

May 13, 2025

City of Seligman
PO Box 99
Seligman, MO

Enclosed are ten copies of the December 31, 2024, audit report and financial statements. In the course of the audit the following items were noted and I bring them to your attention.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated January 22, 2025, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with an other comprehensive method of accounting (modified cash basis). Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the City of Seligman, Missouri. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Seligman, Missouri, are described in Note A to the financial statements. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Depreciation expense of \$ 96,255 for the Water and Sewer Fund and \$ 93,935 for the Governmental Activities are based on historical cost over an estimate of useful lives.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the City, either individually or in the aggregate, indicate matters that could have a significant effect on the City's financial reporting process.

All audit adjustments processed were agreed upon by Management and posted to the ledger. Attached is the list of adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Other items:

Attached is a copy of the representations made to us by Management as of May 13, 2025, in connection with the audit.

ISSUES DISCUSSED:

PRIOR YEAR FINDINGS

As Reported to Council:

In testing the January 2023 bank reconciliation, we determined that the prior year had errors and adjusted the book balances upward and they now agree with the most recent reconciliations.

The cash flow report for the Water and Sewer Funds showed an improvement with both funds having a positive cash flow for 2023.

CURRENT YEAR FINDINGS

We have no findings to report to the Council.

We considered these instances of noncompliance in forming our opinion on whether the City of Seligman, Missouri's 2024 financial statements are presented fairly, in all material respects, in conformity with modified cash basis of accounting, and this report does not affect our report dated May 13, 2025, on those financial statements.

This information is intended solely for the use of Management and City Council of the City of Seligman and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Decker & Pace LLC", with a stylized flourish at the end.

Decker & Pace, LLC
Springfield, Missouri

CITY OF SELIGMAN

PO Box 99
Seligman, Missouri 65745

Decker & DeGood, PC
3259 E. Sunshine, Ste A
Springfield, Missouri 65804

This representation letter is provided in connection with your audit of the financial statements of City of Seligman, which comprise the respective financial position of the governmental activities, the business-type activities, and each major fund, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with an other method of accounting (modified cash basis).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of signing this letter, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 22, 2025, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with an other method of accounting (modified cash basis) and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. There were no related party transactions.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. All adjustments were posted and therefore there are no uncorrected items.

- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the city is contingently liable, if any, have been properly recorded or disclosed. There were no such items.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements. Nor any late notices with penalties on payroll taxes.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There were none to report.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. There are none.

Government—specific

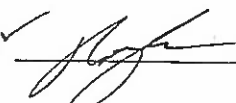
- 19) We have made available to you all financial records and related data.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

- 23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 24) As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 25) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 28) The financial statements properly classify all funds and activities.
- 29) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 31) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 32) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 33) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 34) Deposits and investment are properly classified as to risk and are properly disclosed.
- 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 36) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy. And the policy of applying Governmental Funds first out of committed, the assigned and finally unassigned.
- 37) We acknowledge our responsibility for the supplementary information (SI). The SI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SI.
- 38) No issues as of the date of signing this letter would need to be reported as a subsequent event.

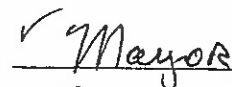
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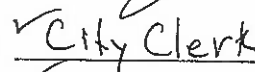
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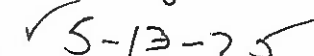
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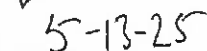
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Date: _____



CITY OF SELIGMAN, MISSOURI

MODIFIED CASH BASIS
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY DATA AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Seligman, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Seligman, Missouri as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Seligman'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, each major fund, and the aggregate remaining fund information of the City of Seligman, Missouri, as of December 31, 2024, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with modified cash basis of accounting described in Note A.

Basis for Opinions

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

Emphasis of Matter-Basis of Accounting

We draw attention to Note 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 opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

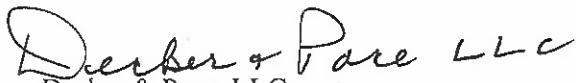
In performing an audit in accordance with generally accepted auditing standards we,

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 of Seligman's internal control.
- 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 of Seligman'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.

Supplementary Information

Accounting principles generally accepted in the United States of America require that the *budgetary comparison information* on pages 26 and 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Decker & Pace, LLC
Springfield, Missouri
May 13, 2025

CITY OF SELIGMAN, MISSOURI

STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

DECEMBER 31, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 134,391	\$ 394,587	\$ 528,978
Investments	-	1,009,749	1,009,749
Restricted assets-			
Meter deposits	-	66,807	66,807
Cemetery	42,307	-	42,307
Capital assets:			
Land	5,000	-	5,000
Construction in progress	-	90,812	90,812
Other capital assets, net of depreciation	755,244	1,470,235	2,225,479
	<u>936,942</u>	<u>3,032,190</u>	<u>3,969,132</u>
Total Assets			
LIABILITIES:			
Customer deposits	-	56,594	56,594
Amount due within one year	10,244	-	10,244
Amount due in more than one year			
Leases	22,049	-	22,049
	<u>32,293</u>	<u>56,594</u>	<u>88,887</u>
Total Liabilities			
NET POSITION			
Net investment in capital assets	727,951	1,561,047	2,288,998
Unrestricted	176,698	1,414,549	1,591,247
	<u>\$ 904,649</u>	<u>\$ 2,975,596</u>	<u>\$ 3,880,245</u>
Total Net Position			

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI

STATEMENT OF ACTIVITIES-

(MODIFIED CASH BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position		
				Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 259,694	\$ -	\$ 4,750	\$ (209,423)	\$ -	\$ (209,423)
Police and court	95,805	-	-	(95,805)	-	(95,805)
Streets	138,493	-	-	(138,493)	-	(138,493)
Park	33,065	-	-	(33,065)	-	(33,065)
Refuse	55,275	-	-	319	-	319
Interest expense	1,732	-	-	(1,732)	-	(1,732)
Total governmental activities	584,064	-	4,750	(478,199)	-	(478,199)
Business-type activities:						
Water	286,780	-	-	-	190,126	190,126
Sewer	143,746	-	-	-	(33,630)	(33,630)
Total business-type activities	430,526	-	-	-	156,496	156,496
Total Government	\$ 1,014,590	\$ -	\$ 4,750	(478,199)	156,496	(321,703)
General Revenues						
Taxes:						
Property taxes for general purposes				15,905	-	15,905
Property taxes for street purposes				9,255	-	9,255
Sales & use taxes				387,216	-	387,216
Intergovernmental:						
Missouri motor fuel taxes				43,701	-	43,701
Interest on investments				3,978	26,709	30,687
Miscellaneous				8,260	-	8,260
Transfers				55,367	(55,367)	-
Total general revenues and transfers				523,682	(28,658)	495,024
Change in net position				45,483	127,838	173,321
Net position - Beginning				859,166	2,847,758	3,706,924
Net position - Ending				\$ 904,649	\$ 2,975,596	\$ 3,880,245

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI

BALANCE SHEET

(MODIFIED CASH BASIS)

GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	General Fund	Street Fund	Capital Improvement		Nonmajor Park Fund	Total Governmental Funds
			Sales Tax Fund			
ASSETS						
Cash and cash equivalents	\$ 63,306	\$ 30,589	\$ 40,496	\$ -	\$ -	\$ 134,391
Restricted cash and cash equivalents- Cemetery	42,307	-	-	-	-	42,307
Total Assets	\$ 105,613	\$ 30,589	\$ 40,496	\$ -	\$ -	\$ 176,698

FUND BALANCES

Fund Balances -						
Restricted- Streets	\$ -	\$ 30,589	\$ -	\$ -	\$ -	\$ 30,589
Capital improvements	-	-	40,496	-	-	40,496
Cemetery	42,307	-	-	-	-	42,307
Unassigned	63,306	-	-	-	-	63,306
TOTAL FUND BALANCES	\$ 105,613	\$ 30,589	\$ 40,496	\$ -	\$ -	\$ 176,698

Reconciliation to Statement of Net Position:

Total Fund Balances-Total Government Funds	\$ 176,698
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	760,244
Long term bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(32,293)
Net position of governmental activities	\$ 904,649

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
(MODIFIED CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Street Fund	Capital Improvement		Nonmajor Park Fund	Total Governmental Funds
			Sales Tax Fund	Fund		
REVENUES						
Taxes:						
Property taxes	\$ 15,905	\$ 9,255	\$ -	\$ -	\$ -	\$ 25,160
Sales & Use taxes	204,851	72,946	72,946		36,475	387,216
Intergovernmental:						
Missouri motor fuel taxes	-	43,701	-	-	-	43,701
Charges for services:						
Refuse fees	55,594	-	-	-	-	55,594
Licenses and permits	1,205	-	-	-	-	1,205
Fines and forfeits	43,556	-	-	-	-	43,556
Interest	3,978	-	-	-	-	3,978
Building rent	760	-	-	-	-	760
Grant	-	-	4,750	-	-	4,750
Miscellaneous	8,260	-	-	-	-	8,260
Total Revenues	334,109	125,902	77,696		36,473	574,180
EXPENDITURES						
Current:						
General government	186,767	-	5,127	-	-	191,894
Police	95,805	-	-	-	-	95,805
Streets	-	117,056	-	-	-	117,056
Park	-	-	-	28,367	-	28,367
Refuse	55,275	-	-	-	-	55,275
Capital outlay	-	-	66,288	8,628	-	74,916
Debt service:						
Principal	-	-	21,715	-	-	21,715
Interest	-	-	1,732	-	-	1,732
Total Expenditures	337,847	117,056	94,862	36,995		586,760
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(3,738)	8,846	(17,166)	(522)		(12,580)
OTHER FINANCING SOURCE (USES)						
Transfer-Fee in lieu of Transfers in (out)	29,189	-	-	-	-	29,189
Total Other Financing Sources (Uses)	35,078	(306)	(9,116)	522		26,178
	64,267	(306)	(9,116)	522		55,367
NET CHANGE IN FUND BALANCES	60,529	8,540	(26,282)	-		42,787
FUND BALANCES - BEGINNING	45,084	22,049	66,778	-		133,911
FUND BALANCES - ENDING	\$ 105,613	\$ 30,589	\$ 40,496	\$ -		\$ 176,698

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances--Local governmental funds	\$ 42,787
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	74,916
Depreciation expense	(93,935)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the same statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal payments on long-term debt	<u>21,715</u>
Change in net position of governmental activities	<u>\$ 45,483</u>

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI

STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

PROPRIETARY FUNDS

DECEMBER 31, 2024

	Business-type Activities		
	Water	Sewer	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 332,813	\$ 61,774	\$ 394,587
Investments	1,009,749	-	1,009,749
Noncurrent Assets:			
Restricted assets cash and cash equivalents			
Meter deposits	66,807	-	66,807
Construction in Progress	28,312	62,500	90,812
Property, plant and equipment (Net of accumulated depreciation)	245,803	1,224,432	1,470,235
 Total Assets	 1,683,484	 1,348,706	 3,032,190
 LIABILITIES			
Current Liabilities:			
Customer deposits	56,594	-	56,594
Total Current Liabilities	56,594	-	56,594
Total Liabilities	56,594	-	56,594
 NET POSITION			
Investment in capital assets	274,115	1,286,932	1,561,047
Unrestricted (Deficit)	1,352,775	61,774	1,414,549
 Total Net Position	 \$ 1,626,890	 \$ 1,348,706	 \$ 2,975,596

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
(MODIFIED CASH BASIS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities		
	Water	Sewer	Total Enterprise Funds
OPERATING REVENUES:			
Charges for services	\$ 476,906	\$ 110,116	\$ 587,022
Total Operating Revenues	<u>476,906</u>	<u>110,116</u>	<u>587,022</u>
OPERATING EXPENSES:			
Depreciation	24,117	72,138	96,255
Dues and subscriptions	10,397	295	10,692
Health insurance	20,025	4,782	24,807
Insurance	33,628	6,500	40,128
Miscellaneous	3,671	628	4,299
Office supplies and postage	3,688	17	3,705
Payroll taxes	5,284	1,660	6,944
Professional fees	6,815	2,074	8,889
Repairs & maintenance	14,098	951	15,049
Salaries	69,071	21,693	90,764
Training	565	-	565
Supplies	39,568	7,725	47,293
Telephone	7,649	-	7,649
Tools and equipment	8,077	7,354	15,431
Uniforms	1,039	-	1,039
Utilities	37,274	16,135	53,409
Vehicle expense	698	1,794	2,492
Total Operating Expenses	<u>285,664</u>	<u>143,746</u>	<u>429,410</u>
OPERATING INCOME (LOSS)	<u>191,242</u>	<u>(33,630)</u>	<u>157,612</u>
NONOPERATING REVENUES (EXPENSES):			
Interest income	26,709	-	26,709
Interest and agents fee expense	(1,116)	-	(1,116)
Total Non-operating Revenues (Expenses)	<u>25,593</u>	<u>-</u>	<u>25,593</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>216,835</u>	<u>(33,630)</u>	<u>183,205</u>
TRANSFERS			
Transfer out-Fee in lieu of	(23,688)	(5,501)	(29,189)
Transfers in (out)	(47,500)	21,322	(26,178)
Total Transfers	<u>(71,188)</u>	<u>15,821</u>	<u>(55,367)</u>
CHANGE IN NET POSITION	<u>145,647</u>	<u>(17,809)</u>	<u>127,838</u>
TOTAL NET POSITION - BEGINNING	<u>1,481,243</u>	<u>1,366,515</u>	<u>2,847,758</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,626,890</u>	<u>\$ 1,348,706</u>	<u>\$ 2,975,596</u>

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI
STATEMENT OF CASH FLOWS
(MODIFIED CASH BASIS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities		
	Water	Sewer	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 476,906	\$ 110,116	\$ 587,022
Payments to suppliers	(161,412)	(43,472)	(204,884)
Payments to employees	(94,380)	(28,136)	(122,516)
Net Cash Provided by Operating Activities	221,114	38,508	259,622
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers	(71,188)	15,821	(55,367)
Acquisition of capital assets	-	(14,015)	(14,015)
Net Cash (Used for) Provided by Noncapital Financing Activities	(71,188)	1,806	(69,382)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal repayments	(8,000)	-	(8,000)
Interest paid	(1,116)	-	(1,116)
Net Cash (Used for) Capital and Related Financing Activities	(9,116)	-	(9,116)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	26,709	-	26,709
Net Cash Provided by Investing Activities	26,709	-	26,709
NET INCREASE IN CASH AND CASH EQUIVALENTS	167,519	40,314	207,833
BALANCE - BEGINNING OF YEAR	1,241,850	21,460	1,263,310
BALANCE - END OF YEAR	<u>\$ 1,409,369</u>	<u>\$ 61,774</u>	<u>\$ 1,471,143</u>
SUMMARY OF CASH			
Cash and cash equivalents	\$ 1,342,562	\$ 61,774	\$ 1,404,336
Restricted cash and cash equivalents	66,807	-	66,807
Total Cash and Cash Equivalents	<u>\$ 1,409,369</u>	<u>\$ 61,774</u>	<u>\$ 1,471,143</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 191,242	\$ (33,630)	\$ 157,612
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:			
Depreciation expense	24,117	72,138	96,255
Increase in customer deposits	5,755	-	5,755
Net Cash Provided by Operating Activities	<u>\$ 221,114</u>	<u>\$ 38,508</u>	<u>\$ 259,622</u>

See accompanying notes to the basic financial statements.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

FINANCIAL REPORTING ENTITY

PRIMARY GOVERNMENT

The City of Seligman's primary government is a general purpose local government formed as a council-mayor form of municipal government under the laws of the State of Missouri. The governing body is an elected four-member City Council, with the Mayor serving as the president of the Council. The City operates the general government activities of the community, including police protection, street and road maintenance, parks, water and sewer and various administrative functions.

BLENDED COMPONENT UNITS

The financial statements of the City present the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on accounting principles generally accepted in the United States of America. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance, revenues, and expenditures or expenses. The City's funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described subsequently:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

Street Fund

Street Fund is a special revenue fund used to account for all revenues (1/2 cent Transportation Sales Tax and Missouri Motor Fuel Taxes) and expenditures designated to be used for street projects.

Capital Improvement Sales Tax Fund

Capital Improvement Sales Tax Fund is used to account for the 1/2 cent sales tax that is used to retire debt on the General Obligation Bond and for any other proper capital expenditure.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund

Water and Sewer Fund

Water and Sewer Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues collected, expenditures paid, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Nonmajor Fund

Park Fund

Park Fund is a special revenue fund used to account for all revenues (1/4 cent Park Sales Tax) and expenditures designated to be used for park maintenance and improvements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

MEASUREMENT FOCUS

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as subsequently defined in item (b).

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

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

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS - continued

- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

BASIS OF ACCOUNTING

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets, cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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

FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificate of deposits or short-term investments with an original maturity of three months or less.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS

Investments would be certificates of deposits acquired with cash whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

STATEMENT OF CASH FLOWS

For the purpose of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

DUE FROM OTHER FUNDS

Receivables and payables to other funds arising from cash transactions or events are recorded in the financial statements as a modification to the cash basis of accounting.

Inventories

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased.

Restricted assets

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amount of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt.

CAPITAL ASSETS

The City's modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. The City has elected not to go back 20 years and record estimated cost of streets less depreciation but started in 2004 recording capital outlay of street projects and then depreciating the assets from twenty to forty years.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Statements - continued

Depreciation of all exhaustible capital assets arising from cash transactions or events is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$ 1,000 is used to report capital assets. The range of estimated useful lives by the type of asset is as follows:

Buildings	40 years
Utility plant	40 years
Infrastructure	20-40 years
Equipment	5-15 years
Vehicles	5-10 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

LONG-TERM DEBT

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net Position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Financial Statements

Governmental Funds

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable - Amounts that cannot be spent because they are in a nonspendable form or are required to be maintained intact.

Restricted – Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the City's highest level of decision-making authority.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - continued

Assigned - Amounts constrained by the City's intent to be used for specific purposes but that are neither restricted nor committed.

Unassigned – Amounts are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories and include all deficit amounts in all other governmental funds.

It is the City's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also the City policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The City has no formal minimum fund balance policies or any formal stabilization arrangements in place.

Proprietary Funds

The difference among assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements, as previously described.

REVENUES, EXPENDITURES AND EXPENSES

PROGRAM REVENUES

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General Administration	Licenses and permits.
Police	Fines and forfeits, operating and capital grants.
Sanitation	Hauling fees.
Cemetery	Sale of plots

All other governmental revenues are reported as general revenues. All taxes are classified as general revenue even if restricted for a specific purpose.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OPERATING REVENUE AND EXPENSES

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for 2024 was \$ 6,302,310 with the levy set at a total of \$.4217 with \$.1606 for the Street Fund and \$.2611 for the General Fund.

Revenue Sales & Use Taxes

The City has four sales tax authorizations. A one cent general sales tax recorded in the General Fund (\$ 145,891) and can be used for any proper municipal purpose. Two ½ cent sales tax issues with one a transportation sales tax recorded in the Street Fund (\$ 72,946) to be used for street repairs and improvements and the other a ½ cent capital improvement sales tax recorded in the Capital Improvement Fund (\$ 72,946) which can be used for debt repayment and capital expenditures. The fourth a ¼ cent sales tax (\$ 36,473) recorded in the Park Fund and used for park improvements and maintenance. The City collected a use tax, which amounted to (\$58,960).

USE OF ESTIMATES

The preparation of financial statements in accordance with the modified cash basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying statement of revenues, expenditures and changes in fund balance-budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with an other method of accounting (modified cash basis) for all governmental funds.

Excess of expenditures over appropriations

For the year ended December 31, 2024, all funds were within the authorized budgets.

Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$ 630,231. The City did not have any general obligation bonds outstanding as of December 31, 2024.

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

The City maintains a cash and investment account for each fund. Each fund account is displayed on the combined balance sheet as either "cash, investments, board designated investments, or bank overdrafts". In addition, investments are separately held by several of the City's funds. Deposits and investments are stated at cost, which approximates market.

Investments. Statutes authorized the City to invest in certificates of deposit, repurchase agreements, passbooks, banker's acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the City can invest in direct debt securities of the United States Government unless such an investment is expressly prohibited by law.

As of December 31, 2024, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a written investment policy covering credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a written investment policy covering interest rate risk.

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a written investment policy covering concentration of credit risk.

Custodial Credit Risk is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the City and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the City. The City does not have a written investment policy on custodial credit risk. However, all of the City's investments are either insured or registered in the City's name and held by the City's agent.

NOTE C – RESTRICTED ASSETS

As of December 31, 2024, restricted costs consisted of the following:

Proprietary Fund Types-Business Type Activities

Water and Sewer Fund

Meter deposits	<u>\$ 66,807</u>
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Governmental Activities Fund Type

General Fund

Cemetery	<u>\$ 42,307</u>
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	<u>\$ 42,307</u>
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CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity resulting from modified cash basis transactions or events for the fiscal year ended December 31, 2024, was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Capital assets being depreciated:				
Buildings	\$ 320,210	\$ -	\$ -	\$ 320,210
Streets	502,552	43,703	-	546,255
Equipment	248,961	31,213	-	280,174
Vehicles	347,691	-	-	347,691
Total capital assets being depreciated	1,419,414	74,916	-	1,494,330
Less: Accumulated depreciation for:				
Buildings	100,075	11,227	-	111,302
Streets	228,179	17,561	-	245,740
Equipment	142,492	22,049	-	164,541
Vehicles	174,405	43,098	-	217,503
Total accumulated depreciation	645,151	93,935	-	739,086
Total capital assets being depreciated, net	\$ 774,263	\$ (19,019)	\$ -	\$ 755,244
Governmental activities capital assets, net	\$ 779,263	\$ (19,019)	\$ -	\$ 760,244

Depreciation expenses was charged to functions as follows in the Statement of Activities:

Governmental Activities:

General government	\$ 27,091
Police and court	40,709
Streets	21,437
Park	4,698
	<u>\$ 93,935</u>

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 90,812	\$ -	\$ -	\$ 90,812
Capital assets being depreciated:				
Plant	\$ 4,005,398	\$ -	\$ -	\$ 4,005,398
Buildings	7,428	-	-	7,428
Equipment	323,912	14,015	-	337,927
Vehicles	62,725	-	3,500	59,225
Total capital assets being depreciated	4,399,463	14,015	3,500	4,409,978
Less accumulated depreciation for:				
Plant	2,531,651	81,676	-	2,613,327
Buildings	4,364	212	-	4,576
Equipment	249,046	14,143	-	263,189
Vehicles	61,927	224	3,500	58,651
Total accumulated depreciation	2,846,988	96,255	3,500	2,939,743
Total capital assets being depreciated, net	\$ 1,552,475			\$ 1,470,235
Business-type activities capital assets, net	\$ 1,643,287			\$ 1,561,047

Depreciation expenses was charged to functions as follows in the Statement of Activities:

Business-type Activities:

Water	\$ 24,117
Sewer	72,138
	<u>\$ 96,255</u>

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE E – LONG-TERM DEBT

Governmental activities

The following is a summary of debt transactions of the City for the year ended December 31, 2024, as it relates to the governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease Obligations- 2023 Dodge Charger	<u>\$ 42,834</u>	<u>\$ -</u>	<u>\$ 10,541</u>	<u>\$ 32,293</u>	<u>\$ 10,244</u>

During June of 2023, the City entered into commercial financing for the purchase of a 2023 Dodge Charger. The financing amount was \$42,834. Terms are \$11,939.04 paid annually on January 25th of each year, for four years. The interest rate stated on the loan is 5.250%. The first payment begins on January 25, 2024.

\$ 32,293

Following is a summary of debt maturities and interest requirements on above leases:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 10,244	\$ 1,695	\$ 11,939
2026	10,781	1,158	11,939
2027	<u>11,268</u>	<u>592</u>	<u>11,860</u>
Total	<u>\$ 32,293</u>	<u>\$ 3,445</u>	<u>\$ 35,738</u>

CITY OF SELIGMAN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE E – LONG-TERM DEBT-continued

Business-type Activities

The following is a summary of debt transactions of the City for the year ended December 31, 2024, as it relates to the business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Refunding Certificate of Participation	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE F – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE G – GRANTS

Intergovernmental awards received by the City are subject to audit and adjustment by the grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agencies. No disallowed costs have resulted from this audit and management believes that further examination will not result in any disallowed costs.

NOTE H – TRANSFERS BETWEEN FUNDS

Transfer from the Capital Improvement Sales Tax Fund to the Water & Sewer Fund is for payment on general obligation bond issue. The proceeds of that issue are for improvement to the Water & Sewer System; therefore, the assets and debt is shown in the Water & Sewer Fund and debt payments come from the Capital Improvement Sales Tax as a transfer.

NOTE I – FEE IN LIEU OF TAXES

The Water and Sewer Funds pays 5% of sales to the General Fund as a Fee in lieu of.

CITY OF SELIGMAN, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
(MODIFIED CASH BASIS) MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

General Fund				
REVENUES	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Taxes:				
Property taxes	\$ 18,600	\$ 15,905	\$ 15,905	\$ -
Sales tax	160,000	204,851	204,851	-
Charge for services-				
Refuse fees	1,000	55,594	55,594	-
Licenses and permits	5,150	1,205	1,205	-
Fines and forfeits	40,000	43,556	43,556	-
Interest	3,900	3,978	3,978	-
Building rent	2,500	760	760	-
Grants	40,000	-	-	-
Miscellaneous	2,350	8,260	8,260	-
Total Revenues	<u>273,500</u>	<u>334,109</u>	<u>334,109</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	300,000	186,767	186,767	-
Police	-	95,805	95,805	-
Refuse	-	55,275	55,275	-
Total Expenditures	<u>300,000</u>	<u>337,847</u>	<u>337,847</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(26,500)	(3,738)	(3,738)	-
OTHER SOURCES AND USES				
Transfers	<u>28,000</u>	<u>64,267</u>	<u>64,267</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,500</u>	<u>\$ 60,529</u>	60,529	<u>\$ -</u>
FUND BALANCE-BEGINNING			<u>45,084</u>	
FUND BALANCES - ENDING			<u>\$ 105,613</u>	

CITY OF SELIGMAN, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
(MODIFIED CASH BASIS) MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

REVENUES	Street Fund		Actual	Variance With Final Budget
	Budgeted Amounts Original	Final		
Taxes:				
Property taxes	\$ 11,000	\$ 9,255	\$ 9,255	\$ -
Sales taxes	80,000	72,946	72,946	-
Intergovernmental revenue:				
Missouri motor fuel taxes	47,000	43,701	43,701	-
Total Revenues	138,000	125,902	125,902	-
EXPENDITURES				
Current:				
Streets	120,000	117,056	117,056	-
Total Expenditures	120,000	117,056	117,056	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	18,000	8,846	8,846	-
OTHER SOURCES AND USES				
Transfers	-	(306)	(306)	-
NET CHANGE IN FUND BALANCES	\$ 18,000	\$ 8,540	8,540	\$ -
FUND BALANCE-BEGINNING			22,049	
FUND BALANCES - ENDING			\$ 30,589	