtax	1,000	1,000	1,628	-	1,628	628
Motor vehicle tax	26,500	26,500	28,967	24	28,991	2,491
Charges for services	2,500	2,500	1,825	-	1,825	(675)
Total Revenues	\$ 53,500	\$ 53,500	\$ 56,323	\$ (79)	\$ 56,244	\$ 2,744
Expenditures						
Salaries	\$ 13,000	\$ 13,000	\$ 13,866	\$ 73	\$ 13,939	\$ 939
Payroll taxes	1,060	1,060	1,084	(18)	1,066	6
Fringe benefits	1,550	1,550	2,062	223	2,285	735
Labor	1,000	1,000	2,088	(261)	1,827	827
Repairs and maintenance	3,000	3,000	955	-	955	(2,045)
Street maintenance	50,000	50,000	57,640	246	57,886	7,886
General insurance	4,000	4,000	4,160	44	4,204	204
Fuel and oil	1,000	1,000	1,000	-	1,000	-
General supplies	500	500	216	-	216	(284)
Assessment expense	350	350	358	-	358	8
Miscellaneous	300	300	-	-	-	(300)
Total Expenditures	\$ 75,760	\$ 75,760	\$ 83,429	\$ 307	\$ 83,736	\$ 7,976
Excess of Revenues Over (Under) Expenditures	\$(22,260)	\$(22,260)	\$ (27,106)	\$ (386)	\$ (27,492)	\$ (5,232)
Other Financing Sources (Uses)						
Transfers in	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -
Total Other Financing Sources (Uses)	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -
Net Change in Fund Balances	\$(12,260)	\$(12,260)	\$ (17,106)	\$ (386)	\$ (17,492)	\$ (5,232)

1. Budgets and Budgetary Accounting

The Board of Aldermen adhered to the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Section 67 of the Missouri Revised Statutes, the budget officer, as designated by the Board of Alderman, prepares and adopts an annual budget which represents the complete financial plan for the ensuing budget year. The budget includes at least the following information:
 - a) A budget message describing the important features of the budget and major changes from the preceding year;
 - b) Estimated revenues to be collected from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;
 - c) Proposed expenditures to be disbursed for each department, office, commission, and other classification for the budget year, together with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;
 - d) The amount required for the payment of interest, amortization, and redemption charges on the debt of the City;
 - e) A general budget summary.
- 2) In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
- 3) The Board of Aldermen shall, before the beginning of the fiscal year, approve the budget and approve or adopt such orders, motions, resolutions or ordinances as may be required to authorize the budgeted expenditures and produce the revenues in the budget.
- 4) After the City has approved the budget and approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the City shall not increase the total amount authorized for expenditure from any fund, unless the City Council adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion, resolution or ordinance to authorize the expenditures.

The Board of Aldermen approved the fiscal year 2022 budget during a regularly scheduled meeting.

2. Expenditures Paid in Excess of Budgeted Amounts

Expenditures exceeded budgeted amounts in the following funds:

Fund Name	Expenditures Paid	Budget	Excess
Street Fund	83,736	75,760	(7,976)