

CITY OF COLE CAMP, MISSOURI

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

**DSWA CERTIFIED PUBLIC ACCOUNTANTS, P.C.
1626 HEDGES PLAZA
NEVADA, MISSOURI 64772**

CITY OF COLE CAMP, MISSOURI
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Aldermen
City Of Cole Camp, 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 and each major fund of the City Of Cole Camp, Missouri ("City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying proprietary funds statement of cash flows - modified cash basis is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the proprietary funds statement of cash flows - modified cash basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

DSWA Certified Public Accountants, P.C.

Nevada, Missouri
October 19, 2023

CITY OF COLE CAMP, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 689,892	\$ 1,655,747	\$ 2,345,639
Total current assets	<u>689,892</u>	<u>1,655,747</u>	<u>2,345,639</u>
Noncurrent assets:			
Restricted cash and cash equivalents	336,018	470,914	806,932
Restricted investments	25,049	29,683	54,732
Investments	270,150	-	270,150
Capital assets, net of accumulated depreciation:			
Land	10,000	10,060	20,060
Buildings	382,779	-	382,779
Plant, structure, and lines	-	3,076,979	3,076,979
Vehicles and equipment	52,382	119,451	171,833
Construction in progress	-	13,392	13,392
Total noncurrent assets	<u>1,076,378</u>	<u>3,720,479</u>	<u>4,796,857</u>
Total assets	<u>1,766,270</u>	<u>5,376,226</u>	<u>7,142,496</u>
LIABILITIES			
Current liabilities:			
Bank overdraft	35,630	-	35,630
Current portion of long-term obligations	-	167,889	167,889
Total current liabilities	<u>35,630</u>	<u>167,889</u>	<u>203,519</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	-	2,475,177	2,475,177
Customer deposits	-	10,975	10,975
Total noncurrent liabilities	<u>-</u>	<u>2,486,152</u>	<u>2,486,152</u>
Total liabilities	<u>35,630</u>	<u>2,654,041</u>	<u>2,689,671</u>
NET POSITION			
Net investment in capital assets	445,161	576,816	1,021,977
Restricted for:			
Grant projects	-	231,548	231,548
Capital improvements	-	71,219	71,219
Debt service	-	185,370	185,370
Meter deposits	-	12,460	12,460
Street improvements	280,472	-	280,472
Park operations	39,686	-	39,686
Library investments	25,049	-	25,049
Library operations	15,860	-	15,860
Unrestricted (deficit)	924,412	1,644,772	2,569,184
Total net position	<u>\$ 1,730,640</u>	<u>\$ 2,722,185</u>	<u>\$ 4,452,825</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/ Programs	Expenses	Program Revenues			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
Governmental activities:							
General government	\$ 142,174	\$ 56,652	\$ -	\$ -	\$ (85,522)	\$ -	\$ (85,522)
Public safety	226,176	2,734	-	-	(223,442)	-	(223,442)
Street	99,948	-	-	-	(99,948)	-	(99,948)
Library	24,248	-	-	-	(24,248)	-	(24,248)
Total governmental activities	<u>492,546</u>	<u>59,386</u>	<u>-</u>	<u>-</u>	<u>(433,160)</u>	<u>-</u>	<u>(433,160)</u>
Business-type activities:							
Administration	13,411	-	-	-	-	(13,411)	(13,411)
Water	183,745	261,524	-	116,617	-	194,396	194,396
Sewer	208,676	307,955	-	-	-	99,279	99,279
Interest on long-term debt	74,246	-	-	-	-	(74,246)	(74,246)
Total business-type activities	<u>480,078</u>	<u>569,479</u>	<u>-</u>	<u>116,617</u>	<u>-</u>	<u>206,018</u>	<u>206,018</u>
Total government	<u>\$ 972,624</u>	<u>\$ 628,865</u>	<u>\$ -</u>	<u>\$ 116,617</u>	<u>(433,160)</u>	<u>206,018</u>	<u>(227,142)</u>
General Revenues:							
Taxes					506,744	7,934	514,678
Unrestricted contributions					1,763	-	1,763
Investment earnings					13,893	1,668	15,561
Miscellaneous					<u>22,399</u>	<u>50,080</u>	<u>72,479</u>
Total general revenues					<u>544,799</u>	<u>59,682</u>	<u>604,481</u>
Change in net position					111,639	265,700	377,339
Net position--beginning					<u>1,619,001</u>	<u>2,456,485</u>	<u>4,075,486</u>
Net position--ending					<u>\$ 1,730,640</u>	<u>\$ 2,722,185</u>	<u>\$ 4,452,825</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF COLE CAMP, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General</u>	<u>Street Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 689,892	\$ -	\$ -	\$ 689,892
Restricted cash	-	320,158	15,860	336,018
Restricted investments	-	-	25,049	25,049
Investments	270,150	-	-	270,150
Total assets	<u>\$ 960,042</u>	<u>\$ 320,158</u>	<u>\$ 40,909</u>	<u>\$ 1,321,109</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Bank overdraft	\$ -	\$ -	\$ 35,630	\$ 35,630
Total liabilities	<u>-</u>	<u>-</u>	<u>35,630</u>	<u>35,630</u>
Fund balances:				
Restricted for:				
Street improvements	-	280,472	-	280,472
Park operations	-	39,686	-	39,686
Library investments	-	-	25,049	25,049
Library operations	-	-	15,860	15,860
Unassigned	960,042	-	(35,630)	924,412
Total fund balances	<u>960,042</u>	<u>320,158</u>	<u>5,279</u>	<u>1,285,479</u>
Total liabilities and fund balances	<u>\$ 960,042</u>	<u>\$ 320,158</u>	<u>\$ 40,909</u>	

Reconciliation to Statement of Net Position

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$772,644 and the accumulated depreciation and amortization is \$327,483.

445,161

Total net position - governmental activities

\$ 1,730,640

The accompanying notes are an integral part of the basic financial statements.

CITY OF COLE CAMP, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General</u>	<u>Street Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 329,800	\$ 176,944	\$ -	\$ 506,744
Licenses, fees, and permits	9,907	-	-	9,907
Solid waste charges	46,745	-	-	46,745
Public safety	2,734	-	-	2,734
Donations	1,763	-	-	1,763
Investment earnings	11,934	-	1,959	13,893
Miscellaneous	19,102	3,297	-	22,399
Total revenues	<u>421,985</u>	<u>180,241</u>	<u>1,959</u>	<u>604,185</u>
EXPENDITURES				
Salaries	132,461	27,077	1,598	161,136
Payroll taxes	10,402	2,128	125	12,655
Employee benefits	42,873	3,514	19	46,406
Repairs and maintenance	22,008	25,631	1,769	49,408
Administration and supplies	42,519	3,010	381	45,910
Insurance	27,562	11,353	5,055	43,970
Utilities	5,495	25,544	-	31,039
Solid waste	46,874	-	-	46,874
Court	20	-	-	20
Dog pound facility	264	-	-	264
Grant expense	1,130	-	-	1,130
Capital outlay	9,325	14,872	-	24,197
Investment loss	-	-	5,687	5,687
Miscellaneous	8,109	280	10	8,399
Total expenditures	<u>349,042</u>	<u>113,409</u>	<u>14,644</u>	<u>477,095</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,943</u>	<u>66,832</u>	<u>(12,685)</u>	<u>127,090</u>
OTHER FINANCING SOURCES				
Transfers in	6,286	13,750	-	20,036
Transfers out	(13,750)	(6,286)	-	(20,036)
Total other financing sources	<u>(7,464)</u>	<u>7,464</u>	<u>-</u>	<u>-</u>
Net change in fund balances	65,479	74,296	(12,685)	127,090
Fund balances - beginning	<u>894,563</u>	<u>245,862</u>	<u>17,964</u>	<u>1,158,389</u>
Fund balances - ending	<u>\$ 960,042</u>	<u>\$ 320,158</u>	<u>\$ 5,279</u>	<u>\$ 1,285,479</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF COLE CAMP, MISSOURI
RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	\$	127,090
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital outlays	\$	21,136
Depreciation expense	_____	(36,587) _____ (15,451)
Change in net position of governmental activities	\$	<u>111,639</u>

CITY OF COLE CAMP, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-Type Activities -		
	Enterprise Funds		
	Water	Sewer	
	Fund	Fund	Total
ASSETS			
Current assets:			
Cash	\$ 243,813	\$ 1,411,934	\$ 1,655,747
Total current assets	<u>243,813</u>	<u>1,411,934</u>	<u>1,655,747</u>
Noncurrent assets:			
Restricted cash and cash equivalents	437,608	33,306	470,914
Restricted investments	29,683	-	29,683
Capital assets, net of accumulated depreciation:			
Land	-	10,060	10,060
Plant, structure, and lines	1,891,690	1,185,289	3,076,979
Vehicles and equipment	29,619	89,832	119,451
Construction in progress	13,392	-	13,392
Total noncurrent assets	<u>2,401,992</u>	<u>1,318,487</u>	<u>3,720,479</u>
Total assets	<u>2,645,805</u>	<u>2,730,421</u>	<u>5,376,226</u>
LIABILITIES			
Current liabilities:			
Current portion of long-term obligations	71,361	96,528	167,889
Total current liabilities	<u>71,361</u>	<u>96,528</u>	<u>167,889</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	1,655,118	820,059	2,475,177
Meter deposits	10,975	-	10,975
Total noncurrent liabilities	<u>1,666,093</u>	<u>820,059</u>	<u>2,486,152</u>
Total liabilities	<u>1,737,454</u>	<u>916,587</u>	<u>2,654,041</u>
NET POSITION			
Net invested in capital assets	208,222	368,594	576,816
Restricted for:			
Grant projects	231,548	-	231,548
Capital improvements	71,219	-	71,219
Debt service	152,064	33,306	185,370
Meter deposits	12,460	-	12,460
Unrestricted (deficit)	232,838	1,411,934	1,644,772
Total net position	<u>\$ 908,351</u>	<u>\$ 1,813,834</u>	<u>\$ 2,722,185</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities -		
	Enterprise Funds		
	Water	Sewer	Total
	Fund	Fund	Total
OPERATING REVENUES			
Charges for services	\$ 261,524	\$ 307,955	\$ 569,479
Taxes	7,934	-	7,934
Federal grants	116,617	-	116,617
Miscellaneous	2,438	47,642	50,080
Total operating revenues	<u>388,513</u>	<u>355,597</u>	<u>744,110</u>
OPERATING EXPENSES			
Salaries	42,196	65,179	107,375
Payroll taxes	3,256	5,037	8,293
Employee benefits	16,883	16,642	33,525
Repairs and maintenance	21,514	26,079	47,593
Administration and supplies	6,442	6,969	13,411
Insurance	10,087	11,453	21,540
Utilities	9,403	22,486	31,889
Capital outlay	2,432	3,828	6,260
Depreciation	61,722	39,871	101,593
Miscellaneous	16,252	5,210	21,462
Wastewater testing	-	12,891	12,891
Total operating expenses	<u>190,187</u>	<u>215,645</u>	<u>405,832</u>
Operating income (loss)	<u>198,326</u>	<u>139,952</u>	<u>338,278</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	(52,469)	(21,777)	(74,246)
Investment earnings	1,668	-	1,668
Total non-operating revenues (expenses)	<u>(50,801)</u>	<u>(21,777)</u>	<u>(72,578)</u>
Change in net position	147,525	118,175	265,700
Net position - beginning	<u>760,826</u>	<u>1,695,659</u>	<u>2,456,485</u>
Net position - ending	<u>\$ 908,351</u>	<u>\$ 1,813,834</u>	<u>\$ 2,722,185</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL STATEMENT AND FINANCIAL REPORTING ENTITY

The City of Cole Camp, located in Benton County, Missouri, operates under a Board of Aldermen-Mayor form of government. The City provides the following services: water and sewer utility services, public safety, public works and refuse collection. The City's combined financial statements include the accounts of all City operations. The City has no component units and is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board (GASB).

B. BASIS OF PRESENTATION

1. Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

2. Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. 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: total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and total assets, liabilities, revenues, or expenditures/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. For the year ended December 31, 2022, all funds of the City are classified as major funds.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

2. Fund Financial Statements (continued)

The following types of funds comprise the financial activities of the City.

a. Governmental Funds

1. General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Special Revenue Funds - Special revenue funds are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for special purposes. The City has two special revenue funds, the Street Fund and the Library Fund.

b. Proprietary Funds

1. Enterprise Funds - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has two enterprise funds, the Water Fund and the Sewer Fund.

The proprietary fund types apply all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, that are not in conflict with applicable GASB pronouncements.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

1. Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. 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.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

2. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. CASH AND CASH EQUIVALENTS

Operating cash resources for the individual funds are combined to form a pool of cash. Interest income on the operating cash pool is retained by the General Fund. Funds with overdrawn balances, if any, are not charged interest. Interest earned on restricted and other non-operating cash accounts is earned by the fund to which each account belongs.

E. RESTRICTED ASSETS

Certain assets of the Street, Library, Water, and Sewer Funds have been restricted for street improvements, park operations, library purposes, debt service retirement, meter deposits and repair and construction of the proprietary funds' water and sewer systems.

F. INVENTORIES

Inventories at year end were deemed immaterial in amount. Inventories, which benefit future periods, are recorded as an expenditure during the year of purchase.

G. CAPITAL ASSETS

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective January 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary capital assets are also reported in their respective fund financial statements. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest costs associated with construction of fixed assets are capitalized.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CAPITAL ASSETS (continued)

Capital assets owned by the proprietary funds are stated at cost. Donated assets are stated at estimated fair market value at date of contribution. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on their balance sheets.

Depreciation of capital assets in all fund types is computed using the straight-line method over the following estimated useful lives of the assets.

Vehicles and equipment	5-20 years
Buildings	20-50 years
Waterlines-water and sewer funds	50 years

Prior to 2007, the City did not maintain adequate capital asset records for the sewer fund. Such acquisitions by the sewer fund prior to 2007 have been expensed in the year of purchase.

H. COMPENSATED ABSENCES

Employees of the City are entitled to certain compensated absences based on their length of employment. Compensated absences accumulate when they are earned. Sick time can be accumulated to a total of thirty-six days, but is not payable upon separation from the City. Vacation time is accrued at their anniversary date based upon years of employment with the City. Vacation time is not allowed to be carried forward from year to year. If vacation time is not used by the employee's anniversary date, it is paid. Upon separation from the City, employees will be paid for any unused vacation time. Vacation time and sick leave are considered as expenditures in the year paid.

At December 31, 2022, the City's potential compensated absences liability was \$2,465.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. INTERFUND TRANSACTIONS

During the course of normal operations, the City may transfer revenues between funds for various reasons. The City's interfund transfers consist of transfers of revenues from a fund that a statute or the budget requires to collect them to the fund that a statute or the budget requires to expend them. Legally authorized transfers that are not intended to be repaid are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds. Short-term amounts owed between funds, if any, are classified as "Due to/from other funds." Transfers for the current year were as follows:

<u>Transfer from</u>	<u>Transfer to Street Fund</u>	<u>Transfer to General Fund</u>
General Fund	\$ 13,750	\$ -
Street Fund	-	6,286
	<u>\$ 13,750</u>	<u>\$ 6,286</u>

J. NET POSITION

In the government-wide and proprietary fund financial statements, net position is segregated into three components:

1. Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position consists of net position with use constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or bond covenants. Restricted net position is reduced by liabilities and deferred inflows of resources related to restricted assets.
3. Unrestricted net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the City.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources before using unrestricted resources.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND BALANCES

The governmental fund financial statements present fund balances by classification based on the extent to which the City is bound to honor constraints on the specific purposes for which the funds may be spent. The following classifications are used to describe the relative strength of these constraints:

1. Nonspendable – amounts that are either not in spendable form, or legally or contractually required to be maintained intact.
2. Restricted – amounts constrained to specific uses by either (1) external groups such as creditors, grantors, or contributors, or laws and regulations of other governments, or (2) constitutional provisions or enabling legislation, net of any related liability.
3. Committed – amounts constrained to specific uses by the City itself, using its highest level of decision making authority, the City's Board of Aldermen. Commitments may be established, modified, or rescinded only through resolutions passed by the City's Board of Aldermen.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that the City intends to use for a specific purpose. For all funds other than the General Fund, this includes any remaining funds not otherwise classified, as they are assigned to the purposes for which the fund was established. For the General Fund, the assignment can result from intent expressed by the City's Board of Aldermen or by City administrators to which the Board of Aldermen delegates the authority.
5. Unassigned – amounts that are available for any purpose. Positive amounts are reported in only the General Fund. Negative unassigned fund balances are reported for all other governmental funds where the nonspendable, restricted, and committed fund balances exceed the total fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City applies restricted funds first. When an expenditure is incurred for which committed, assigned, and/or unassigned fund balances are available, the City first applies committed funds, then assigned funds, and finally unassigned funds, as needed.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND BALANCES (continued)

In the proprietary fund financial statements, cash provided by operations includes receipts and expenditures related to the primary, continuing operations of the fund. Principal operating receipts for proprietary funds are charges to customers for sales or services. Principal operating expenditures are the costs of providing goods or services and include administrative expenses. Other receipts and expenditures are classified as non-operating in the financial statements. Proprietary fund balances are classified as restricted or unrestricted in the same manner as they are classified in the government-wide financial statements.

L. PROPERTY TAXES

Property taxes are assessed on October 31 and are due and payable at that time. Property taxes attach as an enforceable lien on January 1 and the taxes are due to be collected by the following October 31. Uncollected amounts become delinquent after January 1 of the following year.

The assessed valuation for tangible taxable personal and real property for tax year 2022 for purposes of City taxation was \$11,709,800. The property tax levy per \$100 of assessed valuation of real and tangible personal property for the calendar year 2022 was as follows:

General Fund	\$ 0.4734
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M. PROGRAM REVENUES

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the City.

In the Statement of Activities, revenues 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 government	Licenses, fees and permits Public safety charges
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CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. PROGRAM REVENUES (continued)

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

N. USE OF ESTIMATES

Management uses estimates and assumptions in preparing these financial statements in accordance with the modified cash basis of accounting. Depreciation expense is the most significant estimate on the modified cash basis. Those estimates and assumptions affect the reported amounts of assets and reported expenses. Actual results could vary from the estimates that were used.

O. RISK MANAGEMENT

The City purchases commercial insurance as its method of defraying risk of loss from natural causes, general liability, and theft.

P. POST EMPLOYMENT BENEFITS

Former employees of the City may continue individual health insurance coverage through the City's group health insurance policy after leaving employment with the City. Such monthly premiums are reimbursed in full by the former employees to the City. The City has no legal or contractual contribution requirements.

Q. NON-EXCHANGE TRANSACTIONS

Non-exchange transactions, in which the City receives value without directly giving equal value in return, includes property taxes, grants, entitlements and donations.

R. CHANGE IN ACCOUNTING PRINCIPLES

In 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At December 31, 2022, there were no material finance leases for right-to-use assets.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. PENSIONS

The City of Cole Camp, Missouri joined the Missouri Local Government Employees Retirement System (LAGERS) on November 1, 2022. Because the effective date is subsequent to the actuarial valuation date of February 28, 2022, the date of most recent reporting year, LAGERS is unable to provide the complete GASB 68 reporting documents. The City of Cole Camp, Missouri will fully comply with the GASB 68 reporting requirements with our 2023 reporting period.

2. CASH AND CASH EQUIVALENTS

State statutes require the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2022, all bank balances on deposit are entirely insured or collateralized with securities. The City does not have any foreign currency risk.

Restricted cash and cash equivalents is legally segregated for a specific future use. The following details the description and amount of all restricted cash held by the City.

	Balance at December 31, 2022				
	Street	Library	Water	Sewer	Total
(1) Debt Service Reserve Fund	\$ -	\$ -	\$ 152,064	\$ 33,306	\$ 185,370
(2) Meter Deposits	-	-	12,460	-	12,460
(3) Capital Improvements	-	-	41,536	-	41,536
(4) Grant Projects	-	-	231,548	-	231,548
(5) Street Improvements	280,472	-	-	-	280,472
(6) Park Operations	39,686	-	-	-	39,686
(7) Library Operations	-	15,860	-	-	15,860
Total Restricted Cash	<u>\$ 320,158</u>	<u>\$ 15,860</u>	<u>\$ 437,608</u>	<u>\$ 33,306</u>	<u>\$ 806,932</u>

3. INVESTMENTS

The City's investments at December 31, 2022, consisted of the following:

Investment Type	Maturity	General	Library	Water	Total
Certificates of Deposit	5/8/2023-9/6/2027	\$ 270,150	\$ -	\$ 29,683	\$ 299,833
Diversified Investment Pool	N/A	-	25,049	-	25,049
Total Investments		<u>\$ 270,150</u>	<u>\$ 25,049</u>	<u>\$ 29,683</u>	<u>\$ 324,882</u>

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. INVESTMENTS (continued)

- A. Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's unwritten investment policy mandates structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations thereby avoiding the need to sell investments on the open market prior to maturity.

- B. Certificates of Deposit: Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2022, all certificates of deposit are entirely insured or collateralized with securities. At December 31, 2022, the value of these funds held and restricted for capital improvements in the City of Cole Camp Water Fund were \$29,683.

- C. Diversified Investment Pool: At December 31, 2022, included in the Library Fund are funds held with the Community Foundation of the Ozarks, Inc. These investments are carried at market value. Most funds participate in either a diversified investment pool or a cash pool using the market value unit method to determine the number of share to be issued. Realized gains and losses from the diversified investment pool are allocated based on each participating fund's pro-rata share. Funds that don't participate in the Foundation's investment pools are invested individually at other financial institutions and reviewed by the Foundation's staff monthly. At December 31, 2022, the value of these funds held and restricted for use in the City of Cole Camp Library Fund were \$25,049.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

4. CAPITAL ASSETS

The capital assets activity of the business-type funds at December 31, 2022, is as follows:

	Balance January 1, 2022	Additions	Retirements	Balance December 31, 2022
Non-depreciable assets				
Land	\$ 10,060	\$ -	\$ -	\$ 10,060
Construction in progress	13,392	-	-	13,392
Depreciable assets				
Vehicles and equipment	132,224	94,163	-	226,387
Lines	3,994,241	25,861	-	4,020,102
	4,149,917	120,024	-	4,269,941
Less: Accumulated depreciation	948,466	101,593	-	1,050,059
Net capital assets	<u>\$ 3,201,451</u>	<u>\$ 18,431</u>	<u>\$ -</u>	<u>\$ 3,219,882</u>

The capital assets activity of the governmental funds at December 31, 2022, is as follows:

	Balance January 1, 2022	Additions	Retirements	Balance December 31, 2022
Non-depreciable assets				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Depreciable assets				
Vehicles and equipment	177,428	14,850	-	192,278
Buildings	564,080	6,286	-	570,366
	751,508	21,136	-	772,644
Less: Accumulated depreciation	290,896	36,587	-	327,483
Net capital assets	<u>\$ 460,612</u>	<u>\$ (15,451)</u>	<u>\$ -</u>	<u>\$ 445,161</u>

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

4. CAPITAL ASSETS (continued)

Depreciation expense was charged as direct expense as follows:

Business-type activities:	
Water fund	\$ 61,722
Sewer fund	39,871
	<u>\$ 101,593</u>
Governmental activities:	
General fund	\$ 19,308
Street fund	7,675
Library fund	9,604
	<u>\$ 36,587</u>

5. LONG-TERM DEBT

Business-type Activities

The City has pledged future water customer revenues, net of specified operating expenses, to repay the 2021 Series A Combined Waterworks and Sewerage System Refunding Revenue Bonds. The 2021 Series A Combined Waterworks and Sewerage System Refunding Revenue Bonds were issued in March 2021 in the amount of \$1,838,593 for the purpose of refunding the 2007 Series A and B Combined Waterworks and Sewerage System Revenue Bonds. These bonds are payable solely from the water fund net revenues and are payable through 2041. At December 31, 2022, the total interest and principal remaining to be paid on the 2021 Series A Combined Waterworks and Sewerage System Refunding Revenue Bonds was \$2,252,830. Principal and interest paid for the current year on these bonds was \$121,775.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bonds. The 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bonds were issued in March 2021 in the amount of \$1,053,651 for the purpose of refunding the 2013 Series Combined Waterworks and Sewerage System Revenue Bonds. These bonds are payable solely from the sewer fund net revenues and are payable through 2033. At December 31, 2022, the total interest and principal remaining to be paid on the 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bonds was \$1,033,097. Principal and interest paid for the current year on these bonds was \$118,369.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

The following is a summary of bond transactions for the year ended December 31, 2022:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Bonds payable, January 1, 2022	\$ 1,795,785	\$ 1,013,179	\$ 2,808,964
Less:			
Bonds retired	<u>(69,306)</u>	<u>(96,592)</u>	<u>(165,898)</u>
Bonds payable, December 31, 2022	\$ 1,726,479	\$ 916,587	\$ 2,643,066
Current portion	<u>(71,361)</u>	<u>(96,528)</u>	<u>(167,889)</u>
	<u>\$ 1,655,118</u>	<u>\$ 820,059</u>	<u>\$ 2,475,177</u>

COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BOND SERIES 2021A AND 2021B BONDS

On March 31, 2021, the City issued the 2021 Series A Combined Waterworks and Sewerage System Refunding Revenue Bonds in the amount of \$1,838,593 for the purpose of refunding the 2007 Series A and B Combined Waterworks and Sewerage System Revenue Bonds. These bonds are due in varying annual installments beginning August 1, 2021, and continuing through February 1, 2041, with an annual interest rate of 2.95%, payable semi-annually on February 1 and August 1 of each year.

On March 31, 2021, the City issued the 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bonds in the amount of \$1,053,651 for the purpose of refunding the 2013 Series Combined Waterworks and Sewerage System Revenue Bonds. These bonds are due in varying annual installments beginning August 1, 2021, and continuing through August 1, 2033, with an annual interest rate of 2.20%, payable semi-annually on February 1 and August 1 of each year.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

**COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE
BOND SERIES 2021A AND 2021B BONDS (continued)**

The following are the estimated annual debt service requirements on the 2021 Series A and B Combined Waterworks and Sewerage System Refunding Revenue Bonds, per the bond indenture:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 167,889	\$ 70,044	\$ 237,933
2024	170,009	66,235	236,244
2025	172,193	62,326	234,519
2026	174,442	58,315	232,757
2027	176,758	54,197	230,955
2028 -2032	872,373	205,313	1,077,686
2033 - 2037	507,484	102,358	609,842
2038 - 2041	401,918	24,073	425,991
	<u>\$ 2,643,066</u>	<u>\$ 642,861</u>	<u>\$ 3,285,927</u>

Under the 2021 Series A and B Combined Waterworks and Sewerage System Refunding Revenue Bonds, the City is required to deposit monies into the Operation and Maintenance Accounts sufficient to pay the estimated expenses during the ensuring month. There shall next be paid and credited monthly to the Debt Service Accounts an amount equal to 1/6 of the amount of principal and interest that will become due on the next succeeding principal and interest payment date per the 2021 bond ordinance. Per the 2021 bond ordinance, the City shall not be required to fund any debt service reserve account with respect to these bonds. At December 31, 2022, all accounts were fully funded in the Water Fund for the 2021 Series A Combined Waterworks and Sewerage System Refunding Revenue Bonds. At December 31, 2022, the Debt Service Account was not full funded in the Sewer Fund for the 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bonds.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

6. ANNUAL GENERAL OPERATING REVENUE FROM TRAFFIC VIOLATIONS

Missouri Senate Bill 5 became effective January 1, 2016, amending provisions of 302.341. The amendments to the statutes require municipalities to report an account of the percent of annual general operating revenue from fines and court costs for traffic violations. Police fines, fees, and court costs related to minor traffic violations totaled \$2,158. The City's total general fund revenues, exclusive of interfund transfers, designated taxes, grant and other designated revenues were \$365,143. Using this calculation as "annual general operating revenues," the City's total police fines and court costs for minor traffic violations are approximately 1% of annual general operating revenues, which is substantially less than the 20% threshold requirement of the amended statutes.

7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Cole Camp's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Cole Camp participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org or by writing LAGERS, PO Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

B. Benefits Provided

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

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. DEFINED BENEFIT PENSION PLAN (continued)

B. Benefits Provided (continued)

	November 1, 2022 <u>Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	5 years
Member Contributions:	0%

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

C. Covered Employees

See Note 1S above.

D. Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 0% of their gross pay to the pension plan. Employer contribution rates are 13.5% (General), 14.5% (Police) of annual covered payroll.

E. Net Pension Liability

See Note 1S above.

F. Actuarial Assumptions

See Note 1S above.

G. Discount Rate

See Note 1S above.

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

See Note 1S above.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. DEFINED BENEFIT PENSION PLAN (continued)

I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

See Note 1S above.

8. DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through October 19, 2023, which is the date the financial statements were available to be issued.

On April 4, 2023, the City executed a lease purchase agreement in the amount of \$253,300 to purchase a 2023 Ford Explorer Police Interceptor, E60 R2-Series Bobcat Compact Excavator and a Bobcat Track Skid Loader. Semi-annual payments of \$25,844 are due beginning November 1, 2023, and continuing through November 1, 2028, with an annual interest rate of 3.85%, on this lease purchase agreement.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Board of Aldermen
City Of Cole Camp, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities and each major fund of the City, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 19, 2023.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-004 through 2022-007.

City's Response to Findings

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

Purpose of This Report

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

DSWA Certified Public Accountants, P.C.

Nevada, Missouri
October 19, 2023

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

DECEMBER 31, 2022

INTERNAL CONTROL

2022-001 Segregation of Duties

Statement of Condition: The City is not able to segregate the duties of employees to all phases of an accounting transaction.

Criteria: Adequate segregation of non-compatible duties is important for a sound and efficient internal control system.

Effect: Errors or irregularities may result from this lack of segregation of employee duties and responsibilities.

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

Recommendation: Effective segregation of duties in a small governmental environment is often difficult; however, we feel the governing body and City management should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible. We further recommend a member of management review and document such review of all bank statements, bank reconciliations, ACH transactions and credit card statements along with all supporting documentation.

City's Response: *The City's management is aware that limited staff prevents segregation of employee duties to all phases of an accounting transaction. These transactions are monitored regularly by the Mayor and Board of Aldermen.*

2022-002 Failure to Properly Reconcile Bank Accounts

Statement of Condition: The City did not prepare or review complete and accurate monthly bank reconciliations.

Criteria: Complete and accurate bank reconciliations are an important part of a good internal control system.

Effect: Failure to prepare complete and accurate bank reconciliations may result in misclassification of assets and errors or irregularities may occur and not be detected in a timely manner.

Cause: It appears procedures are not in place for complete and accurate monthly bank reconciliation completion and review for all City bank accounts.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

DECEMBER 31, 2022

INTERNAL CONTROL

2022-002 Failure to Properly Reconcile Bank Accounts (continued)

Recommendation: We recommend the City prepare monthly bank reconciliations for all bank accounts which include an accurate listing of outstanding checks at months' end. We further recommend someone outside of the day-to-day accounting perform a secondary review and document such reviews of all bank accounts by tracing the reconciled balances to the general ledger balances after considering outstanding items on a monthly basis.

City's Response: *The City is aware of the fact that the reconciliations were not complete and accurate for the 2022 year and are working to correct this.*

2022-003 Written Internal Control Documentation and Risk Assessment

Statement of Condition: The City does not have written internal control procedures and does not document its risk assessment.

Criteria: The City is required to have written internal control procedures and to document its risk assessment in writing.

Effect: Lack of documentation of internal controls and risk assessment could lead to controls being circumvented.

Cause: This requirement is new to the City and the City has not had time to implement the new requirements.

Recommendation: The City should have written internal control procedures and should document its assessment of risk and an evaluation of the effectiveness of internal controls.

City's Response: *Written control procedures will be implemented that reflect procedures already in place and are being practiced routinely.*

COMPLIANCE AND OTHER MATTERS

2022-004 Budget Compliance

Statement of Condition: Upon examination of the original budget, we noted all of the required elements were not included as required by Missouri Revised Statutes Chapter 67.010. The City also did not amend the budget to ensure final actual expenditures were equal to or less than final budgeted figures for the General, Street, Library, Water and Sewer Funds as required by RSMo Chapter 67.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

DECEMBER 31, 2022

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2022-004 Budget Compliance (continued)

Criteria: RSMo 67 outlines all the required elements that are to be included in the original budget. Furthermore, RSMo. 67.040 states that "the political subdivision shall not increase the total amount authorized for expenditures from any fund, unless the governing body adopts a resolution setting forth the facts and reasons making the increase necessary."

Effect: The City is out of compliance with RSMo. Chapter 67.

Cause: The City did not include the debt amortization schedules, budget summary or the two-year comparative revenue and expense schedules in the original budget nor ensure final actual expenditures were equal to or less than final budgeted figures per fund.

Recommendation: We recommend the City ensure all the required elements are included in future budgets. Furthermore, we recommend the City ensure final actual expenditures are equal to or less than final budgeted figures per fund.

City's Response: *We will ensure future budgets are in compliance with Missouri Revised Statutes Chapter 67.*

2022-005 Minute Recordkeeping

Statement of Condition: The agenda, open session minutes and closed session minutes did not always disclose the reason or subsection for going into closed session. The agenda for council meetings must also accurately list discussion topics and be amended to include additional topics or make necessary changes at the beginning of said meeting.

Criteria: The Missouri Sunshine Law requires adequate documentation for closed session minutes, reasons for going into closed session, and outlines specific topics that are allowed to be discussed in closed session. Among other requirements, the Missouri Sunshine Law also requires the agenda, or meeting public notice, to give notice of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered.

Effect: The City is out of compliance with the Missouri Sunshine Law.

Cause: The City did not properly record or maintain adequate documentation regarding council meetings.

Recommendation: We recommend the City ensure all agendas, regular session and closed session minutes include all required documentation as well as abide by the Missouri Sunshine Law.

City's Response: *We will ensure that we are in compliance in the future.*

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

DECEMBER 31, 2022

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2022-006 Public Notice Compliance

Statement of Condition: The City did not publish their levy hearing public notice at least seven days prior to their public hearing.

Criteria: Missouri Revised Statutes Chapter 67 requires the public notice of the tax levy hearing be published at least seven days prior to the public hearing.

Effect: The City is out of compliance with RSMo. Chapter 67.

Cause: The tax levy notice public notice was not published in the timeframe required.

Recommendation: We recommend the City ensure future tax levy public notices are published at least seven days prior to the public hearing.

City's Response: *We will ensure that we are in compliance in the future.*

2022-007 Sewer Bond Reserve Requirements

Statement of Condition: Reserve funds do not appear to be adequately funded in accordance with sewer fund bond covenants.

Criteria: The 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bond issue requires an amount equal to 1/6 of the amount of principal and interest that will become due on the next succeeding principal and interest payment date be deposited into the City's debt service account. As of December 31, 2022, the balance of the sewer fund debt service account requirement should have been \$40,220, but the City only had \$33,306. This resulted in the debt service funds being underfunded by \$6,914 in the sewer fund.

Effect: The City is out of compliance with the bond covenant.

Cause: The City appears to have not transferred sufficient funds to meet the bond covenants.

Recommendation: We recommend the City transfer sufficient funds to be in compliance with bond reserve requirements.

City's Response: *We will ensure that we are in compliance in the future.*

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

DECEMBER 31, 2022

INTERNAL CONTROL

2021-001 Segregation of Duties

Statement of Condition: The City is not able to segregate the duties of employees to all phases of an accounting transaction.

Criteria: Adequate segregation of non-compatible duties is important for a sound and efficient internal control system.

Effect: Errors or irregularities may result from this lack of segregation of employee duties and responsibilities.

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

Recommendation: Effective segregation of duties in a small governmental environment is often difficult; however, we feel the governing body and City management should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible. We further recommend a member of management review and document such review of all bank statements, bank reconciliations, ACH transactions and credit card statements along with all supporting documentation.

City's Response: *The City's management is aware that limited staff prevents segregation of employee duties to all phases of an accounting transaction. These transactions are monitored regularly by the Mayor and Board of Aldermen.*

December 31, 2022 Status: This is now considered a material weakness.

2021-002 Failure to Properly Reconcile Bank Accounts

Statement of Condition: The City did not prepare or review complete and accurate monthly bank reconciliations.

Criteria: Complete and accurate bank reconciliations are an important part of a good internal control system.

Effect: Failure to prepare complete and accurate bank reconciliations may result in misclassification of assets and errors or irregularities may occur and not be detected in a timely manner.

Cause: It appears procedures are not in place for complete and accurate monthly bank reconciliation completion and review for all City bank accounts.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

DECEMBER 31, 2022

INTERNAL CONTROL (CONTINUED)

2021-002 Failure to Properly Reconcile Bank Accounts (continued)

Recommendation: We recommend the City prepare monthly bank reconciliations for all bank accounts which include an accurate listing of outstanding checks at months' end. We further recommend someone outside of the day-to-day accounting perform a secondary review and document such reviews of all bank accounts by tracing the reconciled balances to the general ledger balances after considering outstanding items on a monthly basis.

City's Response: *The City is aware of the fact that the reconciliations were not complete and accurate for the 2021 year and are working to correct this.*

December 31, 2022 Status: This is still considered a significant deficiency.

2021-003 Written Internal Control Documentation and Risk Assessment

Statement of Condition: The City does not have written internal control procedures and does not document its risk assessment.

Criteria: The City is required to have written internal control procedures and to document its risk assessment in writing.

Effect: Lack of documentation of internal controls and risk assessment could lead to controls being circumvented.

Cause: This requirement is new to the City and the City has not had time to implement the new requirements.

Recommendation: The City should have written internal control procedures and should document its assessment of risk and an evaluation of the effectiveness of internal controls.

City's Response: *Written control procedures will be implemented that reflect procedures already in place and are being practiced routinely.*

December 31, 2022 Status: This is still considered a significant deficiency.

COMPLIANCE AND OTHER MATTERS

2021-004 Budget Compliance

Statement of Condition: Upon examination of the original budget, we noted all of the required elements were not included as required by Missouri Revised Statutes Chapter 67.010. The City also did not amend the budget to ensure final actual expenditures were equal to or less than final budgeted figures for the Water and Sewer Funds as required by RSMo Chapter 67.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

DECEMBER 31, 2022

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2021-004 Budget Compliance (continued)

Criteria: RSMo 67 outlines all the required elements that are to be included in the original budget. Furthermore, RSMo. 67.040 states that "the political subdivision shall not increase the total amount authorized for expenditures from any fund, unless the governing body adopts a resolution setting forth the facts and reasons making the increase necessary."

Effect: The City is out of compliance with RSMo. Chapter 67.

Cause: The City did not include the debt amortization schedules, budget summary or the two-year comparative revenue and expense schedules in the original budget nor ensure final actual expenditures were equal to or less than final budgeted figures per fund.

Recommendation: We recommend the City ensure all the required elements are included in future budgets. Furthermore, we recommend the City ensure final actual expenditures are equal to or less than final budgeted figures per fund.

City's Response: *We will ensure future budgets are in compliance with Missouri Revised Statutes Chapter 67.*

December 31, 2022 Status: There is still a compliance issue regarding the City's budget.

2021-005 Minute Recordkeeping

Statement of Condition: The agenda, open session minutes and closed session minutes did not always disclose the reason or subsection for going into closed session. The agenda for council meetings must also accurately list discussion topics and be amended to include additional topics or make necessary changes at the beginning of said meeting.

Criteria: The Missouri Sunshine Law requires adequate documentation for closed session minutes, reasons for going into closed session, and outlines specific topics that are allowed to be discussed in closed session. Among other requirements, the Missouri Sunshine Law also requires the agenda, or meeting public notice, to give notice of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered.

Effect: The City is out of compliance with the Missouri Sunshine Law.

Cause: The City did not properly record or maintain adequate documentation regarding council meetings.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

DECEMBER 31, 2022

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2021-005 Minute Recordkeeping (continued)

Recommendation: We recommend the City ensure all agendas, regular session and closed session minutes include all required documentation as well as abide by the Missouri Sunshine Law.

City's Response: *We will ensure that we are in compliance in the future.*

December 31, 2022 Status: There is still a compliance issue regarding minute recordkeeping.

2021-006 Public Notice Compliance

Statement of Condition: The City did not publish their levy hearing public notice at least seven days prior to their public hearing.

Criteria: Missouri Revised Statutes Chapter 67 requires the public notice of the tax levy hearing be published at least seven days prior to the public hearing.

Effect: The City is out of compliance with RSMo. Chapter 67.

Cause: The tax levy notice public notice was not published in the timeframe required.

Recommendation: We recommend the City ensure future tax levy public notices are published at least seven days prior to the public hearing.

City's Response: *We will ensure that we are in compliance in the future.*

December 31, 2022 Status: There is still a compliance issue regarding the City's tax levy hearing public notice.

2021-007 Sewer Bond Reserve Requirements

Statement of Condition: Reserve funds do not appear to be adequately funded in accordance with sewer fund bond covenants.

Criteria: The 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bond issue requires an amount equal to 1/6 of the amount of principal and interest that will become due on the next succeeding principal and interest payment date be deposited into the City's debt service account. As of December 31, 2021, the balance of the sewer fund debt service account requirement should have been \$40,220, but the City only had \$33,306. This resulted in the debt service funds being underfunded by \$6,914 in the sewer fund.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

DECEMBER 31, 2022

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2021-007 Sewer Bond Reserve Requirements (continued)

Effect: The City is out of compliance with the bond covenant.

Cause: The City appears to have not transferred sufficient funds to meet the bond covenants.

Recommendation: We recommend the City transfer sufficient funds to be in compliance with bond reserve requirements.

City's Response: *We will ensure that we are in compliance in the future.*

December 31, 2022 Status: There is still a compliance issue regarding sewer bond reserve requirements.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 270,850	\$ 355,597	\$ 626,447
Proceeds from federal grants	116,617	-	116,617
Payments to suppliers and employees	<u>(128,465)</u>	<u>(175,774)</u>	<u>(304,239)</u>
Net cash provided (used) by operations	<u>259,002</u>	<u>179,823</u>	<u>438,825</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Payments on long-term obligations	(69,306)	(96,592)	(165,898)
Interest paid on long-term obligations	(52,469)	(21,777)	(74,246)
Purchase of capital assets	<u>(28,667)</u>	<u>(91,357)</u>	<u>(120,024)</u>
Net cash used by capital financing activities	<u>(150,442)</u>	<u>(209,726)</u>	<u>(360,168)</u>
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES			
Interest income	<u>1,572</u>	<u>-</u>	<u>1,572</u>
Net cash provided by investing activities	<u>1,572</u>	<u>-</u>	<u>1,572</u>
Net increase (decrease) in cash and cash equivalents	110,132	(29,903)	80,229
Cash and cash equivalents, beginning of year	<u>571,289</u>	<u>1,475,143</u>	<u>2,046,432</u>
Cash and cash equivalents, end of year	<u>\$ 681,421</u>	<u>\$ 1,445,240</u>	<u>\$ 2,126,661</u>
Reconciliation to Statement of Net Position:			
Cash	\$ 243,813	\$ 1,411,934	\$ 1,655,747
Restricted cash and cash equivalents	<u>437,608</u>	<u>33,306</u>	<u>470,914</u>
Total cash and cash equivalents	<u>\$ 681,421</u>	<u>\$ 1,445,240</u>	<u>\$ 2,126,661</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Net income (loss) from operations	\$ 198,326	\$ 139,952	\$ 338,278
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation	61,722	39,871	101,593
Increase (decrease) in meter deposits	<u>(1,046)</u>	<u>-</u>	<u>(1,046)</u>
Net cash provided (used) by operations	<u>\$ 259,002</u>	<u>\$ 179,823</u>	<u>\$ 438,825</u>

See independent auditors' report and accompanying notes to the basic financial statements.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Modified</u>	<u>Adjustments</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Cash</u>	<u>Budget</u>	<u>Budget</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Basis</u>	<u>Basis</u>	<u>Positive</u>
						<u>(Negative)</u>
REVENUES						
Taxes	\$ 279,300	\$ 279,300	\$ 329,800	\$ -	\$ 329,800	\$ 50,500
Licenses, fees, and permits	9,500	9,500	9,907	-	9,907	407
Solid waste charges	43,500	43,500	46,745	-	46,745	3,245
Police charges	3,000	3,000	2,158	(76)	2,234	(766)
Police miscellaneous	-	-	576	-	576	576
Donations	-	-	1,763	-	1,763	1,763
Investment earnings	7,000	7,000	11,934	2,618	9,316	2,316
Miscellaneous	11,000	11,000	19,102	(116,617)	135,719	124,719
Total revenues	<u>353,300</u>	<u>353,300</u>	<u>421,985</u>	<u>(114,075)</u>	<u>536,060</u>	<u>182,760</u>
EXPENDITURES						
General administrative						
Salaries	23,480	22,000	21,009	-	21,009	991
Payroll taxes	1,680	1,540	1,602	-	1,602	(62)
Employee benefits	4,230	2,430	7,184	(112)	7,296	(4,866)
Repairs and maintenance	4,100	1,800	1,863	-	1,863	(63)
Administration and supplies	22,400	9,300	28,375	1	28,374	(19,074)
Insurance	4,900	5,400	16,720	(20,642)	37,362	(31,962)
Utilities	2,680	5,150	5,042	-	5,042	108
Solid waste expense	46,000	35,000	46,874	-	46,874	(11,874)
Miscellaneous	5,325	3,300	5,755	724	5,031	(1,731)
Dog pound facility	-	-	264	-	264	(264)
Grant	-	-	1,000	-	1,000	(1,000)
Capital outlay	-	-	6,286	6,286	-	-
Total general administration	<u>114,795</u>	<u>85,920</u>	<u>141,974</u>	<u>(13,743)</u>	<u>155,717</u>	<u>(69,797)</u>
Public safety						
Salaries	131,000	170,588	111,452	-	111,452	59,136
Payroll taxes	9,670	350	8,800	-	8,800	(8,450)
Employee benefits	35,552	33,300	35,689	(89)	35,778	(2,478)
Repairs and maintenance	12,300	18,289	20,145	(1,138)	21,283	(2,994)
Administration and supplies	14,350	8,350	14,144	-	14,144	(5,794)
Insurance	10,000	11,000	10,842	-	10,842	158
Utilities	300	300	453	-	453	(153)
Court	100	100	20	(76)	96	4
Grant	-	-	130	-	130	(130)
Miscellaneous	330	330	2,354	-	2,354	(2,024)
Capital outlay	5,050	833	3,039	-	3,039	(2,206)
Total public safety	<u>218,652</u>	<u>243,440</u>	<u>207,068</u>	<u>(1,303)</u>	<u>208,371</u>	<u>35,069</u>
Total expenditures	<u>333,447</u>	<u>329,360</u>	<u>349,042</u>	<u>(15,046)</u>	<u>364,088</u>	<u>(34,728)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,853</u>	<u>23,940</u>	<u>72,943</u>	<u>(99,029)</u>	<u>171,972</u>	<u>148,032</u>
OTHER FINANCING SOURCES						
SOURCES (USES)						
Transfers in	-	-	6,286	6,286	-	-
Transfers out	(19,500)	(12,565)	(13,750)	116,693	(130,443)	(117,878)
Total other financing sources	<u>(19,500)</u>	<u>(12,565)</u>	<u>(7,464)</u>	<u>122,979</u>	<u>(130,443)</u>	<u>(117,878)</u>
Net change in fund balances	353	11,375	65,479	23,950	41,529	30,154
Fund balances - beginning	790,317	894,563	894,563	-	894,563	-
Fund balances - ending	<u>\$ 790,670</u>	<u>\$ 905,938</u>	<u>\$ 960,042</u>	<u>\$ 23,950</u>	<u>\$ 936,092</u>	<u>\$ 30,154</u>

See independent auditors' report and accompanying notes to other information.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Modified Cash Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 151,000	\$ 151,000	\$ 176,944	\$ -	\$ 176,944	\$ 25,944
Miscellaneous	-	-	3,297	-	3,297	3,297
Total revenues	<u>151,000</u>	<u>151,000</u>	<u>180,241</u>	<u>-</u>	<u>180,241</u>	<u>29,241</u>
EXPENDITURES						
Street expenses						
Salaries	26,000	21,000	20,316	-	20,316	684
Payroll taxes	2,300	1,470	1,601	-	1,601	(131)
Employee benefits	4,300	2,200	3,401	(125)	3,526	(1,326)
Repairs and maintenance	37,400	16,100	18,993	(12,572)	31,565	(15,465)
Administration and supplies	2,900	900	2,687	-	2,687	(1,787)
Insurance	3,700	3,700	8,218	4,527	3,691	9
Utilities	25,100	23,850	24,655	-	24,655	(805)
Miscellaneous	500	150	275	134	141	9
Capital outlay	-	-	14,850	14,850	-	-
Total street expenses	<u>102,200</u>	<u>69,370</u>	<u>94,996</u>	<u>6,814</u>	<u>88,182</u>	<u>(18,812)</u>
Park expenses						
Salaries	3,500	3,500	6,761	-	6,761	(3,261)
Payroll taxes	380	245	527	-	527	(282)
Employee benefits	150	-	113	-	113	(113)
Repairs and maintenance	6,900	2,000	6,638	6,286	352	1,648
Administration and supplies	500	100	323	-	323	(223)
Miscellaneous	-	-	5	5	-	-
Insurance	1,200	1,500	3,135	1,747	1,388	112
Utilities	1,000	750	889	-	889	(139)
Capital outlay	-	-	22	-	22	(22)
Total park expenses	<u>13,630</u>	<u>8,095</u>	<u>18,413</u>	<u>8,038</u>	<u>10,375</u>	<u>(2,280)</u>
Total expenditures	<u>115,830</u>	<u>77,465</u>	<u>113,409</u>	<u>14,852</u>	<u>98,557</u>	<u>(21,092)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,170</u>	<u>73,535</u>	<u>66,832</u>	<u>(14,852)</u>	<u>81,684</u>	<u>8,149</u>
OTHER FINANCING SOURCES						
Transfers in	15,000	15,000	13,750	-	13,750	(1,250)
Transfers out	-	-	(6,286)	(6,286)	-	-
Total other financing sources	<u>15,000</u>	<u>15,000</u>	<u>7,464</u>	<u>(6,286)</u>	<u>13,750</u>	<u>(1,250)</u>
Net change in fund balances	50,170	88,535	74,296	(21,138)	95,434	6,899
Fund balances - beginning	<u>148,770</u>	<u>245,862</u>	<u>245,862</u>	<u>-</u>	<u>245,862</u>	<u>-</u>
Fund balances - ending	<u>\$ 198,940</u>	<u>\$ 334,397</u>	<u>\$ 320,158</u>	<u>\$ (21,138)</u>	<u>\$ 341,296</u>	<u>\$ 6,899</u>

See independent auditors' report and accompanying notes to other information.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Modified Cash Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Investment earnings	\$ -	\$ -	\$ 1,959	\$ 1,918	\$ 41	\$ 41
Total revenues	-	-	1,959	1,918	41	41
EXPENDITURES						
Salaries	1,000	1,000	1,598	-	1,598	(598)
Payroll taxes	110	70	125	-	125	(55)
Employee benefits	10	-	19	-	19	(19)
Repairs and maintenance	980	1,000	1,769	-	1,769	(769)
Administration and supplies	-	-	381	308	73	(73)
Insurance	2,400	2,400	5,055	2,719	2,336	64
Miscellaneous	-	-	10	10	-	-
Investment loss	-	-	5,687	5,687	-	-
Total expenditures	4,500	4,470	14,644	8,724	5,920	(1,450)
Excess (deficiency) of revenues over (under) expenditures	(4,500)	(4,470)	(12,685)	(6,806)	(5,879)	(1,409)
OTHER FINANCING USES SOURCES (USES)						
Transfers in	4,500	4,500	-	-	-	(4,500)
Total other financing sources (uses)	4,500	4,500	-	-	-	(4,500)
Net change in fund balances	-	30	(12,685)	(6,806)	(5,879)	(5,909)
Fund balances - beginning	20,744	17,964	17,964	-	17,964	-
Fund balances - ending	\$ 20,744	\$ 17,994	\$ 5,279	\$ (6,806)	\$ 12,085	\$ (5,909)

See independent auditors' report and accompanying notes to other information.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
BUDGET AND ACTUAL - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Modified Cash Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
OPERATING REVENUES						
Water charges	\$ 249,300	\$ 249,300	\$ 261,524	\$ 1,846	\$ 259,678	\$ 10,378
Taxes	7,800	7,800	7,934	-	7,934	134
Federal grants	-	-	116,617	116,617	-	-
Miscellaneous	2,150	2,150	2,438	-	2,438	288
Total operating revenues	<u>259,250</u>	<u>259,250</u>	<u>388,513</u>	<u>118,463</u>	<u>270,050</u>	<u>10,800</u>
OPERATING EXPENSES						
Salaries	49,000	56,000	42,196	-	42,196	13,804
Payroll taxes	5,100	3,920	3,256	-	3,256	664
Employee benefits	7,600	3,650	16,883	(489)	17,372	(13,722)
Repairs and maintenance	14,700	7,200	21,514	(9,622)	31,136	(23,936)
Administration and supplies	6,000	5,400	6,442	-	6,442	(1,042)
Insurance	4,700	4,600	10,087	5,493	4,594	6
Utilities	8,950	7,900	9,403	-	9,403	(1,503)
Miscellaneous	37,700	15,300	16,252	184	16,068	(768)
Capital outlay	5,000	2,000	2,432	-	2,432	(432)
Depreciation	-	-	61,722	61,722	-	-
Total operating expenses	<u>138,750</u>	<u>105,970</u>	<u>190,187</u>	<u>57,288</u>	<u>132,899</u>	<u>(26,929)</u>
Operating income (loss)	<u>120,500</u>	<u>153,280</u>	<u>198,326</u>	<u>61,175</u>	<u>137,151</u>	<u>(16,129)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	(120,000)	(122,000)	(52,469)	69,306	(121,775)	225
Investment earnings	1,145	1,145	1,668	45	1,623	478
Total non-operating revenues (expenses)	<u>(118,855)</u>	<u>(120,855)</u>	<u>(50,801)</u>	<u>69,351</u>	<u>(120,152)</u>	<u>703</u>
Income (loss) before other financing sources (uses)	<u>1,645</u>	<u>32,425</u>	<u>147,525</u>	<u>130,526</u>	<u>16,999</u>	<u>(15,426)</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	(116,617)	116,617	116,617
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,617)</u>	<u>116,617</u>	<u>116,617</u>
Net change in net position	1,645	32,425	147,525	13,909	133,616	101,191
Net position - beginning	571,711	760,826	760,826	-	760,826	-
Net position - ending	<u>\$ 573,356</u>	<u>\$ 793,251</u>	<u>\$ 908,351</u>	<u>\$ 13,909</u>	<u>\$ 894,442</u>	<u>\$ 101,191</u>

See independent auditors' report and accompanying notes to other information.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
BUDGET AND ACTUAL - SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Modified Cash Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
OPERATING REVENUES						
Sewer charges	\$ 298,750	\$ 298,750	\$ 307,955	\$ 500	\$ 307,455	\$ 8,705
Miscellaneous	2,000	2,000	47,642	-	47,642	45,642
Total operating revenues	<u>300,750</u>	<u>300,750</u>	<u>355,597</u>	<u>500</u>	<u>355,097</u>	<u>54,347</u>
OPERATING EXPENSES						
Salaries	52,000	52,000	65,179	-	65,179	(13,179)
Payroll taxes	4,800	3,640	5,037	-	5,037	(1,397)
Employee benefits	6,400	4,500	16,642	(1,164)	17,806	(13,306)
Repairs and maintenance	15,800	23,800	26,079	(43,901)	69,980	(46,180)
Administration and supplies	5,800	4,800	6,969	-	6,969	(2,169)
Insurance	5,500	5,500	11,453	6,156	5,297	203
Utilities	23,450	19,900	22,486	-	22,486	(2,586)
Miscellaneous	1,150	8,100	5,210	138	5,072	3,028
Wastewater testing	5,000	15,000	12,891	-	12,891	2,109
Capital outlay	5,000	150	3,828	(25,861)	29,689	(29,539)
Depreciation	-	-	39,871	39,871	-	-
Principal	<u>75,000</u>	<u>100,000</u>	<u>-</u>	<u>(96,592)</u>	<u>96,592</u>	<u>3,408</u>
Total operating expenses	<u>199,900</u>	<u>237,390</u>	<u>215,645</u>	<u>(121,353)</u>	<u>336,998</u>	<u>(99,608)</u>
Operating income (loss)	<u>100,850</u>	<u>63,360</u>	<u>139,952</u>	<u>121,853</u>	<u>18,099</u>	<u>(45,261)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	<u>(20,000)</u>	<u>(22,000)</u>	<u>(21,777)</u>	<u>-</u>	<u>(21,777)</u>	<u>223</u>
Total non-operating revenues (expenses)	<u>(20,000)</u>	<u>(22,000)</u>	<u>(21,777)</u>	<u>-</u>	<u>(21,777)</u>	<u>223</u>
Net change in net position	80,850	41,360	118,175	121,853	(3,678)	(45,038)
Net position - beginning	<u>1,670,487</u>	<u>1,695,659</u>	<u>1,695,659</u>	<u>-</u>	<u>1,695,659</u>	<u>-</u>
Net position - ending	<u>\$ 1,751,337</u>	<u>\$ 1,737,019</u>	<u>\$ 1,813,834</u>	<u>\$ 121,853</u>	<u>\$ 1,691,981</u>	<u>\$ (45,038)</u>

See independent auditors' report and accompanying notes to other information.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE OTHER INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BUDGETS AND BUDGETARY ACCOUNTING

A proposed operating budget for the year is submitted to the Board of Aldermen no later than January 1 of the prior year. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 31, the appropriations are legally adopted.

The City Clerk is authorized to transfer budgeted amounts between accounts within any department; however, any revisions that alter the total expenditures of any department or transfer of unencumbered appropriations of a department must be approved by the Board of Aldermen upon written request of the Clerk. Budgeted amounts in the accompanying financial statements include transfers and revisions to the original appropriations ordinance.

If the Clerk certifies that revenues are in excess of those estimated in the budget, supplemental appropriations may be made to the amount of such excess upon approval of the Council. Formal budgetary integration is employed as a management control device during the year for all funds.

Unexpended budget amounts lapse at the end of the calendar year and do not carry over from year to year.

See budget compliance issues noted in the Schedule of Findings and Responses – Current Year.