

CITY OF COLE CAMP, MISSOURI

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2020**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

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

**CITY OF COLE CAMP, MISSOURI
TABLE OF CONTENTS
DECEMBER 31, 2020**

	Page
FINANCIAL SECTION:	
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	3
Statement of Activities - Modified Cash Basis	4
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet - Modified Cash Basis - Governmental Funds	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	6
Reconciliation of the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities - Modified Cash	7
Proprietary Funds:	
Statement of Net Position - Modified Cash Basis	8
Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis	9
Notes to the Basic Financial Statements	10
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 <i>Government Auditing Standards</i>	26
Schedule of Findings and Responses - Current Year	28
Schedule of Findings and Responses - Prior Year	30
OTHER SUPPLEMENTARY INFORMATION:	
Statement of Cash Flows - Modified Cash Basis - Proprietary Funds	34
Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis - Budget and Actual	
General Fund	35
Street Fund	36
Library Fund	37
Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis - Budget and Actual	
Water Fund	38
Sewer Fund	39
Notes to Other Supplementary Information	40



Independent Auditors' Report

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

Report on the Financial Statements

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, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Prior to 2007, the City did not maintain a record of property and equipment and subsequent depreciation for capital assets purchased in the sewer fund. Because of the lack of capital asset records, we were unable to determine the amount of net capital asset that should be recorded in the sewer fund.

In our opinion, except for the effects of the above adjustments for capital assets in the sewer fund, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities and each major fund of the City of Cole Camp, Missouri, as of December 31, 2020, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cole Camp, Missouri's basic financial statements. The budgetary comparison schedules and proprietary funds statement of cash flows – modified cash basis on pages 34 and 35 through 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The proprietary funds statement of cash flows - modified cash basis is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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.

The budgetary comparison schedules presented on pages 38 through 39, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of the City Cole Camp, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cole Camp, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cole Camp, Missouri's internal control over financial reporting and compliance.

DSWA Certified Public Accountants, P.C.

Nevada, Missouri
June 17, 2021

CITY OF COLE CAMP, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2020

	Primary Government		
	Governmental		Total
	Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 533,528	\$ 1,674,649	\$ 2,208,177
Total current assets	<u>533,528</u>	<u>1,674,649</u>	<u>2,208,177</u>
Noncurrent assets:			
Restricted cash and cash equivalents	192,905	229,590	422,495
Restricted investments	25,857	-	25,857
Investments	259,924	-	259,924
Capital assets, net of accumulated depreciation:			
Land	10,000	10,060	20,060
Buildings	405,253	-	405,253
Plant, structure, and lines	-	3,149,859	3,149,859
Vehicles and equipment	69,785	55,679	125,464
Construction in progress	-	17,647	17,647
Total noncurrent assets	<u>963,724</u>	<u>3,462,835</u>	<u>4,426,559</u>
Total assets	<u>1,497,252</u>	<u>5,137,484</u>	<u>6,634,736</u>
LIABILITIES			
Current liabilities:			
Bank overdraft	21,218	-	21,218
Current portion of long-term obligations	528	115,094	115,622
Total current liabilities	<u>21,746</u>	<u>115,094</u>	<u>136,840</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	-	2,824,915	2,824,915
Customer deposits	-	13,092	13,092
Total noncurrent liabilities	<u>-</u>	<u>2,838,007</u>	<u>2,838,007</u>
Total liabilities	<u>21,746</u>	<u>2,953,101</u>	<u>2,974,847</u>
NET POSITION			
Net investment in capital assets	484,510	287,956	772,466
Restricted for:			
Debt service	-	216,359	216,359
Meter deposits	-	13,231	13,231
Street improvements	105,368	-	105,368
Park operations	71,732	-	71,732
Library investments	25,857	-	25,857
Library operations	15,805	-	15,805
Unrestricted (deficit)	<u>772,234</u>	<u>1,666,837</u>	<u>2,439,071</u>
Total net position	<u>\$ 1,475,506</u>	<u>\$ 2,184,383</u>	<u>\$ 3,659,889</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, 2020

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	\$ 123,309	\$ 55,332	\$ -	\$ -	\$ (67,977)	\$ -	\$ (67,977)
Public safety	181,377	5,156	-	-	(176,221)	-	(176,221)
Street	90,833	-	-	-	(90,833)	-	(90,833)
Library	17,516	-	-	-	(17,516)	-	(17,516)
Total governmental activities	<u>413,035</u>	<u>60,488</u>	<u>-</u>	<u>-</u>	<u>(352,547)</u>	<u>-</u>	<u>(352,547)</u>
Business-type activities:							
Administration	11,842	-	-	-	-	(11,842)	(11,842)
Water	149,341	251,877	-	-	-	102,536	102,536
Sewer	127,772	301,929	-	-	-	174,157	174,157
Interest on long-term debt	126,192	-	-	-	-	(126,192)	(126,192)
Total business-type activities	<u>415,147</u>	<u>553,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,659</u>	<u>138,659</u>
Total government	<u>\$ 828,182</u>	<u>\$ 614,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(352,547)</u>	<u>138,659</u>	<u>(213,888)</u>
General Revenues:							
Taxes					437,258	7,952	445,210
Unrestricted contributions					459	-	459
Investment earnings					14,709	2,136	16,845
Miscellaneous					<u>14,245</u>	<u>7,458</u>	<u>21,703</u>
Total general revenues					<u>466,671</u>	<u>17,546</u>	<u>484,217</u>
Change in net position					114,124	156,205	270,329
Net position--beginning					<u>1,361,382</u>	<u>2,028,178</u>	<u>3,389,560</u>
Net position--ending					<u>\$ 1,475,506</u>	<u>\$ 2,184,383</u>	<u>\$ 3,659,889</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, 2020

	<u>General</u>	<u>Street Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 533,528	\$ -	\$ -	\$ 533,528
Restricted cash	-	177,100	15,805	192,905
Restricted investments	-	-	25,857	25,857
Investments	<u>259,924</u>	<u>-</u>	<u>-</u>	<u>259,924</u>
Total assets	<u>\$ 793,452</u>	<u>\$ 177,100</u>	<u>\$ 41,662</u>	<u>\$ 1,012,214</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Bank overdraft	\$ -	\$ -	\$ 21,218	\$ 21,218
Total liabilities	<u>-</u>	<u>-</u>	<u>21,218</u>	<u>21,218</u>
Fund balances:				
Restricted for:				
Street improvements	-	105,368	-	105,368
Park operations	-	71,732	-	71,732
Library investments	-	-	25,857	25,857
Library operations	-	-	15,805	15,805
Assigned for:				
Subsequent year's budget	22,135	-	-	22,135
Unassigned	<u>771,317</u>	<u>-</u>	<u>(21,218)</u>	<u>750,099</u>
Total fund balances	<u>793,452</u>	<u>177,100</u>	<u>20,444</u>	<u>990,996</u>
Total liabilities and fund balances	<u>\$ 793,452</u>	<u>\$ 177,100</u>	<u>\$ 41,662</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 \$745,206 and the accumulated depreciation and amortization is \$260,168. 485,038

Long-term liabilities, including bonds and loans payable and capital leases, are not due and payable in the current period and therefore are not reported (528)

Total net position - governmental activities \$ 1,475,506

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, 2020

	<u>General</u>	<u>Street Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 289,177	\$ 148,081	\$ -	\$ 437,258
Licenses, fees, and permits	9,723	-	-	9,723
Solid waste charges	45,609	-	-	45,609
Public safety	5,156	-	-	5,156
Donations	459	-	-	459
Investment earnings	7,861	-	6,848	14,709
Miscellaneous	11,841	2,404	-	14,245
Total revenues	<u>369,826</u>	<u>150,485</u>	<u>6,848</u>	<u>527,159</u>
EXPENDITURES				
Salaries	118,062	28,763	705	147,530
Payroll taxes	9,259	2,273	56	11,588
Employee benefits	23,828	2,558	15	26,401
Repairs and maintenance	16,223	20,299	791	37,313
Administration and supplies	44,722	2,893	272	47,887
Insurance	12,524	4,166	1,920	18,610
Utilities	6,745	25,216	-	31,961
Solid waste	45,125	-	-	45,125
Court	655	-	-	655
Grant expense	4,762	-	-	4,762
Investment loss	-	-	4,566	4,566
Miscellaneous	4,001	402	30	4,433
Total expenditures	<u>285,906</u>	<u>86,570</u>	<u>8,355</u>	<u>380,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,920</u>	<u>63,915</u>	<u>(1,507)</u>	<u>146,328</u>
OTHER FINANCING SOURCES				
Transfers in	-	15,000	10,000	25,000
Transfers out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Total other financing sources	<u>(25,000)</u>	<u>15,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	58,920	78,915	8,493	146,328
Fund balances - beginning	<u>734,532</u>	<u>98,185</u>	<u>11,951</u>	<u>844,668</u>
Fund balances - ending	<u>\$ 793,452</u>	<u>\$ 177,100</u>	<u>\$ 20,444</u>	<u>\$ 990,996</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, 2020

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

Net change in fund balances-total governmental funds		\$ 146,328
<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>		
Depreciation expense	<u>\$ (32,732)</u>	(32,732)
<p>Fixed assets acquired by capital leases and short-term loans are shown as an expenditure in the governmental funds. Principal payments are applied to the lease or loan liability.</p>		
Principal payments of lease		<u>528</u>
Change in net position of governmental activities		<u>\$ 114,124</u>

CITY OF COLE CAMP, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Business-Type Activities -		
	Enterprise Funds		
	Water	Sewer	
	Fund	Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 368,718	\$ 1,305,931	\$ 1,674,649
Total current assets	<u>368,718</u>	<u>1,305,931</u>	<u>1,674,649</u>
Noncurrent assets:			
Restricted cash and cash equivalents	196,284	33,306	229,590
Capital assets, net of accumulated depreciation:			
Land	-	10,060	10,060
Plant, structure, and lines	1,939,790	1,210,069	3,149,859
Vehicles and equipment	14,306	41,373	55,679
Construction in progress	<u>12,366</u>	<u>5,281</u>	<u>17,647</u>
Total noncurrent assets	<u>2,162,746</u>	<u>1,300,089</u>	<u>3,462,835</u>
Total assets	<u>2,531,464</u>	<u>2,606,020</u>	<u>5,137,484</u>
LIABILITIES			
Current liabilities:			
Current portion of long-term obligations	<u>53,565</u>	<u>61,529</u>	<u>115,094</u>
Total current liabilities	<u>53,565</u>	<u>61,529</u>	<u>115,094</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	1,876,191	948,724	2,824,915
Meter deposits	<u>13,092</u>	<u>-</u>	<u>13,092</u>
Total noncurrent liabilities	<u>1,889,283</u>	<u>948,724</u>	<u>2,838,007</u>
Total liabilities	<u>1,942,848</u>	<u>1,010,253</u>	<u>2,953,101</u>
NET POSITION			
Net invested in capital assets	36,707	251,249	287,956
Restricted for:			
Debt service	183,053	33,306	216,359
Meter deposits	13,231	-	13,231
Unrestricted (deficit)	<u>355,625</u>	<u>1,311,212</u>	<u>1,666,837</u>
Total net position	<u>\$ 588,616</u>	<u>\$ 1,595,767</u>	<u>\$ 2,184,383</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, 2020

	Business-Type Activities -		
	Enterprise Funds		
	Water	Sewer	
	Fund	Fund	Total
OPERATING REVENUES			
Charges for services	\$ 251,877	\$ 301,929	\$ 553,806
Taxes	7,952	-	7,952
Miscellaneous	<u>2,526</u>	<u>4,932</u>	<u>7,458</u>
Total operating revenues	<u>262,355</u>	<u>306,861</u>	<u>569,216</u>
OPERATING EXPENSES			
Salaries	40,575	41,271	81,846
Payroll taxes	3,164	3,235	6,399
Employee benefits	7,107	8,558	15,665
Repairs and maintenance	15,850	6,954	22,804
Administration and supplies	5,982	5,860	11,842
Insurance	3,844	4,474	8,318
Utilities	9,470	23,340	32,810
Depreciation	55,304	33,955	89,259
Miscellaneous	14,027	1,247	15,274
Wastewater testing	<u>-</u>	<u>4,738</u>	<u>4,738</u>
Total operating expenses	<u>155,323</u>	<u>133,632</u>	<u>288,955</u>
Operating income (loss)	<u>107,032</u>	<u>173,229</u>	<u>280,261</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	(85,551)	(40,641)	(126,192)
Investment earnings	<u>2,136</u>	<u>-</u>	<u>2,136</u>
Total non-operating revenues (expenses)	<u>(83,415)</u>	<u>(40,641)</u>	<u>(124,056)</u>
Change in net position	23,617	132,588	156,205
Net position - beginning	<u>564,999</u>	<u>1,463,179</u>	<u>2,028,178</u>
Net position - ending	<u>\$ 588,616</u>	<u>\$ 1,595,767</u>	<u>\$ 2,184,383</u>

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

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

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, 2020, all funds of the City are classified as major funds.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

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.

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.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CAPITAL ASSETS (continued)

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, 2020, the City's potential compensated absences liability was \$4,092.

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</u>	<u>Transfer to</u>
General Fund	Street Fund	Library Fund
	\$ 15,000	\$ 10,000
	<u>\$ 15,000</u>	<u>\$ 10,000</u>

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND BALANCES (continued)

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.

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 2020 for purposes of City taxation was \$9,612,036. The property tax levy per \$100 of assessed valuation of real and tangible personal property for the calendar year 2020 was as follows:

General Fund	\$ 0.5064
--------------	-----------

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2020, 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, 2020				
	Street	Library	Water	Sewer	Total
(1) Debt Service Reserve Fund	\$ -	\$ -	\$ 153,591	\$ 33,306	\$ 186,897
(2) Meter Deposits	-	-	13,231	-	13,231
(3) Capital improvements	-	-	29,462	-	29,462
(4) Street Improvements	105,368	-	-	-	105,368
(5) Park Operations	71,732	-	-	-	71,732
(6) Library Operations	-	15,805	-	-	15,805
Total Restricted Cash	\$ 177,100	\$ 15,805	\$ 196,284	\$ 33,306	\$ 422,495

3. INVESTMENTS

The City's investments at December 31, 2020, consisted of the following:

Investment Type	Maturity	General	Library	Total
Certificates of Deposit	5/18/2021-8/25/2024	\$ 259,924	\$ -	\$ 259,924
Diversified Investment Pool	N/A	-	25,857	25,857
Total Investments		\$ 259,924	\$ 25,857	\$ 285,781

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.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. INVESTMENTS (continued)

- 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, 2020, all certificates of deposit are entirely insured or collateralized with securities.
- C. Diversified Investment Pool: At December 31, 2020, 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, 2020, the value of these funds held and restricted for use in the City of Cole Camp Library Fund were \$25,857.

4. CAPITAL ASSETS

The capital assets activity of the business-type funds at December 31, 2020, is as follows:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020
Non-depreciable assets				
Land	\$ 10,060	\$ -	\$ -	\$ 10,060
Construction in progress	-	17,647	-	17,647
Depreciable assets				
Vehicles and equipment	134,224	-	-	134,224
Water lines	3,932,542	-	-	3,932,542
	<u>4,076,826</u>	<u>17,647</u>	-	<u>4,094,473</u>
Less: Accumulated depreciation	771,969	89,259	-	861,228
Net capital assets	<u>\$ 3,304,857</u>	<u>\$ (71,612)</u>	<u>\$ -</u>	<u>\$ 3,233,245</u>

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (continued)

The capital assets activity of the governmental funds at December 31, 2020, is as follows:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020
Non-depreciable assets				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Depreciable assets				
Vehicles and equipment	193,068	-	-	193,068
Buildings	<u>564,080</u>	-	-	<u>564,080</u>
	767,148	-	-	767,148
Less: Accumulated depreciation	<u>249,378</u>	<u>32,732</u>	-	<u>282,110</u>
Net capital assets	<u>\$ 517,770</u>	<u>\$ (32,732)</u>	<u>\$ -</u>	<u>\$ 485,038</u>

Depreciation expense was charged as direct expense as follows:

Business-type activities:

Water fund	\$ 55,304
Sewer fund	<u>33,955</u>
	<u>\$ 89,259</u>

Governmental activities:

General fund	\$ 19,308
Street fund	4,263
Library fund	<u>9,161</u>
	<u>\$ 32,732</u>

5. LONG-TERM DEBT

Business-type Activities

The City has pledged revenues in the Water Fund and Sewer Fund, net of specified operating expenses, to repay the water and sewer fund revenue bonds. The various issues and maturity dates are listed below. Annual principal and interest payments on the bonds in the water fund are expected to require approximately 55% of net revenues over the remaining life of the bonds. Annual principal and interest payments on the bonds in the sewer fund are expected to require approximately 33% of net revenues over the remaining life of the bonds.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

The following is a summary of bond transactions for the year ended December 31, 2020:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Bonds payable, January 1, 2020	\$ 1,984,581	\$ 1,069,530	\$ 3,054,111
Less:			
Bonds retired	<u>(54,825)</u>	<u>(59,277)</u>	<u>(114,102)</u>
Bonds payable, December 31, 2020	\$ 1,929,756	\$ 1,010,253	\$ 2,940,009
current portion	<u>(53,565)</u>	<u>(61,529)</u>	<u>(115,094)</u>
	<u>\$ 1,876,191</u>	<u>\$ 948,724</u>	<u>\$ 2,824,915</u>

2007 SERIES A AND B ISSUE

On October 28, 2008, the City closed on the waterworks and sewerage system revenue bonds that were issued to pay off the interim financing for the project. Series A bonds in the amount of \$2,340,000 and Series B bonds in the amount of \$90,000 were issued.

Pursuant to a supplementary payment agreement with the USDA dated October 28, 2008, this debt requires monthly payments of principal and interest of \$8,532 on the Series A bonds and \$310 on the Series B bonds beginning on November 1, 2008. The payment increased to \$11,277 and \$421, respectively, on February 1, 2011 through February 1, 2043. Interest rates on the Series A bonds are 4.375% per annum with interest on the Series B bonds is 4.125% per annum. The following are the estimated annual debt service requirements on the 2007 issue per the bond indenture.

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 53,565	\$ 84,373	\$ 137,938
2022	55,951	81,987	137,938
2023	58,443	79,495	137,938
2024	61,046	76,892	137,938
2025	63,766	74,172	137,938
2026-2030	364,052	325,638	689,690
2031-2035	452,692	236,999	689,691
2036-2040	562,915	126,776	689,691
2041-2043	<u>257,326</u>	<u>14,155</u>	<u>271,481</u>
	<u>\$ 1,929,756</u>	<u>\$ 1,100,487</u>	<u>\$ 3,030,243</u>

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

2007 SERIES A AND B ISSUE (continued)

Under the Combined Waterworks and Sewerage System Revenue Bonds, Series A and B, the City is required to deposit monies into the Operation and Maintenance Account sufficient to pay the estimated cost of operating and maintaining the system during the ensuing 30 days. There shall next be paid and credited monthly to the Debt Service Account an amount equal to 1/6 of the amount of interest that will become due on the next succeeding interest payment date and 1/12 of the amount of principal that will become due on the next succeeding maturity date. Because the City entered into the supplementary payment agreement as discussed above, they are not required to make monthly payments to the Debt Service Account. There shall next be paid and credited \$1,171 monthly to the Debt Service Reserve Account until a balance of \$140,520 (Debt Service Reserve Requirement) is maintained. After all of the aforementioned payments are made and the Debt Service Requirement is fully funded, the City shall then be required to pay \$1,171 monthly to the Replacement and Extension Account so long as any of the bonds remain outstanding. If the aforementioned payments, including the payments to the Replacement and Extension Account, are paid and the Debt Service Requirement is fully funded, all moneys remaining shall be paid to the Surplus Account. At December 31, 2020, all accounts were fully funded.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

2013 SERIES COMBINED WATERWORKS AND SEWERAGE REVENUE BONDS

On August 27, 2013, the City issued the 2013 Series Combined waterworks and sewerage revenue bonds in the amount of \$1,385,965 for the purpose of extending and improving the combined waterworks and sewerage system. These bonds are due in varying annual installments beginning February 1, 2014, and continuing through August 1, 2033, with an annual interest rate of 3.8%, payable semi-annually on February 1 and August 1 of each year.

The following are the estimated annual debt service requirements on the 2013 issue, per the bond indenture.

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 61,529	\$ 38,390	\$ 99,919
2022	63,867	36,052	99,919
2023	66,294	33,625	99,919
2024	68,814	31,105	99,919
2025	71,429	28,490	99,919
2026-2030	399,980	99,615	499,595
2031-2034	278,340	21,417	299,757
	<u>\$ 1,010,253</u>	<u>\$ 288,694</u>	<u>\$ 1,298,947</u>

Under the 2013 Series Combined Waterworks and Sewerage System Revenue Bonds, the City is required to deposit monies into the Operation and Maintenance Account sufficient to pay the estimated cost of operating and maintaining the system during the ensuing 30 days. There shall next be paid and credited monthly to the Debt Service Account an amount equal to 1/6 of the amount of interest that will become due on the next succeeding interest payment date and 1/12 of the amount of principal that will become due on the next succeeding maturity date by the 2007 bond ordinance. Per the 2007 bond ordinance, there shall next be paid and credited \$1,171 monthly to the Debt Service Reserve Account until a balance of \$140,520 (Debt Service Reserve Requirement) is maintained. After all of the aforementioned payments are made and the Debt Service Requirement is fully funded, the City shall then be required to pay \$1,171 monthly to the Replacement and Extension Account so long as any of the 2013 bonds remain outstanding. If the aforementioned payments, including the payments to the Replacement and Extension Account, are paid and the Debt Service Requirement is fully funded, all moneys remaining shall be paid to the Surplus Account. At December 31, 2020, all accounts were fully funded.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. CAPITAL LEASE OBLIGATION

In July 2017, the City entered into an agreement for the purchase of five tasers for the police department. No interest was stated in the agreement. Imputed interest on this capital lease was deemed immaterial at December 31, 2020.

The following is a summary of capital lease obligation transactions for the year ended December 31, 2020:

	<u>General Fund</u>
Capital lease obligations, January 1, 2019	\$ 1,056
Less: Current year principal paid	<u>(528)</u>
Capital lease obligations, December 31, 2020	\$ 528
Less: Current portion of capital lease obligations	<u>(528)</u>
Long-term portion of capital lease obligations	<u>\$ -</u>

The future capital lease obligation payments are as follows:

2021 \$ 528

7. RELATED PARTY TRANSACTIONS

One board member is related to an employee of the City and the current mayor owns a business with which the City transacts routine business. During the year ended December 31, 2020, the City paid the aforementioned business \$8. It appears the City has complied with state statutes regarding voting on these transactions.

8. 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 \$4,535. The City's total general fund revenues, exclusive of interfund transfers, designated taxes, grant and other designated revenues were \$320,336. 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.

9. CORONAVIRUS DISEASE (COVID-19)

Although improving, the economic outlook in the United States is uncertain due to the COVID-19 pandemic. The economic impact to the City of Cole Camp, Missouri, cannot be determined and no potential impacts to the financial statements have been estimated.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

10. DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through June 17, 2021, which is the date the financial statements were available to be issued.



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 financial statements of the governmental activities, the business-type activities and each major fund of the City of Cole Camp, Missouri, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Cole Camp, Missouri's basic financial statements, and have issued our report thereon dated June 17, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the

accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cole Camp, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that²⁶ are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2020-003 through 2020-004.

The City of Cole Camp, Missouri's Responses to Findings

The City of Cole Camp, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City of Cole Camp, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
June 17, 2021

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

INTERNAL CONTROL

2020-001 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.*

2020-002 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.*

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

COMPLIANCE AND OTHER MATTERS

2020-003 Minute Recordkeeping

Statement of Condition: Closed session minutes did not always disclose the reason or subsection for going into closed session. There was also one closed session meeting where no official council minutes were maintained.

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.

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 regular 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.*

2020-004 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.

Criteria: RSMo 67 outlines all the required elements that are to be included in the original budget.

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

Cause: The City did not include the debt amortization schedules in the original budget.

Recommendation: We recommend the City ensure all the required elements are included in future budgets.

City's Response: *We will ensure future budgets are in compliance with Missouri Revised Statutes Chapter 67.010.*

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

INTERNAL CONTROL

2019-001 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, 2020 Status: This finding is still considered a significant deficiency.

2019-002 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 OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

INTERNAL CONTROL

2019-002 Written Internal Control Documentation and Risk Assessment (continued)

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

December 31, 2020 Status: This finding is still considered a significant deficiency.

COMPLIANCE AND OTHER MATTERS

2019-003 Tax Levy Public Notice Compliance

Statement of Condition: The City did not include all of the required elements in the tax levy hearing public notice.

Criteria: Missouri Revised Statutes Chapter 67 requires the public notice of the tax levy hearing to include the increase in tax revenue due to an increase in assessed value as a result of new construction and improvements and the increase, both in dollar value and percentage, in tax revenue as a result of reassessment if the proposed tax rate is adopted.

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

Cause: The published tax levy notice did not include all the necessary elements.

Recommendation: We recommend the City ensure future tax levy public notices include the required elements.

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

December 31, 2020 Status: This finding has been corrected.

2019-004 EMMA Reporting

Statement of Condition: The City did not ensure their audited financial statements were uploaded to the Municipal Securities Rulemaking Board through its' Electronic Municipal Market Access ("EMMA") system.

Criteria: Continuing disclosures are contractually required to be provided by municipal issuers under Rule 15c2-12 of the Securities Exchange Act of 1934 ("Rule 15c2-12").

Effect: Failure to disclose all required information is a violation of Rule 15c2-12.

Cause: Management did not ensure all proper documents was provided in accordance with Rule 15c2-12.

Recommendation: We recommend the City ensure all of the necessary documents are provided in accordance with Rule 15c2-12.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

COMPLIANCE AND OTHER MATTERS (continued)

2019-004 EMMA Reporting (continued)

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

December 31, 2020 Status: This finding has been corrected.

2019-005 Public Notice Compliance

Statement of Condition: It appears an impromptu meeting was held during 2019 for which an agenda was not published at least twenty-four hours in advance of nor was it documented as an emergency meeting.

Criteria: RSMo. Section 610.020 requires all public governmental bodies to give notice of the time, date, and place of each meeting, and its tentative agenda, at least twenty-four hours prior to the commencement of any meeting of a governmental body unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given.

Effect: The City is out of compliance with state statutes.

Cause: The City did not publish an agenda for all of their meetings pursuant to state statutes.

Recommendation: We recommend the City ensure proper notice of board meetings be made available to the public at least twenty-four hours prior to each board meeting and such public notices be retained by the City.

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

December 31, 2020 Status: This finding has been corrected.

2019-006 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 and Sewer Funds as required by RSMo Chapter 67. We also noted Library Fund budget indicates a negative ending fund balance which is a violation of state statute.

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." The state statutes also state no fund may have a negative ending fund balance budgeted.

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

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

COMPLIANCE AND OTHER MATTERS (continued)

2019-006 Budget Compliance (continued)

Cause: The City did not include the debt amortization schedules in the original budget nor ensure final actual expenditures were equal to or less than final budgeted figures per fund. The City also budgeted a negative ending fund balance in the Library Fund.

Recommendation: We recommend the City ensure all the required elements are included in future budgets. Furthermore, we recommend that the City ensure final actual expenditures are equal to or less than final budgeted figures per fund and no fund has a budgeted deficit.

City's Response: *We will ensure future budgets are in compliance with Missouri Revised Statutes Chapter 67.010.*

December 31, 2020 Status: The City ensured final actual expenditures were equal to or less than final budgeted figures per fund as well as budgeting positive fund balances for all funds in 2020. However, the City did not include amortization schedules with their original budget.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 263,938	\$ 306,861	\$ 570,799
Payments to suppliers and employees	<u>(100,018)</u>	<u>(99,677)</u>	<u>(199,695)</u>
Net cash provided (used) by operations	<u>163,920</u>	<u>207,184</u>	<u>371,104</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Payments on long-term obligations	(54,825)	(59,277)	(114,102)
Interest paid on long-term obligations	(85,551)	(40,641)	(126,192)
Construction in progress	<u>(12,366)</u>	<u>(5,281)</u>	<u>(17,647)</u>
Net cash used by capital financing activities	<u>(152,742)</u>	<u>(105,199)</u>	<u>(257,941)</u>
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES			
Interest income	<u>2,136</u>	<u>-</u>	<u>2,136</u>
Net cash provided by investing activities	<u>2,136</u>	<u>-</u>	<u>2,136</u>
Net increase (decrease) in cash and cash equivalents	<u>13,314</u>	<u>101,985</u>	<u>115,299</u>
Cash and cash equivalents, beginning of year	522,446	1,237,252	1,759,698
Investments reclassified to cash and cash equivalents	<u>29,242</u>	<u>-</u>	<u>29,242</u>
Cash and cash equivalents, beginning of year as restated	<u>551,688</u>	<u>1,237,252</u>	<u>1,788,940</u>
Cash and cash equivalents, end of year	<u>\$ 565,002</u>	<u>\$ 1,339,237</u>	<u>\$ 1,904,239</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 368,718	\$ 1,305,931	\$ 1,674,649
Restricted cash and cash equivalents	<u>196,284</u>	<u>33,306</u>	<u>229,590</u>
Total cash and cash equivalents	<u>\$ 565,002</u>	<u>\$ 1,339,237</u>	<u>\$ 1,904,239</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Net income (loss) from operations	\$ 107,032	\$ 173,229	\$ 280,261
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation	55,304	33,955	89,259
Increase (decrease) in meter deposits	<u>1,584</u>	<u>-</u>	<u>1,584</u>
Net cash provided (used) by operations	<u>\$ 163,920</u>	<u>\$ 207,184</u>	<u>\$ 371,104</u>

The accompanying notes are an integral part of 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, 2020

	<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	\$ 245,300	\$ 251,300	\$ 289,177	\$ -	\$ 289,177	\$ 37,877
Licenses, fees, and permits	9,100	9,100	9,723	-	9,723	623
Solid waste charges	43,000	43,000	45,609	-	45,609	2,609
Police charges	10,000	10,000	4,491	-	4,491	(5,509)
Police miscellaneous	-	-	665	-	665	665
Donations	-	-	459	-	459	459
Investment earnings	6,200	7,200	7,861	-	7,861	661
Miscellaneous	9,900	9,900	11,841	-	11,841	1,941
Total revenues	<u>323,500</u>	<u>330,500</u>	<u>369,826</u>	<u>-</u>	<u>369,826</u>	<u>39,326</u>
EXPENDITURES						
General administrative						
Salaries	26,000	26,000	21,261	-	21,261	4,739
Payroll taxes	2,160	2,160	1,671	-	1,671	489
Employee benefits	4,230	4,230	2,546	-	2,546	1,684
Repairs and maintenance	7,100	5,600	7,660	-	7,660	(2,060)
Administration and supplies	29,100	28,600	28,414	-	28,414	186
Insurance	4,100	4,100	4,046	-	4,046	54
Utilities	4,100	4,100	4,768	-	4,768	(668)
Court	2,400	2,400	-	-	-	2,400
Solid waste expense	46,000	46,000	45,125	-	45,125	875
Miscellaneous	5,075	5,075	3,056	-	3,056	2,019
Grant	-	-	4,762	-	4,762	(4,762)
Total general administration	<u>130,265</u>	<u>128,265</u>	<u>123,309</u>	<u>-</u>	<u>123,309</u>	<u>4,956</u>
Public safety						
Salaries	65,000	114,000	96,801	-	96,801	17,199
Payroll taxes	4,713	9,300	7,588	-	7,588	1,712
Employee benefits	17,000	22,750	21,282	(186)	21,468	1,282
Repairs and maintenance	8,400	8,400	8,563	-	8,563	(163)
Administration and supplies	8,400	8,150	16,308	-	16,308	(8,158)
Insurance	11,000	10,000	8,478	-	8,478	1,522
Utilities	2,500	1,300	1,977	-	1,977	(677)
Court	-	-	655	-	655	(655)
Miscellaneous	2,100	2,600	945	-	945	1,655
Total public safety	<u>119,113</u>	<u>176,500</u>	<u>162,597</u>	<u>(186)</u>	<u>162,783</u>	<u>13,717</u>
Total expenditures	<u>249,378</u>	<u>304,765</u>	<u>285,906</u>	<u>(186)</u>	<u>286,092</u>	<u>18,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>74,122</u>	<u>25,735</u>	<u>83,920</u>	<u>186</u>	<u>83,734</u>	<u>57,999</u>
OTHER FINANCING SOURCES						
SOURCES (USES)						
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances	49,122	735	58,920	186	58,734	57,999
Fund balances - beginning	460,000	734,532	734,532	-	734,532	-
Fund balances - ending	<u>\$ 509,122</u>	<u>\$ 735,267</u>	<u>\$ 793,452</u>	<u>\$ 186</u>	<u>\$ 793,266</u>	<u>\$ 57,999</u>

See accompanying notes to other supplementary 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, 2020

	<u>Budgeted Amounts</u>		<u>Modified Cash Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				<u>Positive</u>
						<u>(Negative)</u>
REVENUES						
Taxes	\$ 138,000	\$ 138,000	\$ 148,081	\$ -	\$ 148,081	\$ 10,081
Miscellaneous	-	-	2,404	-	2,404	2,404
Total revenues	<u>138,000</u>	<u>138,000</u>	<u>150,485</u>	<u>-</u>	<u>150,485</u>	<u>12,485</u>
EXPENDITURES						
Street expenses						
Salaries	30,000	30,000	26,728	-	26,728	3,272
Payroll taxes	2,400	2,400	2,113	-	2,113	287
Employee benefits	2,300	2,300	2,437	-	2,437	(137)
Repairs and maintenance	59,500	59,500	13,829	-	13,829	45,671
Administration and supplies	2,700	2,700	2,666	-	2,666	34
Insurance	3,500	3,500	3,071	-	3,071	429
Utilities	25,900	25,900	25,133	-	25,133	767
Miscellaneous	800	800	67	-	67	733
Total street expenses	<u>127,100</u>	<u>127,100</u>	<u>76,044</u>	<u>-</u>	<u>76,044</u>	<u>51,056</u>
Park expenses						
Salaries	3,000	3,000	2,035	-	2,035	965
Payroll taxes	330	330	160	-	160	170
Employee benefits	100	100	121	-	121	(21)
Repairs and maintenance	6,900	6,900	6,470	-	6,470	430
Administration and supplies	700	700	227	-	227	473
Miscellaneous	1,900	1,900	335	-	335	1,565
Insurance	1,200	1,200	1,095	-	1,095	105
Utilities	-	-	83	-	83	(83)
Total park expenses	<u>14,130</u>	<u>14,130</u>	<u>10,526</u>	<u>-</u>	<u>10,526</u>	<u>3,604</u>
Total expenditures	<u>141,230</u>	<u>141,230</u>	<u>86,570</u>	<u>-</u>	<u>86,570</u>	<u>54,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,230)</u>	<u>(3,230)</u>	<u>63,915</u>	<u>-</u>	<u>63,915</u>	<u>67,145</u>
OTHER FINANCING SOURCES						
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total other financing sources	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Net change in fund balances	11,770	11,770	78,915	-	78,915	67,145
Fund balances - beginning	<u>24,000</u>	<u>98,185</u>	<u>98,185</u>	<u>-</u>	<u>98,185</u>	<u>-</u>
Fund balances - ending	<u>\$ 35,770</u>	<u>\$ 109,955</u>	<u>\$ 177,100</u>	<u>\$ -</u>	<u>\$ 177,100</u>	<u>\$ 67,145</u>

See accompanying notes to other supplementary 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, 2020

	<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						
Investment earnings	\$ -	\$ -	\$ 6,848	\$ -	\$ 6,848	\$ 6,848
Total revenues	-	-	6,848	-	6,848	6,848
EXPENDITURES						
Salaries	1,000	1,000	705	-	705	295
Payroll taxes	100	100	56	-	56	44
Employee benefits	-	-	15	-	15	(15)
Repairs and maintenance	6,000	6,000	791	-	791	5,209
Administration and supplies	150	150	272	-	272	(122)
Insurance	2,100	2,100	1,920	-	1,920	180
Miscellaneous	500	500	30	-	30	470
Investment loss	500	500	4,566	-	4,566	(4,066)
Total expenditures	10,350	10,350	8,355	-	8,355	1,995
Excess (deficiency) of revenues over (under) expenditures	(10,350)	(10,350)	(1,507)	-	(1,507)	8,843
OTHER FINANCING USES SOURCES (USES)						
Transfers in	10,500	10,500	10,000	-	10,000	(500)
Total other financing sources (uses)	10,500	10,500	10,000	-	10,000	(500)
Net change in fund balances	150	150	8,493	-	8,493	8,343
Fund balances - beginning	10,000	11,951	11,951	-	11,951	-
Fund balances - ending	\$ 10,150	\$ 12,101	\$ 20,444	\$ -	\$ 20,444	\$ 8,343

See accompanying notes to other supplementary 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, 2020

	Budgeted Amounts		Modified	Adjustments	Actual	Variance with
	Original	Final	Cash	Budget	Budget	Final Budget
			Basis	Basis	Basis	Positive
						(Negative)
OPERATING REVENUES						
Water charges	\$ 252,300	\$ 252,300	\$ 251,877	\$ -	\$ 251,877	\$ (423)
Taxes	7,500	7,500	7,952	-	7,952	452
Miscellaneous	2,400	2,400	2,526	-	2,526	126
Total operating revenues	<u>262,200</u>	<u>262,200</u>	<u>262,355</u>	<u>-</u>	<u>262,355</u>	<u>155</u>
OPERATING EXPENSES						
Salaries	38,000	38,000	40,575	-	40,575	(2,575)
Payroll taxes	2,860	2,860	3,164	-	3,164	(304)
Employee benefits	9,100	9,100	7,107	-	7,107	1,993
Repairs and maintenance	18,100	18,100	15,850	-	15,850	2,250
Administration and supplies	5,000	5,000	5,982	-	5,982	(982)
Insurance	4,700	4,700	3,844	-	3,844	856
Utilities	10,950	10,950	9,470	-	9,470	1,480
Miscellaneous	21,020	21,020	14,027	-	14,027	6,993
Depreciation	-	-	55,304	55,304	-	-
Total operating expenses	<u>109,730</u>	<u>109,730</u>	<u>155,323</u>	<u>55,304</u>	<u>100,019</u>	<u>9,711</u>
Operating income (loss)	<u>152,470</u>	<u>152,470</u>	<u>107,032</u>	<u>(55,304)</u>	<u>162,336</u>	<u>9,866</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	(130,000)	(130,000)	(85,551)	54,825	(140,376)	(10,376)
Investment earnings	2,130	2,130	2,136	-	2,136	6
Total non-operating revenues (expenses)	<u>(127,870)</u>	<u>(127,870)</u>	<u>(83,415)</u>	<u>54,825</u>	<u>(138,240)</u>	<u>(10,370)</u>
Net change in net position	24,600	24,600	23,617	(479)	24,096	(504)
Net position - beginning	<u>240,000</u>	<u>564,999</u>	<u>564,999</u>	<u>-</u>	<u>564,999</u>	<u>-</u>
Net position - ending	<u>\$ 264,600</u>	<u>\$ 589,599</u>	<u>\$ 588,616</u>	<u>\$ (479)</u>	<u>\$ 589,095</u>	<u>\$ (504)</u>

See accompanying notes to other supplementary 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, 2020

	<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>
OPERATING REVENUES						
Sewer charges	\$ 301,750	\$ 301,750	\$ 301,929	\$ -	\$ 301,929	\$ 179
Miscellaneous	2,500	2,500	4,932	-	4,932	2,432
Total operating revenues	<u>304,250</u>	<u>304,250</u>	<u>306,861</u>	<u>-</u>	<u>306,861</u>	<u>2,611</u>
OPERATING EXPENSES						
Salaries	36,000	36,000	41,271	-	41,271	(5,271)
Payroll taxes	3,080	3,080	3,235	-	3,235	(155)
Employee benefits	7,300	7,300	8,558	(1)	8,559	(1,259)
Repairs and maintenance	26,300	26,300	6,954	-	6,954	19,346
Administration and supplies	5,600	5,600	5,860	-	5,860	(260)
Insurance	5,500	5,500	4,474	-	4,474	1,026
Utilities	23,150	23,150	23,340	-	23,340	(190)
Miscellaneous	2,220	2,220	1,247	-	1,247	973
Wastewater testing	4,500	4,500	4,738	-	4,738	(238)
Capital outlay	2,000	2,000	-	-	-	2,000
Depreciation	-	-	33,955	33,955	-	-
Principal	60,000	60,000	-	(59,277)	59,277	723
Total operating expenses	<u>175,650</u>	<u>175,650</u>	<u>133,632</u>	<u>(25,323)</u>	<u>158,955</u>	<u>16,695</u>
Operating income (loss)	<u>128,600</u>	<u>128,600</u>	<u>173,229</u>	<u>25,323</u>	<u>147,906</u>	<u>19,306</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	(41,000)	(41,000)	(40,641)	-	(40,641)	359
Total non-operating revenues (expenses)	<u>(41,000)</u>	<u>(41,000)</u>	<u>(40,641)</u>	<u>-</u>	<u>(40,641)</u>	<u>359</u>
Net change in net position	87,600	87,600	132,588	25,323	107,265	19,665
Net position - beginning	<u>1,200,000</u>	<u>1,463,179</u>	<u>1,463,179</u>	<u>-</u>	<u>1,463,179</u>	<u>-</u>
Net position - ending	<u>\$ 1,287,600</u>	<u>\$ 1,550,779</u>	<u>\$ 1,595,767</u>	<u>\$ 25,323</u>	<u>\$ 1,570,444</u>	<u>\$ 19,665</u>

See accompanying notes to other supplementary information.

CITY OF COLE CAMP, MISSOURI

NOTES TO OTHER SUPPLEMENTARY 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.