City of Louisana, Missouri

Basic Financial Statements
Year Ended May 31, 2022

KPM
CPAS & ADVISORS

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Independent Auditors' Report

Honorable Mayor and City Council
City of Louisiana
Louisiana, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Louisiana, Missouri, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the City of Louisiana, Missouri, as of May 31, 2022, and the respective changes in the modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

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

Basis of Accounting

As described in Note 1 of the financial statements, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the City of Louisiana, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Louisiana, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 30, 2022

City of Louisiana

Statement of Net Position – Modified Cash Basis

May 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents - unrestricted	$ 760,964	$ 722,891	$ 1,483,855
Investments - unrestricted	57,512	-	57,512
Restricted cash and cash equivalents	531,915	1,246,082	1,777,997
Restricted investments	207,516	-	207,516
Total Assets	$ 1,557,907	$ 1,968,973	$ 3,526,880
Net Position			
Restricted			
Non-expendable	$ 222,424	$ -	$ 222,424
Expendable	679,102	1,246,082	1,925,184
Unrestricted	656,381	722,891	1,379,272
Total Net Position	$ 1,557,907	$ 1,968,973	$ 3,526,880

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Activities – Modified Cash Basis

Year Ended May 31, 2022

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Program Receipts: Capital Grants and Contributions	Net (Disbursements), Receipts and Changes in Net Position: Governmental Activities	Net (Disbursements), Receipts and Changes in Net Position: Business-Type Activities	Net (Disbursements), Receipts and Changes in Net Position: Total
Governmental activities							
Administrative	$ (478,537)	$ 65,457	$ -	$ 1,011	$ (412,069)	$ -	$ (412,069)
Public safety	(619,872)	220,019	-	-	(399,853)	-	(399,853)
Streets	(821,106)	-	-	5,541	(815,565)	-	(815,565)
Grounds	(145,785)	1,902	-	-	(143,883)	-	(143,883)
Fire	(49,890)	3,500	-	-	(46,390)	-	(46,390)
License office	(48,852)	60,708	-	-	11,856	-	11,856
Code enforcement	(93,050)	22,141	-	-	(70,909)	-	(70,909)
Economic development	(19,470)	-	-	-	(19,470)	-	(19,470)
Animal control	(6,333)	4,063	2,108	-	(162)	-	(162)
Health	(5,334)	-	-	-	(5,334)	-	(5,334)
Library	(47,419)	1,574	5,708	-	(40,137)	-	(40,137)
Debt service	(424,756)	-	-	-	(424,756)	-	(424,756)
Total Governmental Activities	(2,760,404)	379,364	7,816	6,552	(2,366,672)	-	(2,366,672)
Business-Type Activities							
Water and sewer	(2,470,055)	2,179,754	-	337,786	-	47,485	47,485
Total Business-Type Activities	(2,470,055)	2,179,754	-	337,786	-	47,485	47,485
Total Government	$ (5,230,459)	$ 2,559,118	$ 7,816	$ 344,338	(2,366,672)	47,485	(2,319,187)
General Receipts and Transfers							
Ad Valorem taxes					317,772	-	317,772
Sales taxes					913,760	-	913,760
Use taxes					112,267	-	112,267
Motor vehicle taxes					147,646	-	147,646
Other taxes					73,698	-	73,698
Franchise fees					341,662	-	341,662
Interest					4,485	2,839	7,324
Other receipts					28,274	7,738	36,012
Operating transfers in (out)					23,478	(23,478)	-
Total General Receipts and Transfers					1,963,042	(12,901)	1,950,141
Special Items							
Lease proceeds					2,671,647	2,049,142	4,720,789
Refunded debt principal					(2,403,452)	(1,970,763)	(4,374,215)
Total Special Items					268,195	78,379	346,574
Changes in Net Position					(135,435)	112,963	(22,472)
Net Position, Beginning of year					1,693,342	1,856,010	3,549,352
Net Position, End of year					$ 1,557,907	$ 1,968,973	$ 3,526,880

See accompanying Notes to the Financial Statements

City of Louisiana

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

May 31, 2022

		Special Revenue Funds		
	General Fund	Library Fund	Cemetery Fund	Total Governmental Funds
Assets				
Cash and cash equivalents - unrestricted	$ 656,381	$ 97,783	$ 6,800	$ 760,964
Investments - unrestricted	-	38,406	19,106	57,512
Restricted cash and cash equivalents	517,007	-	14,908	531,915
Restricted investments	-	132,516	75,000	207,516
Total Assets	$ 1,173,388	$ 268,705	$ 115,814	$ 1,557,907
Fund Balances				
Nonspendable				
Cemetery perpetual care	$ -	$ -	$ 89,908	$ 89,908
Library trust	-	132,516	-	132,516
Restricted for				
Police training	9,350	-	-	9,350
Inmate security	8,432	-	-	8,432
Judicial education	1,511	-	-	1,511
Donations	14,689	-	-	14,689
Transportation sales tax	278,748	-	-	278,748
Stormwater sales tax	108,800	-	-	108,800
Lease project funds	58,830	-	-	58,830
Dangerous building funds	36,647	-	-	36,647
Cemetery	-	-	25,906	25,906
Library	-	136,189	-	136,189
Unassigned	656,381	-	-	656,381
Total Fund Balances	$ 1,173,388	$ 268,705	$ 115,814	$ 1,557,907

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis

Year Ended May 31, 2022

		Special Revenue Funds		
	General Fund	Library Fund	Cemetery Fund	Total Governmental Funds
Receipts				
Taxes	$ 1,872,049	$ 34,756	$ -	$ 1,906,805
Licenses and permits	27,915	-	-	27,915
Intergovernmental receipts	3,490	-	-	3,490
Charges for services	167,821	1,574	-	169,395
Fines and forfeitures	182,525	-	-	182,525
Miscellaneous	33,058	6,501	1,082	40,641
Total Receipts	2,286,858	42,831	1,082	2,330,771
Disbursements				
Current				
Administrative	478,537	-	-	478,537
Public safety	619,872	-	-	619,872
Streets	821,106	-	-	821,106
Grounds	145,785	-	-	145,785
Fire	49,890	-	-	49,890
License office	48,852	-	-	48,852
Code enforcement	93,050	-	-	93,050
Economic development	19,470	-	-	19,470
Animal control	6,333	-	-	6,333
Health	5,334	-	-	5,334
Library	-	47,419	-	47,419
Debt service				
Principal, interest, and fees	424,756	-	-	424,756
Total Disbursements	2,712,985	47,419	-	2,760,404
Excess (Deficit) of Receipts Over Disbursements	(426,127)	(4,588)	1,082	(429,633)

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis

Year Ended May 31, 2022

		Special Revenue Funds		
	General Fund	Library Fund	Cemetery Fund	Total Governmental Funds
Other Financing Sources (Uses)				
Lease proceeds	2,671,647	-	-	2,671,647
Refunded debt principal	(2,403,452)	-	-	(2,403,452)
Sale of property	2,525	-	-	2,525
Operating transfers in	14,205	9,273	-	23,478
Total Other Financing Sources (Uses)	284,925	9,273	-	294,198
Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)	(141,202)	4,685	1,082	(135,435)
Fund Balance, June 1	1,314,590	264,020	114,732	1,693,342
Fund Balance, May 31	$ 1,173,388	$ 268,705	$ 115,814	$ 1,557,907

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Net Position – Proprietary Fund – Modified Cash Basis

May 31, 2022

	Enterprise Fund Water and Sewer Fund
Assets	
Current Assets	
Cash and cash equivalents	$ 722,891
Total Current Assets	722,891
Restricted Assets	
Cash and cash equivalents	1,246,082
Total Restricted Assets	1,246,082
Total Assets	$ 1,968,973
Net Position	
Restricted	$ 1,246,082
Unrestricted	722,891
Total Net Position	$ 1,968,973

See accompanying Notes to the Financial Statements

City of Louisiana

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

Year Ended May 31, 2022

	Enterprise Fund Water and Sewer Fund
Operating Receipts	
Charges for services	$ 2,103,827
Miscellaneous	75,927
Total Operating Receipts	2,179,754
Operating Disbursements	
Salaries and benefits	568,324
Legal and professional	10,200
Purchased services	25,225
Utilities	174,303
Maintenance	248,107
Supplies	66,608
Solid waste	201,448
Insurance	57,996
Miscellaneous	17,111
Total Operating Disbursements	1,369,322
Operating Income	810,432
Nonoperating Receipts (Disbursements)	
Grant receipts	337,786
Interest income	2,839
Lease proceeds	2,049,142
Other miscellaneous receipts	7,738
Capital outlay	(407,892)
Debt service	
Principal	(2,434,089)
Interest	(156,256)
Fees	(73,259)
Total Nonoperating Receipts (Disbursements)	(673,991)
Net Income Before Operating Transfers	136,441
Operating transfers (out)	(23,478)
Net Income	112,963
Net Position, June 1	1,856,010
Net Position, May 31	$ 1,968,973

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Cash Flows – Proprietary Fund – Modified Cash Basis

Year Ended May 31, 2022

	Enterprise Fund Water and Sewer Fund
Cash Flows from Operating Activities	
Cash received from customers	$ 2,179,754
Cash paid to employees	(568,324)
Cash paid to suppliers	(800,998)
Net Cash Provided by Operating Activities	810,432
Cash flows from Noncapital Financing Activities	
Transfers (to) other funds	(23,478)
Proceeds from other non-operating activities	7,738
Net Cash (Used) by Noncapital Financing Activities	(15,740)
Cash Flows from Capital and Related Financing Activities	
Purchase of capital items	(407,892)
Grant receipts	337,786
Lease proceeds	2,049,142
Payment of debt principal	(2,434,089)
Payment of interest expense	(156,256)
Payment of debt service fees	(73,259)
Net Cash (Used) by Capital and Related Financing Activities	(684,568)
Cash Flows from Investing Activities	
Interest received	2,839
Net Cash Provided by Investing Activities	2,839
Net Increase in Cash and Cash Equivalents	112,963
Cash and Cash Equivalents, Beginning of year	1,856,010
Cash and Cash Equivalents, End of year	1,968,973
Less Restricted Cash and Cash Equivalents	(1,246,082)
Unrestricted Cash and Cash Equivalents	$ 722,891
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 810,432
Net Cash Provided by Operating Activities	$ 810,432

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Net Position – Fiduciary Fund – Modified Cash Basis

May 31, 2022

	Custodial Fund Louisiana Municipal Corporation
Assets	
Cash and cash equivalents	$ 25,770
Total Assets	$ 25,770
Net Position	
Held for Louisiana Municipal Corporation	$ 25,770
Total Net Position	$ 25,770

See accompanying Notes to the Financial Statements

City of Louisiana

Statement of Changes in Net Position – Fiduciary Fund – Modified Cash Basis

Year Ended May 31, 2022

	Custodial Fund Louisiana Municipal Corporation
Additions	
Donations	$ 1,086
Deductions	
Economic development	166
Change in Net Position	920
Net Position, June 1	24,850
Net Position, May 31	$ 25,770

See accompanying Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The City of Louisiana, Missouri, (the City) was incorporated in 1848 under the provisions of the State of Missouri. The City operates under a City Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public improvements, planning, and general administrative services. Other services include water and sewer and solid waste operations.

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

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not financially accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Louisiana, Missouri, is a primary government, which is governed by an elected City Council. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that the entity described in the following paragraph meets the above criteria and therefore, has been included as a component unit in the City's basic financial statements.

Component Unit

The Louisiana Municipal Corporation (LMC) is a not-for-profit corporation organized for the purpose of promoting economic development for the City of Louisiana, Missouri. The LMC's Board of Directors consists of eight persons. Each person sworn into office as a City of Louisiana Council Member shall also be a member of the Board during the entirety of such person's term of public office. Officers of the LMC are as follows: Mayor, Chief Operating Officer; City Administrator, Assistant Operating Officer; City Clerk, Secretary; City Treasurer, Treasurer. The City provides the LMC with financial and administrative support. The financial statements of the component unit have been included in the financial reporting entity as a fiduciary fund.

Basis of Accounting

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

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (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 used the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials and proprietary funds would be presented on the accrual basis of accounting.

Basis of Presentation

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

Government-Wide Financial Statements

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

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the modified cash basis of accounting.

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

Fund Financial Statements

Separate fund financial statements report information on the City's governmental, proprietary and fiduciary funds. The emphasis of fund financial statements is on major governmental, enterprise and fiduciary funds, each displayed in a separate column.

The City reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

Cemetery Fund: The Cemetery Fund of the City is used to account for resources restricted, committed or assigned for operations of City cemeteries.

Library Fund: The Library Fund of the City is used to account for resources restricted, committed or assigned for operations of the City library.

The City reports the following major proprietary fund:

Water and Sewer Fund: The Water and Sewer Fund accounts for the activities and capital improvements of the City's water, sewer and solid waste operations.

The City reports the following fiduciary fund type:

Custodial Fund: Accounts for monies held in a trustee capacity for the Louisiana Municipal Corporation.

Capital Outlay

Capital outlay is recorded as a disbursement at the time the goods received are paid for.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash equivalents.

Debt

Debt arising from cash transactions is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. Debt proceeds and principal payments paid with new debt proceeds are reported as other financing sources and other financing uses, respectively; and payment of principal and interest are reported as disbursements.

Property Taxes

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

Program Receipts

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

Net Position

In the government-wide financial statements, net position is classified in two components as follows:

Restricted: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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

When a disbursement is made for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

Fund Balance Classification

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

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

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

Committed fund balance: This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council.

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

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

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

Operating Receipts and Disbursements

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

2. Cash & Cash Equivalents

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of May 31, 2022, all bank balances on deposit are insured or collateralized.

3. Investments

Investments of the City as of May 31, 2022, consist of the following:

Investment Type	Maturity	Amount
Certificates of Deposit	8/13/2022 - 7/24/2023	$ 265,028

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of May 31, 2022, all certificates of deposit are entirely insured or collateralized with securities.

The City does not have a policy on interest rate risk.

4. Restricted Assets

Cash and investments, fund balance and net position have been restricted as follows as of May 31, 2022:

	Restricted Cash and Investments	Restricted Fund Balance/ Net Position
General Fund		
Police training	$ 9,350	$ 9,350
Inmate security	8,432	8,432
Judicial education	1,511	1,511
Donations	14,689	14,689
Transportation sales tax	278,748	278,748
Stormwater sales tax	108,800	108,800
Dangerous building funds	36,647	36,647
2018 Certificate of Participation Project Funds	58,830	58,830
	$ 517,007	$ 517,007
Library Fund		
Nonspendable		
Library trust	$ 132,516	$ 132,516
Restricted		
Library	-	136,189
	$ 132,516	$ 268,705
Cemetery Fund		
Nonspendable		
Cemetery perpetual care	$ 89,908	$ 89,908
Restricted		
Cemetery	-	25,906
	$ 89,908	$ 115,814

	Restricted Cash and Cash Equivalents	Restricted Net Position
Water and Sewer Fund		
Water Department		
2018 Certificates of Participation		
Project fund	$ 49,854	$ 49,854
2021 Certificates of Participation		
Debt service reserve	63,043	63,043
Capital improvements	152,377	152,377
Customer deposits	210,839	210,839
	476,113	476,113
Sewer Department		
2012 Revenue Bonds		
Principal and interest	85,955	85,955
Depreciation and replacement	300,994	300,994
Operation and maintenance	11,746	11,746
2016 Certificates of Participation		
Project fund	926	926
Debt service reserve	45,425	45,425
2021 Certificates of Participation		
Debt service reserve	59,437	59,437
American rescue funds	265,486	265,486
	769,969	769,969
	$ 1,246,082	$ 1,246,082

5. Long-Term Debt – Governmental Activities

Long-term debt of the governmental activities consists of six capital leases and the Series 2021 Certificates of Participation.

Capital Lease Obligations

In October 2015, the City entered into a lease obligation to purchase a grader. The lease requires annual payments of $3,822 through 2023; with interest at 2.75%.

In May 2018, the City entered into a lease obligation to purchase fire bunker gear. The lease requires annual payments of $8,710 through 2022; with interest at 3.50%.

In January 2020, the City entered into a lease agreement to purchase fire equipment. The lease requires annual payments of $6,043 through 2023, with interest at 4.00% beginning in August 2021.

In September 2020, the City entered into a lease agreement to purchase a fire truck. The lease requires annual payments of $16,661 through 2028, with interest at 4.00%.

In February 2022, the City entered into a lease agreement to purchase a police vehicle. The lease requires annual payments of $5,534 through 2030, with interest at 4.00%.

In May 2022, the City entered into a lease agreement to purchase a vehicle. The lease requires annual payments of $14,389 through 2026, with interest at 4.50% beginning in October 2022.

The leases above are direct borrowing debt issuances. If the City defaults on the principal or interest payments as they become due, the Lessor may declare all of the indebtedness to be immediately due and payable or take possession of the equipment that was purchased with the proceeds.

The following is a schedule of the future minimum lease payments under the lease agreements (assuming noncancellation):

	Direct Borrowing						
Year Ending May 31,	**Grader Lease**	**Fire Bunker Gear Lease**	**Fire Equipment Lease**	**Fire Truck Lease**	**2022 Dodge Car Lease**	**2022 Ford Truck Lease**	**Total**
2023	$ 3,822	$ 895	$ 6,043	$ 16,661	$ 5,534	$ 14,389	$ 47,344
2024	-	-	-	16,661	5,534	14,389	36,584
2025	-	-	-	16,661	5,534	14,389	36,584
2026	-	-	-	16,661	5,534	14,389	36,584
2027	-	-	-	16,661	5,534	14,370	36,565
2028	-	-	-	16,661	5,534	-	22,195
2029	-	-	-	-	5,534	-	5,534
2030	-	-	-	-	5,534	-	5,534
Total Minimum Lease Payments	3,822	895	6,043	99,966	44,272	71,926	226,924
Less Amount Representing Interest	(98)	-	(279)	(12,694)	(7,104)	(7,026)	(27,201)
Principal Balance, May 31, 2022	$ 3,724	$ 895	$ 5,764	$ 87,272	$ 37,168	$ 64,900	$ 199,723

2021 Certificates of Participation

In July 2021, the City issued $4,618,720 in Series 2021 Refunding Certificates of Participation for the purpose of refunding the Series 2018 and Series 2015 Certificates of Participations, and to pay the costs of executing and delivering the Series 2021 certificates. The original (refunded) certificates were utilized for sewer, storm water, waterworks system, street, sidewalk, and lighting improvements. Of the par amount issued, $2,569,579 was for governmental activities and $2,049,141 was for business-type activities. The 2021 certificates bear interest at 2.35% with principal and interest payments due July 1 and January 1 of each year. The certificates may be prepaid at any time so long as there is a 45 day written notice to the Trustee prior to the prepayment date. The payment schedule for the governmental activities portion of this debt issuance is presented together with the business-type activities portion in Note 6.

The following table is a summary of the changes in the Long-Term Debt – Governmental Activities:

	Balance May 31, 2021	New Obligations	Retirements	Balance May 31, 2022
Capital Leases				
Direct Borrowing				
Grader Lease	$ 7,338	$ -	$ 3,614	$ 3,724
Fire Bunker Gear Lease	2,220	-	1,325	895
2020 Police Car Lease	10,391	-	10,391	-
Fire Equipment Lease	10,243	-	4,479	5,764
Fire Truck Lease	100,000	-	12,728	87,272
2022 Dodge Car Lease	-	37,168	-	37,168
2022 Ford Truck Lease	-	64,900	-	64,900
Certificates of Participation				
Series 2018	2,464,620	-	2,464,620	-
Series 2021	-	2,569,579	74,684	2,494,895
	$ 2,594,812	$ 2,671,647	$ 2,571,841	$ 2,694,618

6. Long-Term Debt – Business Type Activities

Long-term debt in the Water and Sewer Fund consists of the Series 2012 Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program); and Series 2016 and 2021 Certificates of Participation.

Series 2012 Sewerage System Revenue Bonds

In August 2012, the City entered into an agreement with the State of Missouri to issue by direct placement $5,956,950 in Sewerage System Revenue Bonds Series 2012. The bonds bear interest at 1.33%. Principal and interest payments are due semi-annually on January 1 and July 1 each year. The bonds also require a semi-annual administrative fee of 0.50% of the outstanding principal balance of the bonds as of the business day preceding each principal payment due. If the City defaults on the payment of principal or interest on any of the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, the City shall pay to DNR the penalties assessed by DNR in accordance with the regulations.

The annual debt service requirements to amortize the principal on the bonds outstanding at May 31, 2022, are listed in the following tables:

	Direct Placement			
Year Ending May 31,	Principal	Interest	Administrative Fee	Total
2023	$ 294,800	$ 50,008	$ 37,600	$ 382,408
2024	300,800	46,067	34,637	381,504
2025	308,800	42,040	31,609	382,449
2026	314,700	37,913	28,505	381,118
2027	322,600	33,702	25,339	381,641
2028	330,600	29,384	22,094	382,078
2029	338,600	24,961	18,767	382,328
2030	346,600	20,431	15,361	382,392
2031	354,600	15,794	11,876	382,270
2032	362,500	11,052	8,310	381,862
2033	370,400	6,204	4,665	381,269
2034	188,200	1,252	941	190,393
	$ 3,833,200	$ 318,808	$ 239,704	$ 4,391,712

Series 2016 Certificates of Participation

In April 2016, the City issued $400,000 in Certificates of Participation for the purpose of acquiring, constructing, and installing certain improvements to the City's combined waterworks and sewerage system. The certificates bear interest at 3.05% with principal and interest payments due on January 1 and July 1 each year.

The Certificates of Participation outstanding at May 31, 2022, are due as follows:

Year Ending May 31,	Principal	Interest	Total
2023	$ 40,200	$ 5,519	$ 45,719
2024	41,500	4,282	45,782
2025	42,700	3,007	45,707
2026	44,000	1,696	45,696
2027	22,500	343	22,843
	$ 190,900	$ 14,847	$ 205,747

2021 Refunding Certificates of Participation

In July 2021, the City issued $4,618,720 in Series 2021 Refunding Certificates of Participation for the purpose of refunding the Series 2018 and Series 2015 Certificates of Participations, and to pay the costs of executing and delivering the Series 2021 certificates. The original (refunded) certificates were utilized for sewer, storm water, waterworks system, street, sidewalk, and lighting improvements. Of the par amount issued, $2,569,579 was for governmental activities and $2,049,141 was for business-type activities. The 2021 certificates bear interest at 2.35% with principal and interest payments due July 1 and January 1 of each year. The certificates may be prepaid at anytime so long as there is a 45 day written notice to the Trustee prior to the prepayment date. The payment schedule below presents the governmental activities and the business-type activities together.

The certificates outstanding at May 31, 2022, are due as follows:

Year Ending May 31,	Principal	Interest	Total
2023	$ 305,340	$ 103,183	$ 408,523
2024	312,488	95,965	408,453
2025	319,937	88,578	408,515
2026	327,492	81,015	408,507
2027	335,153	73,275	408,428
2028	343,122	65,352	408,474
2029	351,292	57,241	408,533
2030	359,577	48,937	408,514
2031	337,636	40,438	378,074
2032	314,923	32,813	347,736
2033	322,369	25,369	347,738
2034	186,363	18,588	204,951
2035	190,768	14,182	204,950
2036	195,278	9,673	204,951
2037	130,896	5,460	136,356
2038	133,991	2,365	136,356
	$ 4,466,625	$ 762,434	$ 5,229,059

Amount recorded in:

Governmental Activities	$ 2,494,895
Business-Type Activities	1,971,730
	$ 4,466,625

The following table is a summary of the changes in the business-type activities long-term debt for the year ended May 31, 2022:

	Balance May 31, 2021	New Obligations	Retirements	Balance May 31, 2022
Bonds				
Direct Placement				
Series 2012 Revenue Bonds	$ 4,120,000	$ -	$ 286,800	$ 3,833,200
Certificates of Participation				
Series 2015	499,200	-	499,200	-
Series 2016	229,900	-	39,000	190,900
Series 2018	1,531,677	-	1,531,677	-
Series 2021	-	2,049,142	77,412	1,971,730
	$ 6,380,777	$ 2,049,142	$ 2,434,089	$ 5,995,830

7. Employee Pension Plan

General Information about the Pension Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755.

As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	2021 Valuation
Benefit Multiplier	1.25% for life
Final Average Salary	5 years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2021, which is LAGERS fiscal year end and the latest information available, the following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive employees or beneficiaries currently receiving benefits	24	15	1	40
Inactive employees entitled to but not yet receiving benefits	11	20	0	31
Active employees	18	2	0	20
	53	37	1	91

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 2.4% (General), 0.5% (Police), and 4.4% (Fire) of annual covered payroll.

During the year ended May 31, 2022, the City made contributions of $30,977.

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

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

	2021
Assessed Valuation	
Real estate	$ 24,148,140
Personal property	7,646,640
	$ 31,794,780
Tax Rates Per $100 of Assessed Valuation	
General Fund	$ .7359
Library Fund	.1000
	$ .8359

The legal debt margin at May 31, 2022, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	$ 3,179,478	$ 3,179,478	$ 6,358,956
General Obligation Bonds payable	-	-	-
Legal Debt Margin	$ 3,179,478	$ 3,179,478	$ 6,358,956

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

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

9. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

10. Interfund Transfers

Interfund transfers for the year ended May 31, 2022, consisted of the following:

	Transfers In	Transfers Out
General Fund	$ 14,205	$ -
Library Fund	9,273	-
Water and Sewer Fund	-	23,478
	$ 23,478	$ 23,478

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

11. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of May 31, 2022, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

12. Pledged Revenues

The City has pledged future sewer customer receipts to repay the 2012 Series Sewerage System Revenue Bonds issued to improve and expand the sewer system. The Series 2012 Bonds are payable solely from sewer customer net receipts and are payable through 2034. The total principal and interest remaining to be paid on the bonds is $4,152,008. Principal and interest paid for the current year and total customer net receipts were $340,649 and $484,741, respectively.

13. Current Year Certificate of Participation Refunding

On July 8, 2021, the City issued $4,618,720 in Series 2021 Certificates of Participation, with interest of 2.35%. The City used the proceeds to current refund the outstanding principal balance of the Series 2015 Certificates of Participation in the amount of $477,100, with interest at 3.79%, and the Series 2018 Certificates of Participation in the amount of $3,897,115, with interest of 4.52%.

As a result of the refunding, the City reduced its total debt service requirements by $477,312, which resulted an economic gain (a difference between the present value of the debt service payments on old and new debt) of $391,834.

14. Internal Balances

	General Fund	Water and Sewer Fund
Internal balances due to (from)	$ 170,626	$ (170,626)

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. Due to the modified cash basis of accounting, these transactions are considered transfers in the year incurred, though the City has intentions of repaying the interfund loans from prior years.

The City passed a resolution approving the interfund loan repayment, with remaining payments as follows:

Year Ending May 31,	Amount
2023	$ 36,000
2024	36,000
2025	36,000
2026	36,000
2027	26,626
	$ 170,626

15. Subsequent Events

Subsequent to May 31, 2022, the City entered into the following agreements:

- Peoples Bank & Trust Co., in the total principal amount of $54,201, for the financing of two police vehicles
- Mid River Asphalt, Inc., in the amount of $214,356, for asphalt overlay projects
- Mick Mehler and Sons, Inc., in the amount of $452,723 for sanitary sewer upgrades
- L&B Electronics, in the amount of $54,800, for emergency sirens project
- JAS Electric, in the amount of $57,419, for a generator project

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Other Information

City of Louisiana

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended May 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes				
Ad valorem taxes	$ 229,100	$ 229,100	$ 231,227	$ 2,127
City sales tax	841,000	895,500	913,760	18,260
Motor vehicle taxes	137,500	147,210	147,646	436
Financial institution tax	3,600	3,600	148	(3,452)
Railroad and utility tax	46,000	46,000	51,790	5,790
Surtax	8,800	8,800	9,434	634
Utility franchise tax	293,000	292,000	341,662	49,662
Use taxes	119,000	104,000	112,267	8,267
Lodging tax	11,000	16,642	13,517	(3,125)
Cigarette tax	49,000	50,000	50,598	598
	1,738,000	1,792,852	1,872,049	79,197
Licenses and Permits				
Occupational licenses	13,850	13,850	15,087	1,237
Building permits	4,000	6,660	7,766	1,106
Animal license and fees	3,290	3,225	4,062	837
Other	450	600	1,000	400
	21,590	24,335	27,915	3,580
Intergovernmental Receipts				
Federal grants	1,011	1,011	3,490	2,479
Charges for Services				
License office	64,100	66,000	60,708	(5,292)
Park	1,000	1,200	1,450	250
Cemetery	2,415	1,100	425	(675)
Rental income	47,700	47,700	49,632	1,932
Other	31,980	43,214	55,606	12,392
	147,195	159,214	167,821	8,607
Fines and Forfeitures				
City court fines	135,375	161,548	182,525	20,977
Miscellaneous				
Interest	4,460	4,498	2,610	(1,888)
Donations	2,765	3,733	6,258	2,525
Other	5,000	20,424	24,190	3,766
	12,225	28,655	33,058	4,403
Total Receipts	2,055,396	2,167,615	2,286,858	119,243

See accompanying Notes to the Budgetary Comparison Schedules

City of Louisiana

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended May 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Disbursements				
Current				
Administrative	498,917	489,045	478,537	10,508
Public safety	490,710	522,564	619,872	(97,308)
Streets	476,903	840,258	821,106	19,152
Grounds	127,133	150,950	145,785	5,165
Fire	87,585	87,585	49,890	37,695
License office	40,633	50,800	48,852	1,948
Code enforcement	70,796	74,280	93,050	(18,770)
Economic development	13,950	19,592	19,470	122
Animal control	5,056	4,633	6,333	(1,700)
Health	8,800	8,800	5,334	3,466
Debt service				
Principal, interest, and fees	228,136	218,071	424,756	(206,685)
Total Disbursements	2,048,619	2,466,578	2,712,985	(246,407)
Excess (Deficit) of Receipts Over Disbursements	6,777	(298,963)	(426,127)	(127,164)
Other Financing Sources (Uses)				
Lease proceeds	-	-	2,671,647	2,671,647
Refunded debt principal	-	-	(2,403,452)	(2,403,452)
Sale of property	-	1,275	2,525	1,250
Operating transfers in	-	-	14,205	14,205
Total Other Financing Sources (Uses)	-	1,275	284,925	283,650
Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)	6,777	(297,688)	(141,202)	156,486
Fund Balance, June 1	1,314,590	1,314,590	1,314,590	-
Fund Balance, May 31	$ 1,321,367	$ 1,016,902	$ 1,173,388	$ 156,486

See accompanying Notes to the Budgetary Comparison Schedules

City of Louisiana

Budgetary Comparison Schedule – Library Fund – Modified Cash Basis

Year Ended May 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes				
Ad valorem taxes and penalties	$ 31,000	$ 31,000	$ 31,436	$ 436
Railroad and utility tax	6,300	6,300	3,320	(2,980)
	37,300	37,300	34,756	(2,544)
Charges for Services				
Fines, fees and memberships	3,000	3,000	1,574	(1,426)
Miscellaneous				
Donations	3,000	3,000	5,708	2,708
Interest	1,600	1,600	793	(807)
	4,600	4,600	6,501	1,901
Total Receipts	44,900	44,900	42,831	(2,069)
Disbursements				
Current				
Library	44,900	47,575	47,419	156
Total Disbursements	44,900	47,575	47,419	156
(Deficit) of Receipts Over Disbursements	-	(2,675)	(4,588)	(1,913)
Other Financing Sources				
Operating transfers in	9,273	9,273	9,273	-
Excess of Receipts and Other Sources Over Disbursements	9,273	6,598	4,685	(1,913)
Fund Balance, June 1	264,020	264,020	264,020	-
Fund Balance, May 31	$ 273,293	$ 270,618	$ 268,705	$ (1,913)

See accompanying Notes to the Budgetary Comparison Schedules

City of Louisiana

Budgetary Comparison Schedule – Cemetery Fund – Modified Cash Basis

Year Ended May 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Interest	$ -	$ -	$ 1,082	$ 1,082
Total Receipts	-	-	1,082	1,082
Disbursements				
Current				
Cemetery	-	-	-	-
Total Disbursements	-	-	-	-
Excess of Receipts Over Disbursements	-	-	1,082	1,082
Fund Balance, June 1	114,732	114,732	114,732	-
Fund Balance, May 31	$ 114,732	$ 114,732	$ 115,814	$ 1,082

See accompanying Notes to the Budgetary Comparison Schedules

Budgets and Budgetary Accounting

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

1. Prior to June, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following June 1. The operating budget includes proposed disbursement plans for all fund types and the proposed means of financing them.

2. One public hearing is conducted by the City Council in late April or early May to obtain taxpayers' comments on the proposed budget and tax levy.

3. Prior to June 1, ordinances are passed by the Council, which provide for legally adopted budgets for all funds of the City.

4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.

5. Formal budgetary integration is employed as a management control device for all funds of the City.

6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with the modified cash basis. Budgeted amounts may be amended during the year by City Council on approved budget adjustment forms.

City of Louisiana

Departmental Statement of Net Position – Proprietary Fund – Modified Cash Basis

May 31, 2022

	Enterprise Fund			
	Water Department	Sewer Department	Solid Waste Department	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 287,340	$ 435,551	$ -	$ 722,891
Total Current Assets	287,340	435,551	-	722,891
Restricted Assets				
Cash and cash equivalents	476,113	769,969	-	1,246,082
Total Restricted Assets	476,113	769,969	-	1,246,082
Total Assets	$ 763,453	$ 1,205,520	$ -	$ 1,968,973
Net Position				
Restricted	$ 476,113	$ 769,969	$ -	$ 1,246,082
Unrestricted	287,340	435,551	-	722,891
Total Net Position	$ 763,453	$ 1,205,520	$ -	$ 1,968,973

City of Louisiana

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

Year Ended May 31, 2022

	Enterprise Fund			
	Water Department	Sewer Department	Solid Waste Department	Total
Operating Receipts				
Charges for services	$ 950,159	$ 941,490	$ 212,178	$ 2,103,827
Miscellaneous	41,333	34,594	-	75,927
Total Operating Receipts	991,492	976,084	212,178	2,179,754
Operating Disbursements				
Salaries and benefits	308,351	259,973	-	568,324
Legal and professional	4,500	5,700	-	10,200
Purchased services	14,789	10,436	-	25,225
Utilities	97,394	76,909	-	174,303
Maintenance	176,248	71,859	-	248,107
Supplies	34,218	32,390	-	66,608
Solid waste	-	-	201,448	201,448
Insurance	28,998	28,998	-	57,996
Miscellaneous	12,031	5,080	-	17,111
Total Operating Disbursements	676,529	491,345	201,448	1,369,322
Operating Income	314,963	484,739	10,730	810,432
Nonoperating Receipts (Disbursements)				
Grant receipts	209	337,577	-	337,786
Interest income	714	2,125	-	2,839
Lease proceeds	1,329,574	719,568	-	2,049,142
Other miscellaneous receipts	7,738	-	-	7,738
Capital outlay	(225,055)	(182,837)	-	(407,892)
Debt service				
Principal	(1,355,798)	(1,078,291)	-	(2,434,089)
Interest	(75,902)	(80,354)	-	(156,256)
Fees	(33,378)	(39,881)	-	(73,259)
Total Nonoperating Receipts (Disbursements)	(351,898)	(322,093)	-	(673,991)
Income (Loss) Before Operating Transfers	(36,935)	162,646	10,730	136,441
Operating transfers (out)	(6,374)	(6,374)	(10,730)	(23,478)
Net Income (Loss)	(43,309)	156,272	-	112,963
Net Position, June 1	806,762	1,049,248	-	1,856,010
Net Position, May 31	$ 763,453	$ 1,205,520	$ -	$ 1,968,973

Other Reporting Requirements

KPM
CPAS & ADVISORS

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

Honorable Mayor and City Council
City of Louisiana
Louisiana, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Louisiana, Missouri, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Louisiana, Missouri's basic financial statements, and have issued our report thereon dated November 30, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001, that we consider to be a material weakness.

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Report on Compliance and Other Matters

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

City of Louisiana, Missouri's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 30, 2022

Material Weakness

2022-001 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties and the City does not have the resources to hire additional accounting personnel.