

NAME OF GOVERNMENT, STATE
ANNUAL FINANCIAL REPORT
For the fiscal year ended
June 30, 2023

Prepared by:

Department of Finance and Administration

This page is intentionally blank.

Name of Government
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2023
 TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	4
GFOA Award for Small Government Cash Basis Reports	11
Organizational Chart	12
List of Elected and Appointed Officials	13
 FINANCIAL SECTION	
Independent Auditor’s Report	15
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position (Modified Cash Basis)	19
Statement of Activities (Modified Cash Basis).....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Modified Cash Basis).....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Modified Cash Basis).....	22
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (Modified Cash Basis)	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Public Safety Fund (Modified Cash Basis).....	24
Statement of Net Position – Proprietary Funds (Modified Cash Basis)	25
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (Modified Cash Basis).....	26
Statement of Cash Flows – Proprietary Funds (Modified Cash Basis).....	27
Notes to the Financial Statements.....	30
 Supplementary and Other Information Accompanying the Basic Financial Statements:	
Combining and Individual Fund Financial Statements and Schedule:	
Combining Balance Sheet – Nonmajor Governmental Funds (Modified Cash Basis).....	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds (Modified Cash Basis).....	47
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Improvement Sales Tax Fund (Modified Cash Basis)	48

Trend Information:

Net Position by Component, Last Five Fiscal Years (Modified Cash Basis).....	50
Changes in Net Position, Last Five Fiscal Years (Modified Cash Basis)	51
Fund Balances of Governmental Funds, Last Five Fiscal Years (Modified Cash Basis) ...	54
Changes in Fund Balances of Governmental Funds, Last Five Fiscal Years (Modified Cash Basis).....	55
Outstanding Debt by Type, Last Five Fiscal Years	56

INTRODUCTORY SECTION

LETTERHEAD OF GOVERNMENT

October 22, 2023

To the Honorable Mayor, Members of the Council, and Citizens of the NAME OF GOVERNMENT:

The management of the Name of Government is pleased to provide this annual financial report to its citizens, taxpayers, and other interested parties to demonstrate its accountability and communicate the government's financial position and resource flows as of and for the year ended June 30, 2023. Management of the government is responsible for the fair presentation of this annual financial report, for maintaining appropriate internal control over financial reporting, and for complying with applicable finance-related laws, regulations, and provisions of grants and contracts. The government reports its financial statements and schedule on a modified cash basis, which management has determined is an acceptable financial reporting framework that differs from generally accepted accounting principles (GAAP). All of the financial analyses in this report should take into consideration the limitations inherent in the modified cash basis of accounting.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

West, Lee, Roberts & Co., Certified Public Accountants, have issued their independent auditor's report on these financial statements and schedule which includes an unqualified ("clean") opinion on all of the opinion units of the NAME OF GOVERNMENT'S financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Profile of the government

The NAME OF GOVERNMENT, incorporated in 1902, is located in the central part of the state, close to the state capital. It currently occupies 2 square miles and serves a population of 2,378. The NAME OF GOVERNMENT is empowered to levy sales taxes within its boundaries. Presently, the NAME OF GOVERNMENT levies no property tax. In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the government.

The NAME OF GOVERNMENT operates under the mayor-council form of government. Policy-making and legislative authority are vested in a Council consisting of the mayor and five other members, all of whom are elected by ward. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a four-year term. The Mayor, with Council approval, appoints the NAME OF GOVERNMENT's manager, who in turn appoints its department heads.

The NAME OF GOVERNMENT provides a full range of services, including police and fire protection; refuse collection; snow and leaf removal; traffic control; on-and-off street parking; building inspections; licenses and permits; vital statistics; airport; the construction and maintenance of highways, streets, and other infrastructure; and recreational and culture activities. Certain utility services, including electric, water, wastewater, and sanitation, are provided through a legally separate Public Works Authority, which functions, in essence, as a department of the NAME OF GOVERNMENT with the City Council serving as the trustees of the Authority, and therefore has been included as an integral part of the NAME OF GOVERNMENT'S financial statements (note I.B).

The Council is required to adopt an initial budget for the fiscal year that begins July 1 no later than the preceding May 30. The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the NAME OF GOVERNMENT'S financial planning and control. Annual budgets are adopted on the modified cash basis for the general fund, public safety fund, and street improvement sales tax fund. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The government's department heads may transfer appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Local economy

The NAME OF GOVERNMENT is a small community that has a lot to offer its citizens and visitors. The local lake offers hiking and horse riding trails, fishing, playground facilities, campgrounds, and RV hookups. In addition to the lake, the NAME OF GOVERNMENT'S park has a swimming pool, a half-mile walking trail, basketball courts, playground equipment, tennis courts, cooking facilities, pavilions, fountains, and restrooms, in addition to a winding creek and scenic gazebo.

The NAME OF GOVERNMENT is also home to a nine-hole golf course and downtown stores full of arts, crafts, collectibles, and antiques. The downtown area also gives citizens access to two banks. The NAME OF GOVERNMENT also has a multitude of civic organizations operating within its boundaries. Additionally, four primary and secondary schools serve the educational needs of the citizens in the area.

The NAME OF GOVERNMENT recently completed a \$1.6 million wastewater project, major street renovations in the downtown area, and is continually working to modernize the government in an effort to provide quality services to its citizens.

The government's unemployment rate has been relatively low and stable since it peaked in 2020. The current unemployment rate is 6.7 percent lower than the national rate of 8.3 percent. This unemployment rate is also much lower than the 2020 record of 8 percent during the peak of the national economic recession (the highest unemployment rate in 10 years for the government). The lower unemployment rate coupled with expected future job growth of 28 percent over the next ten years, offers a positive economic future for the NAME OF GOVERNMENT.

Median household incomes within the NAME OF GOVERNMENT are significantly lower than for the state and the nation, but when considered with the lower cost of living in the area, are not an indication of economic problems. According to the census data from the year 2020, median household income was \$41,392 for the NAME OF GOVERNMENT and \$58,099 for the state.

The NAME OF GOVERNMENT'S population has increased 11.6 percent in the last 10 years due to new housing developments in the area. Although there has been development, the median single family home price was \$153,500, which was a decline of 17 percent from the previous year. The softening of the housing market has affected the local economy significantly. However, since the NAME OF GOVERNMENT does not levy property taxes, it has not affected the government's financial position directly.

In the previous fiscal year, three police officers and two firefighters have retired or been terminated, thereby significantly decreasing public safety expenses. One police officer was hired during the fiscal year. The government expects to fill the remaining vacant positions within the next two years.

The significant decrease in expenses for highways and streets from the previous three years is due to the completion of the Main Street Reconstruction Project during the previous year. Comparable expenses for road repairs are not anticipated during the next five years.

Governmental activities have experienced a loss of grant revenue from the previous year. Financial hardship at the state level is the cause of the decline. The government believes this decrease represents a delay in grant receipts, rather than a permanent decrease in grant revenues.

Financial Analysis

The government-wide financial statements are reported using the modified cash basis of accounting. Under this basis of accounting, only cash (and cash equivalents) and items that

involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized, except as follows:

- (1) *Interfund receivables and payables* that arise from transactions and events involving cash or cash equivalents are recognized;
- (2) *Assets that normally convert to cash or cash equivalents* (e.g., certificates of deposit, marketable investments, and receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) *Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements* are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not reported and long-term liabilities such as debt and compensated absences also are not reported on the face of the financial statements. However, the government's long-term debt obligations are disclosed in the notes to the financial statements.

STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Total assets	\$ 832,090	\$ 853,947	\$ 989,428	\$ 598,425	\$ 1,821,518	\$ 1,452,372
Total liabilities	4,299	2,182	56,883	49,686	61,182	51,868
Net position:						
Restricted	741,288	684,257	313,003	380,022	1,054,291	1,064,279
Unrestricted	86,503	167,508	619,542	168,717	706,045	336,225
Total net position	827,791	851,765	932,545	548,739	1,760,336	1,400,504

For the year ended June 30, 2023, the overall modified cash basis net position of the government has increased by \$359,832.

Governmental activities' net position decreased in the amount of \$23,974. The primary reason for the decrease is a significant decrease in grant revenue from the prior year. Some of this decrease can be attributed to a one-time grant for damage sustained from the earthquake the government experienced in the previous fiscal year. The rest is related to the state's financial

hardship and is expected to be a result of a delay in grants due to budgeting delays rather than a permanent decrease in grants the government will receive from the state.

Business-type activities' modified cash basis net position increased \$383,806. This is primarily due to the business-type activities receiving note proceeds of \$500,000 on June 21, 2023, for Smart Meters, and not expending these proceeds before June 30, 2023.

STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 67,443	\$ 69,547	\$ 2,986,819	\$ 2,648,979	\$ 3,054,262	\$ 2,718,526
Operating grants and contributions	67,763	312,784	-	-	67,763	312,784
Capital grants and contributions	54,371	532,024	-	-	54,371	532,024
General revenues:						
Sales and use taxes	1,075,967	1,011,104	-	-	1,075,967	1,011,104
Franchise taxes and public service taxes	37,325	39,111	-	-	37,325	39,111
Intergovernmental revenue not restricted to specific programs	23,731	35,147	-	-	23,731	35,147
Unrestricted investment earnings	1,701	5,978	638	1,845	2,339	7,823
Miscellaneous	87,357	79,034	59,509	60,489	146,866	139,523
Proceeds from long-term debt	-	-	500,000	-	500,000	-
Total revenues	1,415,658	2,084,729	3,546,966	2,711,313	4,962,624	4,796,042
Expenses:						
General government	207,224	657,014	-	-	207,224	657,014
Public safety	1,007,087	945,841	-	-	1,007,087	945,841
Highways and streets	148,582	334,876	-	-	148,582	334,876
Culture and recreation	281,709	257,479	-	-	281,709	257,479
Airport	63,021	65,748	-	-	63,021	65,748
Interest on long-term debt	-	2,022	-	-	-	2,022
Electric	-	-	1,918,775	1,922,654	1,918,775	1,922,654
Water	-	-	222,936	195,014	222,936	195,014
Sewer	-	-	444,893	272,145	444,893	272,145
Sanitation	-	-	308,565	208,524	308,565	208,524
Total expenses	1,707,623	2,262,980	2,895,169	2,598,337	4,602,792	4,861,317
Increase (decrease) in net position before transfers	(291,965)	(178,251)	651,797	112,976	359,832	(65,275)
Transfers	267,991	260,278	(267,991)	(260,278)	-	-
Increase (decrease) in net position	(23,974)	82,027	383,806	(147,302)	359,832	(65,275)
Net position - beginning	851,765	769,738	548,739	696,674	1,400,504	1,466,412
Net position - ending	\$ 827,791	\$ 851,765	\$ 932,545	\$ 549,372	\$ 1,760,336	\$ 1,401,137

GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2023, the governmental funds reported a combined fund balance of \$827,791. The General Fund experienced a decrease in fund balance in the amount of \$87,727. This decrease occurred because the government has hired a new police officer, while sales tax revenues increased slower than anticipated. The Public Safety Fund's total fund balance increased by \$65,278. A portion of sales taxes must be used for specific approved public

safety expenditures in this fund (for example, police and fire overtime during holidays and celebrations). No expenditures were necessary from this fund for the current fiscal year.

GENERAL FUND BUDGET

Original budget compared to final budget. During the year, no significant amendments were made to estimated revenues. Appropriations for expenditures were slightly increased from the original budget to reflect more realistic expectations based on new information. Culture and recreation expenditures were amended to include the additional staff added for new programs introduced to the community by the parks and recreation department.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue source	Estimated revenues	Actual revenues	Difference
Sales taxes	\$ 802,195	\$ 828,777	\$ 26,582
Intergovernmental	43,000	65,678	22,678
Charges for services	35,200	12,372	(22,828)
Fines and forfeitures	61,000	48,278	(12,722)
Miscellaneous	111,200	81,164	(30,036)

Sales tax estimates were bleak compared to actual results because of the post-recession recovery experienced this fiscal year. Due to fiscal trouble on the state level, the budget was pessimistic about grant revenues, which ended up amounting to more than anticipated. Conversely, revenues for charges for services, fines and forfeitures, and miscellaneous amounts were overestimated.

A review of actual expenditures compared to appropriations in the final budget yields no significant variances, with one exception. Actual expenditures for the general government function were \$202,464, or \$32,313 less than appropriated. This is the result of successfully implemented cost-cutting measures.

PROPRIETARY FUND

For the fiscal year ended June 30, 2023, the Public Works Fund reported a modified cash basis net position of \$932,545. The fund experienced an increase in modified cash basis net position in the amount of \$383,806. The increase in the modified accrual basis fund net position is a result of note proceeds that remain unspent at the end of the fiscal year. The proceeds will be spent on the acquisition of Smart Meters for the downtown area.

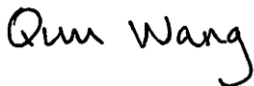
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Award for Small Government Cash Basis Reports to NAME OF GOVERNMENT for its Annual Financial Report for the fiscal year ended June 30, 2023. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be granted an Award for Small Government Cash Basis Reports, the government had to publish an easily readable and efficiently organized Annual Financial Report that satisfied award program requirements.

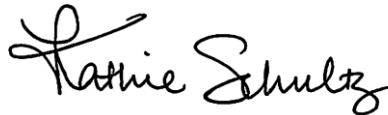
An Award for Small Government Cash Basis Reports is valid for a period of one year only. We believe that our current financial report continues to meet the award program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire staff of the Finance Department. They are a very competent group of professionals dedicated to their work and the long-term fiscal condition of NAME OF GOVERNMENT. We wish to thank all government departments for their assistance in providing the data necessary to compile this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the NAME OF GOVERNMENT'S finances.

Respectfully Submitted,



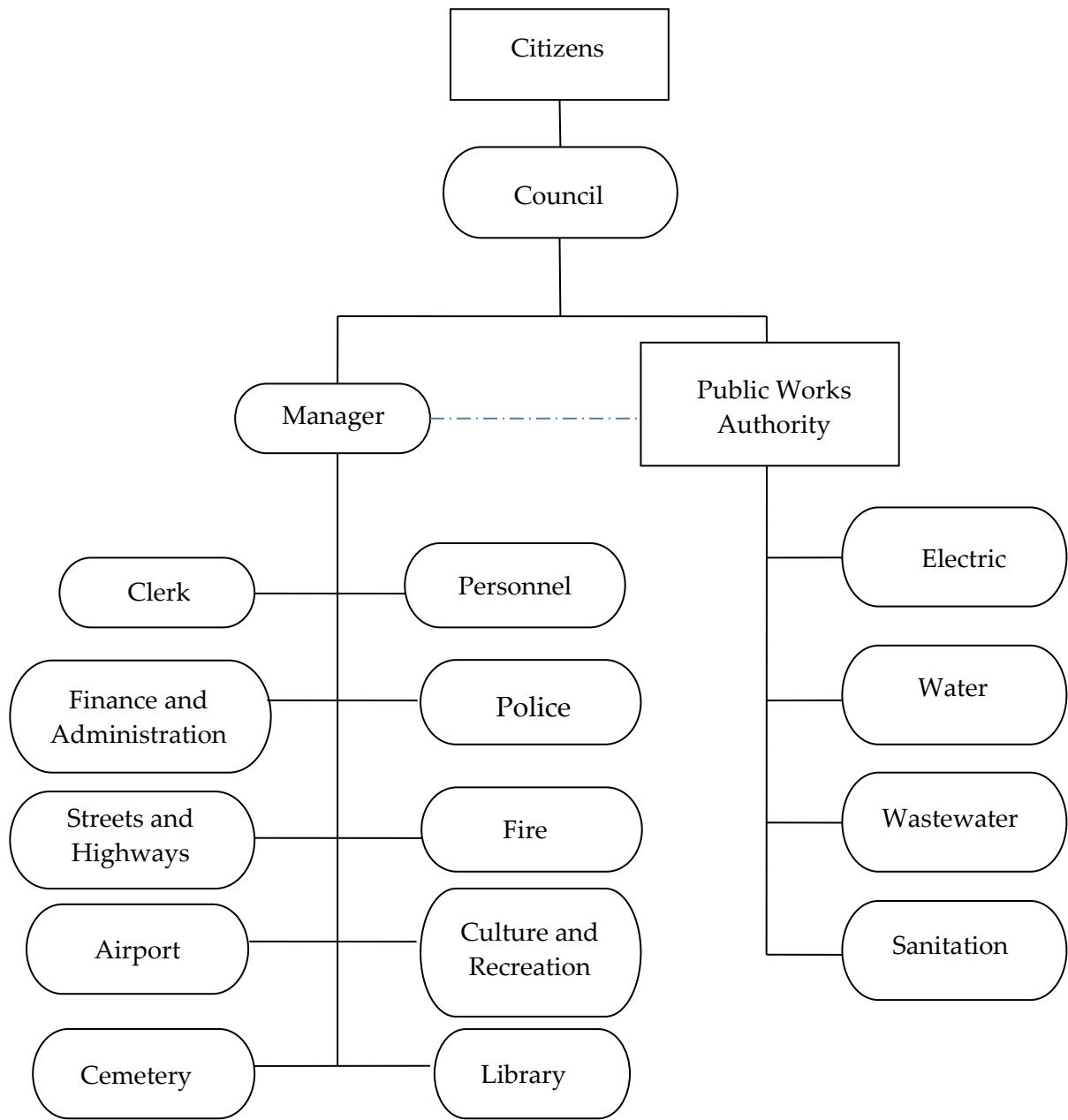
Qun Wang, Manager



Kathie Schultz, Finance Director

Award for Small Government Cash Basis Reports
Certificate

Name of Government Organizational Chart



Name of Government
List of Elected and Appointed Officials
June 30, 2023

Elected Officials

Mayor	Barbara J. McCown
Council Member - Ward I	Marc Christian
Council Member - Ward II	Paul Édouard
Council Member - Ward III	Gregory Joseph
Council Member - Ward IV	Sawyer D. Christopher
Council Member - Ward V	Lincoln D. Frederick

Appointed Officials

Manager	Qun Wang
Assistant Manager	Zhikuan Hu
Clerk	James A. Phillips
Culture and Recreation Director	Robert Kotchen
Finance Director	Kathie Schultz
Assistant Finance Director	Carole Colin
Fire Chief	Robbin D. Henry
Personnel Director	Julius G. Howard III
Police Chief	Stephen J. Gates
Streets and Highways Director	Shera Minor
Airport Director	Jake W. Lorentz
Library Director	James M. Falconer
Cemetery Director	John Fishbein
Electric Works Director	Delores Smith
Water/Wastewater Director	Qiu Jian Jiang
Sanitation Director	Tahrer Khalil

FINANCIAL SECTION

OFFICIAL LETTERHEAD OF THE INDEPENDENT AUDITOR
INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the NAME OF GOVERNMENT, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively compromise the NAME OF GOVERNMENT'S basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, of the NAME OF GOVERNMENT, as of June 30, 2023, the respective changes in financial position on a modified cash basis, cash flows on the modified cash basis, where applicable, and the budgetary comparison statements of the General Fund and the Public Safety Fund thereof for the year then ended in conformity with the basis of accounting described in note I.A.

Basis of Accounting

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

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NAME OF GOVERNMENT'S basic financial statements. The accompanying supplementary information including the combining and individual fund financial statements and schedule– modified cash basis, and the other information including the letter of transmittal narrative discussion, and trend information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedule – modified cash basis presented on pages 46-48 of the report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedule – modified cash basis are fairly stated, in all material respects,

in relation to the basic financial statements as a whole on the basis of accounting described in note I.A.

The letter of transmittal narrative discussion presented on pages 4-10 of the report and the trend information presented on pages 50-56 of the report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

West, Lee, Roberts, & Company
West, Lee, Roberts, & Company
AUDITOR'S CITY AND STATE
October 21, 2023

Basic Financial Statements

Name of Government
Government-wide Statement of Net Position
June 30, 2023
(Modified Cash Basis)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 825,494	\$ 986,024	\$ 1,811,518
Investments	10,000	-	10,000
Internal balances	(3,404)	3,404	-
Total assets	<u>832,090</u>	<u>989,428</u>	<u>1,821,518</u>
LIABILITIES			
Due to other governments	948	4,474	5,422
Due to customers for utility deposits	-	52,409	52,409
Due to others	3,351	-	3,351
Total liabilities	<u>4,299</u>	<u>56,883</u>	<u>61,182</u>
NET POSITION			
Restricted for:			
Debt service	-	313,003	313,003
Cemetery care	5,799	-	5,799
Library	10,346	-	10,346
Emergency – 911 services	2,984	-	2,984
Fire services	48,071	-	48,071
Street improvement	26,503	-	26,503
Public safety	548,872	-	548,872
Capital projects	96,602	-	96,602
Airport	193	-	193
Community development	1,918	-	1,918
Smart meter acquisition	-	500,000	500,000
Unrestricted	86,503	119,542	206,045
Total net position	<u>\$ 827,791</u>	<u>\$ 932,545</u>	<u>\$ 1,760,336</u>

The notes to the financial statements are an intergral part of this statement.

Name of Government
Government-wide Statement of Activities
For the Year Ended June 30, 2023
(Modified Cash Basis)

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General government	\$ 207,224	\$ 2,436	\$ 392	\$ 3,500	\$ (200,896)	\$ -	\$ (200,896)
Public safety	1,007,087	48,278	22,582	10,000	(926,227)	-	(926,227)
Highways and streets	148,582	-	39,316	-	(109,266)	-	(109,266)
Community development	3,550	-	-	3,550	-	-	-
Culture and recreation	278,159	16,729	5,473	-	(255,957)	-	(255,957)
Airport	63,021	-	-	37,321	(25,700)	-	(25,700)
Total governmental activities	<u>1,707,623</u>	<u>67,443</u>	<u>67,763</u>	<u>54,371</u>	<u>(1,518,046)</u>	<u>-</u>	<u>(1,518,046)</u>
Business-type activities:							
Electric	1,918,775	2,137,647	-	-	-	218,872	218,872
Water	222,936	324,926	-	-	-	101,990	101,990
Sewer	444,893	274,952	-	-	-	(169,941)	(169,941)
Sanitation	308,565	249,294	-	-	-	(59,271)	(59,271)
Total business-type activities	<u>2,895,169</u>	<u>2,986,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,650</u>	<u>91,650</u>
Total primary government	<u>4,602,792</u>	<u>3,054,262</u>	<u>67,763</u>	<u>54,371</u>	<u>(1,518,046)</u>	<u>91,650</u>	<u>(1,426,396)</u>
General revenues:							
Taxes:							
Sales and use taxes					\$ 1,075,967	\$ -	\$ 1,075,967
Franchise taxes and public service taxes					37,325	-	37,325
Intergovernmental revenue not restricted to specific programs					23,731	-	23,731
Unrestricted investment earnings					1,701	638	2,339
Miscellaneous					87,357	59,509	146,866
Proceeds from long-term debt					-	500,000	500,000
Transfers					267,991	(267,991)	-
Total general revenues and transfers					<u>1,494,072</u>	<u>292,156</u>	<u>1,786,228</u>
Change in net position					(23,974)	383,806	359,832
Net position - beginning					851,765	548,739	1,400,504
Net position - ending					<u>\$ 827,791</u>	<u>\$ 932,545</u>	<u>\$ 1,760,336</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
Balance Sheet
Governmental Funds
June 30, 2023
(Modified Cash Basis)

	General Fund	Public Safety Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 62,122	\$ 554,780	\$ 96,884	\$ 111,708	\$ 825,494
Investments	10,000	-	-	-	10,000
Due from other funds	14	-	-	6,524	6,538
Total assets	<u>72,136</u>	<u>554,780</u>	<u>96,884</u>	<u>118,232</u>	<u>842,032</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other governments	948	-	-	-	948
Due to others	3,351	-	-	-	3,351
Due to other funds	9,942	-	-	-	9,942
Total liabilities	<u>14,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,241</u>
FUND BALANCES					
Restricted					
Fire	-	-	-	48,071	48,071
Emergency – 911	-	-	-	2,984	2,984
Library	10,346	-	-	-	10,346
Cemetery	-	-	-	5,798	5,798
Street improvements	-	-	-	26,503	26,503
Airport	-	-	-	193	193
Public safety	-	548,872	-	-	548,872
Capital projects	-	-	96,602	-	96,602
Community development	-	-	-	1,918	1,918
Assigned					
Cemetery	-	-	-	4,494	4,494
Library	44	-	-	-	44
Street improvements	-	-	-	28,240	28,240
Subsequent year's budget appropriation of fund balance	19,000	-	-	-	19,000
Public safety	-	5,908	-	-	5,908
Capital projects	-	-	282	-	282
Fire	-	-	-	31	31
Unassigned	<u>28,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,505</u>
Total fund balances	<u>57,895</u>	<u>554,780</u>	<u>96,884</u>	<u>118,232</u>	<u>827,791</u>
Total liabilities and fund balances	<u>\$ 72,136</u>	<u>\$ 554,780</u>	<u>\$ 96,884</u>	<u>\$ 118,232</u>	<u>\$ 842,032</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023
(Modified Cash Basis)

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>General Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Sales taxes	\$ 828,778	\$ 61,805	\$ 123,610	\$ 61,805	\$ 1,075,998
Franchise and public service taxes	28,726	2,142	4,284	2,142	37,294
Intergovernmental	65,678	-	-	80,187	145,865
Culture and recreation charges for services	12,372	-	-	4,357	16,729
Fines and forfeitures	48,278	-	-	-	48,278
Licenses and permits	2,436	-	-	-	2,436
Investment earnings	105	1,331	97	168	1,701
Miscellaneous	81,164	-	-	6,193	87,357
Total revenues	<u>1,067,537</u>	<u>65,278</u>	<u>127,991</u>	<u>154,852</u>	<u>1,415,658</u>
EXPENDITURES					
Current:					
General government	202,464	-	-	-	202,464
Public Safety	952,191	-	-	-	952,191
Highway and streets	25,085	-	-	-	25,085
Community development	-	-	-	3,550	3,550
Culture and recreation	262,052	-	-	-	262,052
Cemetery	-	-	-	5,757	5,757
Airport	13,472	-	-	-	13,472
Capital outlay	-	-	70,006	173,046	243,052
Total Expenditures	<u>1,455,264</u>	<u>-</u>	<u>70,006</u>	<u>182,353</u>	<u>1,707,623</u>
Excess (deficiency) of revenues over expenditures	<u>(387,727)</u>	<u>65,278</u>	<u>57,985</u>	<u>(27,501)</u>	<u>(291,965)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	300,000	-	-	31,700	331,700
Transfers out	-	-	(63,709)	-	(63,709)
Total other financing sources and uses	<u>300,000</u>	<u>-</u>	<u>(63,709)</u>	<u>31,700</u>	<u>267,991</u>
Net change in fund balances	(87,727)	65,278	(5,724)	4,199	(23,974)
Fund balances – beginning	<u>145,622</u>	<u>489,502</u>	<u>102,608</u>	<u>114,033</u>	<u>851,765</u>
Fund balances – ending	<u>\$ 57,895</u>	<u>\$ 554,780</u>	<u>\$ 96,884</u>	<u>\$ 118,232</u>	<u>827,791</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2023
(Modified Cash Basis)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales taxes	\$ 802,195	\$ 802,195	\$ 828,778	\$ 26,583
Franchise and public service taxes	27,805	27,805	28,726	921
Intergovernmental	43,000	43,000	65,678	22,678
Culture and recreation charges for services	35,200	35,200	12,372	(22,828)
Fines and forfeitures	61,000	61,000	48,278	(12,722)
Licenses and permits	4,000	4,000	2,436	(1,564)
Investment earnings	200	200	105	(95)
Miscellaneous	114,200	111,200	81,164	(30,036)
Total revenues	<u>1,087,600</u>	<u>1,084,600</u>	<u>1,067,537</u>	<u>(17,063)</u>
EXPENDITURES				
Current:				
General government	223,277	234,777	202,464	32,313
Police	718,164	715,164	714,143	1,021
Fire	239,388	238,388	238,048	340
Highways and streets	31,832	26,832	25,085	1,747
Culture and recreation	219,379	262,052	262,052	-
Airport	14,300	14,800	13,472	1,328
Total expenditures	<u>1,446,340</u>	<u>1,492,013</u>	<u>1,455,264</u>	<u>36,749</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	340,000	340,000	300,000	(40,000)
Total other financing sources (uses)	<u>340,000</u>	<u>340,000</u>	<u>300,000</u>	<u>(40,000)</u>
Net change in fund balances	(18,740)	(67,413)	(87,727)	(20,314)
Fund balances – beginning	145,622	145,622	145,622	-
Fund balances – ending	<u>\$ 126,882</u>	<u>\$ 78,209</u>	<u>\$ 57,895</u>	<u>\$ (20,314)</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
Public Safety Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2023
(Modified Cash Basis)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 62,500	\$ 62,500	\$ 63,947	\$ 1,447
Intergovernmental	4,000	4,000	1,331	(2,669)
Total revenues	<u>66,500</u>	<u>66,500</u>	<u>65,278</u>	<u>(1,222)</u>
EXPENDITURES				
Current:				
Police	1,125	1,125	-	1,125
Fire	375	375	-	375
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	500	500	-	(500)
Total other financing sources (uses)	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Net change in fund balances	65,500	65,500	65,278	(222)
Fund balances – beginning	<u>1,918</u>	<u>1,918</u>	<u>1,918</u>	<u>-</u>
Fund balances – ending	<u>\$ 67,418</u>	<u>\$ 67,418</u>	<u>\$ 67,196</u>	<u>\$ (222)</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
Statement of Net Position
Public Works Fund
June 30, 2023
(Modified Cash Basis)

ASSETS

Cash and cash equivalents	\$ 620,612
Restricted cash and cash equivalents	365,412
Due from other funds	3,404
Total assets	<u>989,428</u>

LIABILITIES

Due to other governments	4,474
Due to depositors	52,409
Total current liabilities	<u>56,883</u>

NET POSITION

Restricted for debt service	313,003
Unrestricted	619,542
Total net position	<u>\$ 932,545</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
Statement of Revenues, Expenses, and Changes in Net Position
Public Works Fund
For the Year Ended June 30, 2023
(Modified Cash Basis)

OPERATING REVENUES

Charges for services:

Electric	\$ 2,137,647
Water	324,926
Sewer	274,952
Sanitation	<u>249,294</u>
Total operating revenues	<u>2,986,819</u>

OPERATING EXPENSES

Electric	1,835,392
Water	157,601
Sewer	379,558
Sanitation	<u>243,230</u>
Total operating expenses	<u>2,615,781</u>
Operating income	<u>371,038</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	638
Other nonoperating revenue	59,509
Proceeds from long-term debt	500,000
Capital outlay	(18,047)
Debt service:	
Principal retirement	(211,477)
Interest expense and fees	<u>(49,864)</u>
Total non-operating revenue (expenses)	<u>280,759</u>
Income before transfers and other items	651,797
Transfers in	32,009
Transfers out	<u>(300,000)</u>
Change in net position	383,806
Total net position – beginning	<u>548,740</u>
Total net position – ending	<u>\$ 932,545</u>

The notes to the financial statements are an integral part of this statement.

Name of Government
Statement of Cash Flows
Public Works Fund
For the Year Ended June 30, 2023
(Modified Cash Basis)

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	2,986,819
Payments to suppliers	(2,053,503)
Payments to employees	(562,354)
Payment to other fund	(1,301)
Receipt of customer meter deposits	7,569
Other receipts	59,509
Net cash provided by operating activities	436,739

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers from other funds	32,009
Transfers to other funds	(300,000)
Net cash provided by (used in) noncapital financing activities	(267,991)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(18,048)
Proceeds from debt	500,000
Principal paid on debt	(211,477)
Interest and fiscal agent fees paid on debt	(49,864)
Net cash provided by capital and related financing activities	220,611

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends	638
Net cash provided by investing activities	638

Net increase in cash and cash equivalents 389,997

Cash and cash equivalents July 1 596,027

Cash and cash equivalents June 30 \$ 986,024

Continued on following page

Name of Government
Statement of Cash Flows
Public Works Fund
For the Year Ended June 30, 2023
(Modified Cash Basis)
Continued

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$	371,038
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Miscellaneous revenue		59,509
Change in assets and liabilities:		
Due to other funds		(1,300)
Due to other governments		(77)
Due to depositors		7,569
Net cash provided by operating activities	\$	436,739

The notes to the financial statements are an intergral part of this statement.

Notes to the Basic Financial Statements

NAME OF GOVERNMENT
Notes to the Financial Statements
June 30, 2023

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized, except for the following modifications:

- (1) *Interfund receivables and payables* that arise from transactions and events involving cash or cash equivalents are recognized;
- (2) *Assets that normally convert to cash or cash equivalents* (e.g., certificates of deposit, marketable investments, and receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) *Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements* are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not reported and long-term liabilities such as debt and compensated absences are also not reported.

B. Reporting entity

The NAME OF GOVERNMENT (government) is a municipal corporation governed by an elected mayor and five-member governing council (council) responsible for the operation of public safety, streets and public works, health and welfare, culture and recreation, and administrative services of the government. The accompanying financial statements present both the government itself, as legally defined, and a component unit, which is a legally separate entity for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended component unit. The Public Works Authority (Authority) serves all of the citizens of the government and is governed by a board comprised of the government's elected council. Additionally, as required by state law, all debt obligations incurred by the Authority must be approved by two-thirds vote of the government's governing body and the government is legally obligated to provide resources in the case that there are any deficiencies in debt service payments and resources are not otherwise available from other possible solutions. The Authority does not issue separate annual financial statements and is reported as an enterprise fund within this annual report.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

The government-wide financial statements are presented on the modified cash basis of accounting. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public works function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds and blended component unit. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds. The fund financial statements are presented on the modified cash basis of accounting.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government that are not accounted for in another fund.

The *public safety fund* is a special revenue fund that accounts for sales taxes whose use is limited by the voters for public safety expenditures.

The *general capital projects fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by a proprietary fund.

Additionally, the government reports the following fund types (as nonmajor funds):

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The government reports the following as a major enterprise fund:

The *public works fund* accounts for the activities of the Authority, a blended component unit of the government. The Authority operates the government's electric, water, wastewater, and sanitation services.

During the course of operations the government has activity between funds for various purposes involving cash or cash equivalents. Any residual balances outstanding at year end are reported as due from/to other funds and advances

to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds involving cash or cash equivalents. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on the modified cash basis for the general fund, public safety fund, and street improvement sales tax fund. The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

2. Excess of expenditures over appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the highways and streets department (the legal level of budgetary control) of the street improvement sales tax fund by \$4,547. While overspending of this appropriation is authorized by law up to \$50,000 for safety-related street improvements (e.g., sinkholes), which was the case this year, it is nevertheless considered a budgetary violation. Further, the overspending comes with a consequence for the subsequent year's budget. In accordance with the requirements of the law, there was a decrease of \$4,547 in the highways and streets appropriation for routinely scheduled or nonessential roadwork in the street improvement sales tax fund.

F. Assets, liabilities, and net position/fund balance

1. Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and savings accounts, and short-term investments with original maturities of three months or less from the date of acquisition. The government also has long-term certificates of deposit, reported at cost.

2. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

3. Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

4. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of

decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, the constraints upon resources resulting from assignments are more easily removed or modified.

G. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment (e.g., licenses and permits), 2) fines and forfeitures, and 3) grants and contributions (including gas excise and commercial vehicle taxes) that are restricted to meeting the operational or capital requirements of a particular function or segment. All other taxes and fees, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the public works fund are electric, water, sewer, and sanitation charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Detailed notes on all activities and funds

A. Violations of legal or contractual provisions

Note I.E.2, on the *excess of expenditures over appropriations*, describes a budgetary violation that occurred for the year ended June 30, 2023. It also explains the provision provided by law that was used to remedy the violation.

B. Cash deposits with financial institutions and investments

Type	Maturities	Carrying Value
Deposits:		
Demand deposits		\$ 1,809,924
Petty cash		1,594
Time deposit	10/18/2023	10,000
Total deposits and investments		<u><u>\$ 1,821,518</u></u>
Reconciliation to Statement of Net Position:		
Cash and cash equivalents		\$ 1,811,518
Investments		10,000
		<u><u>\$ 1,821,518</u></u>

Custodial credit risk—deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government's policy as it relates to custodial credit risk is to comply with state law and secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. Acceptable collateral is defined in state statutes and includes U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state, surety bonds, and letters of credit. As required by federal law, all financial institutions pledging collateral to the government must have a written collateral agreement approved by the board of directors or loan committee. At June 30, 2023, the government was exposed to custodial credit risk at a financial institution in the amount of \$63,822 because this amount of deposits was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

C. Pension obligations

Statewide Firefighters' Pension and Retirement System (SFPRS)

Plan Description. The government participates in the SFPRS, a cost-sharing multiple-employer defined benefit pension plan administered by the State Pension Board.

SFPRS provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes authorize the state to establish and amend all plan provisions. The state issues a publicly available financial report that includes the applicable financial statements and required supplementary information for SFPRS. That report may be obtained by writing to SFPRS, 5822 Lincoln Avenue, State Capital City. The report can also be found at the following web address. www.statewidefirefighterspensionandretirementsystem.com/finance/CAFR.html

Funding policy. Contribution requirements of employers and employees and the amendment of those requirements are governed by state statutes. The government is required by state law to contribute \$60 per year for each volunteer firefighter. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

Cash contributions. The government's contributions to SFPRS for the years ended June 30, 2023, 2022, and 2021 were \$1,200, \$1,320, and \$1,380, respectively, and were equal to 100 percent of the required contributions for each year.

Statewide Police Pension and Retirement System (SPPRS)

Plan Description. The government participates in the SPPRS, a cost-sharing multiple-employer defined benefit pension plan administered by the State Pension Board. SPPRS provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes authorize the state to establish and amend all plan provisions. The state issues a publicly available financial report that includes the applicable financial statements and required supplementary information for SPPRS. That report may be obtained by writing to SPPRS, 5842 Lincoln Avenue, State Capital City. The report can also be found at the following web address. www.statewidepolicepensionandretirementsystem.com/finance/CAFR.html

Funding policy. The government is required by state law to contribute 13 percent of covered payroll per year for each police officer. Employees contribute 8 percent of covered payroll. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

Cash contributions. The government's contributions to SFPRS for the years ended June 30, 2023, 2022, and 2021 were \$24,716, \$24,706, and \$30,709, respectively, and were equal to 100 percent of the required contributions for each year.

State Municipal Retirement Fund (SMRF)

Plan description. The government provides a pension benefit for all of its full-time employees, with the exception of the fire and police departments, through a defined contribution plan with the State Municipal Retirement Fund. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Council has the authority to establish and amend the plan's provisions and contribution requirements. Employees are eligible to participate from the date of employment. SMRF issues separate plan financial statements which may be obtained by writing to SMRF, 6114 Lincoln Avenue, State Capital City. The report can also be found at the following web address. www.SMRF.com/finance/CAFR.html

Funding policy. Employee contributions were equal to 2.5 percent of total earnings with employer contributions equal to 4 percent of the employee's total salary each month. The government's contributions for each employee (and interest allocated to the employee's account) are fully vested after ten years continuous service. Employee contributions for the years ended June 30, 2023, 2022, and 2021 were \$18,806, \$17,471, and \$17,427 respectively. Employer contributions for the years ended June 30, 2023, 2022, and 2021 were \$30,120, \$27,961, and \$27,883 respectively.

D. Construction and other significant commitments

Construction commitments. The government has active construction projects as of June 30, 2023. The projects include road resurfacing in several areas. At year end the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining commitment</u>
Road resurfacing	\$ 202,358	\$ 94,252

E. Risk management

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The government manages these risks by securing commercial insurance. Management believes that such insurance coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

F. Long-Term Obligations

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. However, these long-term debt obligations are disclosed below by type.

1. Capital lease

In 2020, the government entered into a lease agreement as a lessee for financing the acquisition of a bucket truck valued at \$115,500. The lease agreement was for annual payments of \$32,009 at an interest rate of 4.25 percent with the final payment due on September 23, 2024. The balance outstanding is \$29,798.

Year ended June 30	Business-type activities	
	Principal	Interest
2024	\$ 29,798	\$ 2,211
	<u>\$ 29,798</u>	<u>\$ 2,211</u>

2. Notes payable

	Balance as of June 30, 2023
<u>Public Works Authority notes payable:</u>	
\$285,000 – 2009 original issue note payable for the purchase of the Administrative Building, payable in monthly installments, with a variable interest rate of prime, final payment due November 2033.	\$ 178,570
\$300,000 – 2010 original issue note payable for the purchase of the Administrative Building, payable in monthly installments of \$1,250, with a 0 percent interest rate, final payment due November 2034.	\$ 183,750
\$1,650,000 – 2011 original issue note payable for the financing of water and sewer utility capital assets, payable in semi-annual principal installments each March 15 and September 15, final installment due March 2033, with an annual interest rate of 2.516 percent plus a 0.5 percent administrative fee, note is secured by a pledge of net utility revenues and mortgage on the facilities.	\$ 961,069

\$125,000 – 2012 original issue note payable for a waterline relocation, payable in 240 monthly installments of \$521 with an annual interest rate of 0 percent, final payment due January 2030	\$ 45,834
\$260,000 – 2017 original issue note payable for the purchase of city hall building, payable in 119 monthly payments of \$2,774 with annual interest rate of 5.0 percent, final payment due October 2027	\$ 127,307
\$500,000 – 2023 original issue note payable for the purchase of smart meters, payable in 119 monthly payments of \$5,171 with an annual interest rate of 4.35 percent, final payment due July 2033.	<u>\$ 500,000</u>
Balance outstanding at June 30, 2023	<u>\$ 1,996,530</u>

Debt service to maturity:

Year ended June 30	Business-type Activities	
	Principal	Interest
2024	\$ 182,428	\$ 58,152
2025	193,190	53,188
2026	199,910	46,808
2027	206,791	40,350
2028	188,988	33,865
2029-2033	978,635	84,017
2034-2038	46,588	132
	<u>\$ 1,996,530</u>	<u>\$ 316,512</u>

Pledge of future revenues. The government has pledged future net water and sewer revenues to repay \$1,650,000 of the 2012 Series promissory note that was issued to finance various capital assets of the water and sewer utilities. The note is payable through 2033. The total principal and interest payable for the remainder of the life of this note is \$1,096,243. The debt service payments on the note this year were \$112,051, which was 55 percent of pledged net utility revenues of \$203,266.

3. *Compensated absences*

As a result of the use of the modified cash basis of accounting in this report, obligations related to accrued compensated absences are not reported as liabilities in the financial statements. Expenditures/expenses related to compensated absences are recorded when paid. The amount of the government's obligation related to accrued compensated absences for accumulated, unpaid compensatory time that would be due employees upon termination, as of June 30, 2023, is \$138,815.

Changes in long-term obligations

Changes in the government's long-term obligations for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities					
Compensated absences	\$ 132,847	\$ 10,457	\$ (4,489)	\$ 138,815	\$ 4,859
Business-type Activities:					
Notes payable	1,637,873	500,000	(141,343)	1,996,530	182,428
Capital leases	59,596	-	(29,798)	29,798	29,798
Total long-term liabilities	<u>\$ 1,830,316</u>	<u>\$ 510,457</u>	<u>\$ (175,630)</u>	<u>\$ 2,165,143</u>	<u>\$ 217,085</u>

G. Interfund receivables and payables

The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public works fund	General fund	\$ 3,404
Street improvement sales tax fund	General fund	6,524
Library fund	General fund	14
		<u>\$ 9,942</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures are paid, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

H. Interfund transfers

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

	Transfer in:				Total
	General fund	Capital projects fund	Nonmajor governmental funds	Enterprise fund Public works fund	
Transfer out:					
Capital projects fund			\$ 31,700	\$ 32,009	\$ 63,709
Enterprise fund					
Public works fund	\$ 300,000				\$ 300,000
	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 31,700</u>	<u>\$ 32,009</u>	<u>\$ 363,709</u>

During the year, transfers were used to deliver operating subsidies between funds.

I. Contingencies

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

J. Subsequent events

On September 17, 2023, the government issued \$3,250,000 bond anticipation notes to fund various capital projects. The interest rate on the notes is 1.5 percent and the maturity date is September 17, 2024.

Supplementary and Other
Information Accompanying the
Basic Financial Statements

Combining and Individual Fund Financial Statements and Schedule

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Cemetery Care Fund – to account for 25 percent of cemetery revenue restricted by state law for cemetery care.

Emergency 911 Fund – to account for revenues from emergency services.

Community Development Block Grant Fund – to account for grant revenues restricted for community development purposes.

Capital Projects Fund

Capital projects funds are used to account for resources that are restricted, committed, or assigned to expenditure for capital improvements.

Street Improvement Sales Tax Fund – to account for voter restricted sales tax revenue, contributions and specific revenues, and transfers from other government funds for various street capital projects as the governing body may designate.

Airport Grant Fund – to account for airport grant revenues restricted for capital improvements of the airport.

Fire Capital Fund – to account for voter restricted sales tax revenue from previous years that is to be used by or for the government's fire department.

Name of Government
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(Modified Cash Basis)

	Special Revenue Funds			Capital Projects Funds			Total Other Governmental Funds
	Cemetery Care Fund	E911 Fund	CDBG Grant Fund	Street Improvement Sales Tax Fund	Airport Grant Fund	Fire Capital Fund	
ASSETS							
Cash and cash equivalents	\$ 10,292	\$ 2,984	\$ 1,918	\$ 48,219	\$ 193	\$ 48,102	\$ 111,708
Due from other funds	-	-	-	6,524	-	-	6,524
Total assets	<u>10,292</u>	<u>2,984</u>	<u>1,918</u>	<u>54,743</u>	<u>193</u>	<u>48,102</u>	<u>118,232</u>
FUND BALANCES							
Restricted for:							
Fire	-	-	-	-	-	48,071	48,071
E911	-	2,984	-	-	-	-	2,984
Cemetery care	5,798	-	-	-	-	-	5,798
Street improvements	-	-	-	26,503	-	-	26,503
Airport	-	-	-	-	193	-	193
Community development	-	-	1,918	-	-	-	1,918
Assigned to:							
Cemetery care	4,494	-	-	-	-	-	4,494
Street improvements	-	-	-	28,240	-	-	28,240
Fire	-	-	-	-	-	31	31
Total fund balances	<u>10,292</u>	<u>2,984</u>	<u>1,918</u>	<u>54,743</u>	<u>193</u>	<u>48,102</u>	<u>118,232</u>
Total liabilities and fund balances	<u>\$ 10,292</u>	<u>\$ 2,984</u>	<u>\$ 1,918</u>	<u>\$ 54,743</u>	<u>\$ 193</u>	<u>\$ 48,102</u>	<u>\$ 118,232</u>

Name of Government
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023
(Modified Cash Basis)

	Special Revenue Funds			Capital Projects Funds			
	Cemetery Care Fund	E911 Fund	CDBG Grant Fund	Street Improvement Sales Tax Fund	Airport Grant Fund	Fire Capital Fund	Total Other Governmental Funds
REVENUES							
Sales taxes	\$ -	\$ -	\$ -	\$ 61,805	\$ -	\$ -	\$ 61,805
Franchise and public service taxes				2,142			2,142
Intergovernmental	-	-	3,550	39,316	37,321	-	80,187
Charges for services	4,357	-	-	-	-	-	4,357
Investment income	14	-	-	123	-	31	168
Miscellaneous	-	-	-	6,193	-	-	6,193
Total revenues	4,371	-	3,550	109,579	37,321	31	154,852
EXPENDITURES							
Current:							
Highways and streets	-	-	-	-	-	-	-
Community development	-	-	3,550	-	-	-	3,550
Cemetery	5,757	-	-	-	-	-	5,757
Culture and recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	123,497	49,549	-	173,046
Total Expenditures	5,757	-	3,550	123,497	49,549	-	182,353
Excess (deficiency) of revenues over expenditures	(1,386)	-	-	(13,918)	(12,228)	31	(27,501)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	20,000	11,700	-	31,700
Total other financing sources and uses	-	-	-	20,000	11,700	-	31,700
Net change in fund balances	(1,386)	-	-	6,082	(528)	31	4,199
Fund balances - beginning	11,678	2,984	1,918	48,661	721	48,071	114,033
Fund balances - ending	\$ 10,292	\$ 2,984	\$ 1,918	\$ 54,743	\$ 193	\$ 48,102	\$ 118,232

Name of Government
Street Improvement Sales Tax Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2023
(Modified Cash Basis)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 60,150	\$ 60,150	\$ 63,947	\$ 3,797
Intergovernmental	47,000	40,000	39,316	(684)
Investment income	100	100	123	23
Miscellaneous	5,250	5,250	6,193	943
Total revenues	<u>112,500</u>	<u>105,500</u>	<u>109,579</u>	<u>4,079</u>
EXPENDITURES				
Capital outlay				
Highways and streets	<u>118,950</u>	<u>118,950</u>	<u>123,497</u>	<u>(4,547)</u>
Total expenditures	<u>118,950</u>	<u>118,950</u>	<u>123,497</u>	<u>(4,547)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	13,550	6,550	6,082	(468)
Fund balances – beginning	<u>48,661</u>	<u>48,661</u>	<u>48,661</u>	<u>-</u>
Fund balances – ending	<u>\$ 62,211</u>	<u>\$ 55,211</u>	<u>\$ 54,743</u>	<u>\$ (468)</u>

Five – Year Trend Information

Name of Government
Net Position by Component
Last Five Fiscal Years
(Modified Cash Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental activities					
Restricted	\$ 741,288	684,257	519,728	459,356	731,524
Unrestricted	86,503	167,508	122,588	166,014	187,431
Total governmental activities net position	<u>\$ 827,791</u>	<u>\$ 851,765</u>	<u>\$ 642,316</u>	<u>\$ 625,370</u>	<u>\$ 918,953</u>
Business-type activities					
Restricted	\$ 313,003	380,022	275,481	235,209	311,454
Unrestricted	619,542	168,717	568,472	458,293	332,488
Total business-type activities net position	<u>\$ 932,545</u>	<u>\$ 548,739</u>	<u>\$ 843,953</u>	<u>\$ 693,502</u>	<u>\$ 643,942</u>
Primary government					
Restricted	\$ 1,054,291	1,064,279	795,209	694,565	1,042,976
Unrestricted	706,045	336,225	691,060	624,307	519,919
Total primary government net position	<u>\$ 1,760,336</u>	<u>\$ 1,400,504</u>	<u>\$ 1,486,269</u>	<u>\$ 1,318,872</u>	<u>\$ 1,562,895</u>

Name of Government
Changes in Net Position
Last Five Fiscal Years
(Modified Cash Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
Expenses					
Governmental activities:					
General government	\$ 207,224	\$ 657,014	\$ 222,114	\$ 217,477	\$ 215,472
Public safety	1,007,087	945,841	943,619	1,027,676	1,227,859
Highways and streets	148,582	334,876	337,096	512,722	157,421
Culture and recreation	281,709	257,479	282,275	283,142	401,220
Airport	63,021	65,748	247,145	329,163	198,542
Interest	-	2,022	3,214	4,598	6,897
Total governmental activities	<u>1,707,623</u>	<u>2,262,980</u>	<u>2,035,463</u>	<u>2,374,778</u>	<u>2,207,411</u>
Business-type activities					
Electric	1,918,775	1,922,654	1,674,892	1,813,749	1,748,924
Water	222,936	195,014	190,412	186,862	188,452
Sewer	444,893	272,145	367,412	330,103	350,458
Sanitation	308,565	208,524	289,478	320,531	266,785
Total business-type activities	<u>2,895,169</u>	<u>2,598,337</u>	<u>2,522,194</u>	<u>2,651,245</u>	<u>2,554,619</u>
Total expenses	<u>\$ 4,602,792</u>	<u>\$ 4,861,317</u>	<u>\$ 4,557,657</u>	<u>\$ 5,026,023</u>	<u>\$ 4,762,030</u>

Continued on following page

Name of Government
Changes in Net Position
Last Five Fiscal Years
(Modified Cash Basis)

Continued

	Fiscal Year				
	2023	2022	2021	2020	2019
Charges for services					
General government	\$ 2,436	\$ 2,221	\$ 1,984	\$ 1,766	\$ 2,345
Public safety	48,278	49,041	177,584	174,227	172,478
Culture and recreation	16,729	18,285	18,457	18,745	15,489
Operating grants and contributions	67,763	312,784	350,968	433,532	369,784
Capital grants and contributions	54,371	532,024	247,962	246,405	98,471
Total governmental activities	<u>189,577</u>	<u>914,355</u>	<u>796,955</u>	<u>874,675</u>	<u>658,567</u>
Business-type activities:					
Charges for services					
Electric	2,137,647	1,828,336	1,798,576	1,691,642	1,895,475
Water	324,926	322,417	362,475	317,695	351,425
Sewer	274,952	270,112	268,987	266,260	245,968
Sanitation	249,294	228,114	218,941	215,751	210,784
Operating grants and contributions	-	-	-	35,000	-
Capital grants and contributions	-	-	-	113,774	125,748
Total business-type activities	<u>2,986,819</u>	<u>2,648,979</u>	<u>2,648,979</u>	<u>2,640,122</u>	<u>2,829,400</u>
Total program revenues	<u>\$ 3,176,396</u>	<u>\$ 3,563,334</u>	<u>\$ 3,445,934</u>	<u>\$ 3,514,797</u>	<u>\$ 3,487,967</u>
Net (expense)/revenue					
Governmental activities	\$ (1,518,046)	\$ (1,348,625)	\$ (1,238,508)	\$ (1,500,103)	\$ (1,548,844)
Business-type activities	91,650	50,642	126,785	(11,123)	274,781
Total net expense	<u>\$ (1,426,396)</u>	<u>\$ (1,297,983)</u>	<u>\$ (1,111,723)</u>	<u>\$ (1,511,226)</u>	<u>\$ (1,274,063)</u>

Name of Government
Changes in Net Position
Last Five Fiscal Years
(Modified Cash Basis)
Continued

	Fiscal Year				
	2023	2022	2021	2020	2019
General revenues					
Governmental activities:					
Sales and use taxes	\$ 1,075,967	\$ 1,011,104	\$ 1,024,785	\$ 1,047,132	\$ 1,142,595
Franchise taxes and public service taxes	37,325	39,111	25,478	26,651	35,748
Intergovernmental-unrestricted	23,731	35,147	40,145	38,048	35,978
Unrestricted investment earnings	1,701	5,978	3,214	5,693	4,125
Miscellaneous	87,357	79,034	90,478	88,996	75,985
Transfers in/out	267,991	260,278	-	-	74,785
Total general revenues, transfers, and special item	<u>1,494,072</u>	<u>1,430,652</u>	<u>1,184,100</u>	<u>1,206,520</u>	<u>1,369,216</u>
Business-type activities					
Unrestricted investment earnings	638	1,845	847	1,174	894
Miscellaneous	59,509	60,489	45,789	59,509	62,415
Proceeds from long-term debt	500,000	-	-	-	-
Transfers in/out	(267,991)	(260,278)	-	-	(74,785)
Total business-type activities	<u>292,156</u>	<u>(197,944)</u>	<u>46,636</u>	<u>60,683</u>	<u>(11,476)</u>
Total primary government	<u>\$ 1,786,228</u>	<u>\$ 1,232,708</u>	<u>\$ 1,230,736</u>	<u>\$ 1,267,203</u>	<u>\$ 1,357,740</u>
Change in net position					
Governmental activities	\$ (23,974)	\$ 82,027	\$ (54,408)	\$ (293,583)	\$ (179,628)
Business-type activities	383,806	(147,302)	173,421	49,560	263,305
Total change in net position	<u>\$ 359,832</u>	<u>\$ (65,275)</u>	<u>\$ 119,013</u>	<u>\$ (244,023)</u>	<u>\$ 83,677</u>

Name of Government
Fund Balances of Governmental Funds
Last Five Fiscal Years
(Modified Cash Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
General Fund					
Restricted	\$ 10,346	\$ 8,475	\$ 6,227	\$ 7,248	\$ 5,104
Assigned	19,044	15,947	14,728	12,478	13,547
Unassigned	28,505	121,200	222,315	123,329	284,299
Total general fund	<u>\$ 57,895</u>	<u>\$ 145,622</u>	<u>\$ 243,270</u>	<u>\$ 143,055</u>	<u>\$ 302,950</u>
All other governmental funds					
Restricted	\$ 730,941	\$ 647,487	\$ 574,129	\$ 387,421	\$ 412,598
Assigned	38,955	58,656	131,579	94,894	203,405
Total all other governmental funds	<u>\$ 769,896</u>	<u>\$ 706,143</u>	<u>\$ 705,708</u>	<u>\$ 482,315</u>	<u>\$ 616,003</u>

Name of Government
Changes in Fund Balances of Governmental Funds
Last Five Fiscal Years
(Modified Cash Basis)

	Fiscal Year				
	2023	2022	2021	2020	2019
REVENUES					
Taxes:					
Sales taxes	\$ 1,075,998	\$ 1,063,653	\$ 1,051,308	\$ 1,048,305	\$ 1,035,960
Franchise and public service taxes	37,294	24,949	32,478	25,478	35,412
Intergovernmental	145,865	133,520	457,952	717,985	705,640
Charges for services	16,729	15,423	22,947	27,898	15,553
Fines and forfeitures	48,278	35,933	23,588	40,224	27,879
Licenses and permits	2,436	2,253	947	1,616	1,541
Investment earnings	1,701	1,647	3,254	5,693	2,224
Miscellaneous	87,357	75,012	62,667	88,996	76,651
Total revenues	<u>1,415,658</u>	<u>1,352,390</u>	<u>1,655,141</u>	<u>1,956,195</u>	<u>1,900,860</u>
EXPENDITURES					
Current:					
General government	202,464	201,230	199,996	210,562	209,328
Public safety	952,191	950,957	949,723	787,112	785,878
Highways and streets	25,085	23,851	22,617	70,476	69,242
Community development	3,550	4,785	2,986	5,674	1,235
Culture and recreation	262,052	260,818	259,584	241,984	240,750
Cemetery	5,757	4,523	3,289	3,777	2,543
Airport	13,472	12,238	11,004	14,958	13,724
Capital outlay	243,052	241,818	240,584	1,005,599	1,004,365
Debt service					
Principal	-	-	36,946	35,712	34,478
Interest	-	-	4,598	4,598	3,364
Total expenditures	<u>1,707,623</u>	<u>1,700,220</u>	<u>1,731,327</u>	<u>2,380,452</u>	<u>2,364,907</u>
Excess (deficiency) of revenues over expenditures	(291,965)	(347,830)	(76,186)	(424,257)	(464,047)
OTHER FINANCING SOURCES (USES)					
Transfers in	331,700	247,814	145,698	287,200	234,561
Transfers out	(63,709)	(75,256)	(478,320)	(162,200)	(222,114)
Total other financing sources (uses)	<u>267,991</u>	<u>172,558</u>	<u>(332,622)</u>	<u>125,000</u>	<u>12,447</u>
Net change in fund balances	<u>\$ (23,974)</u>	<u>\$ (175,272)</u>	<u>\$ (408,808)</u>	<u>\$ (299,257)</u>	<u>\$ (451,600)</u>

Name of Government
Outstanding Long-term Debt Obligations by Type
Last Five Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities			
	Capital Leases		Notes Payable	Capital Leases		
2023	\$	-	\$	1,996,530	\$	29,798
2022		-		1,637,873		59,596
2021		34,564		1,500,721		74,239
2020		74,874		1,911,468		113,774
2019		115,184		2,043,015		-