

CITY OF COLE CAMP, MISSOURI

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2021**

**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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210 W. Ohio
Butler, MO 64730
Phone: 660.679.6571
Fax: 660.679.6575

1626 Hedges Plaza
Nevada, MO 64772
Phone: 417.667.6375
Fax: 417.667.6420

1118 Remington Plaza, Suite A
Raymore, MO 64083
Phone: 816.331.4242
Fax: 816.322.4646

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, 2021, 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, 2021, 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 20, 2022, 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 20, 2022

CITY OF COLE CAMP, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 629,445	\$ 1,708,060	\$ 2,337,505
Total current assets	<u>629,445</u>	<u>1,708,060</u>	<u>2,337,505</u>
Noncurrent assets:			
Restricted cash and cash equivalents	261,681	338,372	600,053
Restricted investments	29,126	29,587	58,713
Investments	265,118	-	265,118
Capital assets, net of accumulated depreciation:			
Land	10,000	10,060	20,060
Buildings	390,873	-	390,873
Plant, structure, and lines	-	3,131,665	3,131,665
Vehicles and equipment	59,739	46,334	106,073
Construction in progress	-	13,392	13,392
Total noncurrent assets	<u>1,016,537</u>	<u>3,569,410</u>	<u>4,585,947</u>
Total assets	<u>1,645,982</u>	<u>5,277,470</u>	<u>6,923,452</u>
LIABILITIES			
Current liabilities:			
Bank overdraft	26,981	-	26,981
Current portion of long-term obligations	-	143,948	143,948
Total current liabilities	<u>26,981</u>	<u>143,948</u>	<u>170,929</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	-	2,665,016	2,665,016
Customer deposits	-	12,021	12,021
Total noncurrent liabilities	<u>-</u>	<u>2,677,037</u>	<u>2,677,037</u>
Total liabilities	<u>26,981</u>	<u>2,820,985</u>	<u>2,847,966</u>
NET POSITION			
Net investment in capital assets	460,612	392,487	853,099
Restricted for:			
Grant projects	-	114,432	114,432
Capital improvements	-	56,899	56,899
Debt service	-	184,468	184,468
Meter deposits	-	12,160	12,160
Street improvements	200,275	-	200,275
Park operations	45,587	-	45,587
Library investments	29,126	-	29,126
Library operations	15,819	-	15,819
Unrestricted (deficit)	867,582	1,696,039	2,563,621
Total net position	<u>\$ 1,619,001</u>	<u>\$ 2,456,485</u>	<u>\$ 4,075,486</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, 2021

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	\$ 115,646	\$ 57,812	\$ -	\$ -	\$ (57,834)	\$ -	\$ (57,834)
Public safety	197,315	4,163	-	-	(193,152)	-	(193,152)
Street	93,416	-	-	-	(93,416)	-	(93,416)
Library	14,519	-	-	-	(14,519)	-	(14,519)
Total governmental activities	<u>420,896</u>	<u>61,975</u>	<u>-</u>	<u>-</u>	<u>(358,921)</u>	<u>-</u>	<u>(358,921)</u>
Business-type activities:							
Administration	12,021	-	-	-	-	(12,021)	(12,021)
Water	196,053	255,817	-	114,412	-	174,176	174,176
Sewer	171,725	306,558	-	-	-	134,833	134,833
Interest on long-term debt	74,192	-	-	-	-	(74,192)	(74,192)
Total business-type activities	<u>453,991</u>	<u>562,375</u>	<u>-</u>	<u>114,412</u>	<u>-</u>	<u>222,796</u>	<u>222,796</u>
Total government	<u>\$ 874,887</u>	<u>\$ 624,350</u>	<u>\$ -</u>	<u>\$ 114,412</u>	<u>(358,921)</u>	<u>222,796</u>	<u>(136,125)</u>
General Revenues:							
Taxes					470,174	7,825	477,999
Unrestricted contributions					2,205	-	2,205
Investment earnings					12,590	822	13,412
Miscellaneous					15,297	40,659	55,956
Gain on disposal of capital assets					2,150	-	2,150
Total general revenues					<u>502,416</u>	<u>49,306</u>	<u>551,722</u>
Change in net position					143,495	272,102	415,597
Net position--beginning					<u>1,475,506</u>	<u>2,184,383</u>	<u>3,659,889</u>
Net position--ending					<u>\$ 1,619,001</u>	<u>\$ 2,456,485</u>	<u>\$ 4,075,486</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, 2021

	<u>General</u>	<u>Street Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 629,445	\$ -	\$ -	\$ 629,445
Restricted cash	-	245,862	15,819	261,681
Restricted investments	-	-	29,126	29,126
Investments	265,118	-	-	265,118
Total assets	<u>\$ 894,563</u>	<u>\$ 245,862</u>	<u>\$ 44,945</u>	<u>\$ 1,185,370</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Bank overdraft	\$ -	\$ -	\$ 26,981	\$ 26,981
Total liabilities	<u>-</u>	<u>-</u>	<u>26,981</u>	<u>26,981</u>
Fund balances:				
Restricted for:				
Street improvements	-	200,275	-	200,275
Park operations	-	45,587	-	45,587
Library investments	-	-	29,126	29,126
Library operations	-	-	15,819	15,819
Unassigned	894,563	-	(26,981)	867,582
Total fund balances	<u>894,563</u>	<u>245,862</u>	<u>17,964</u>	<u>1,158,389</u>
Total liabilities and fund balances	<u>\$ 894,563</u>	<u>\$ 245,862</u>	<u>\$ 44,945</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 \$751,508 and the accumulated depreciation and amortization is \$290,896.

460,612

Total net position - governmental activities

\$ 1,619,001

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, 2021

	<u>General</u>	<u>Street Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 308,214	\$ 161,960	\$ -	\$ 470,174
Licenses, fees, and permits	11,695	-	-	11,695
Solid waste charges	46,117	-	-	46,117
Public safety	4,163	-	-	4,163
Donations	2,185	20	-	2,205
Investment earnings	7,660	-	4,930	12,590
Miscellaneous	15,258	39	-	15,297
Total revenues	<u>395,292</u>	<u>162,019</u>	<u>4,930</u>	<u>562,241</u>
EXPENDITURES				
Salaries	132,872	23,891	646	157,409
Payroll taxes	10,104	1,831	49	11,984
Employee benefits	24,155	2,746	5	26,906
Repairs and maintenance	13,856	27,931	2,806	44,593
Administration and supplies	38,680	2,701	322	41,703
Insurance	13,931	4,398	2,258	20,587
Utilities	5,014	25,550	-	30,564
Solid waste	46,922	-	-	46,922
Court	191	-	-	191
Grant expense	500	-	-	500
Capital outlay	1,277	383	-	1,660
Investment loss	-	-	1,324	1,324
Miscellaneous	6,679	3,826	-	10,505
Total expenditures	<u>294,181</u>	<u>93,257</u>	<u>7,410</u>	<u>394,848</u>
Net change in fund balances	101,111	68,762	(2,480)	167,393
Fund balances - beginning	<u>793,452</u>	<u>177,100</u>	<u>20,444</u>	<u>990,996</u>
Fund balances - ending	<u>\$ 894,563</u>	<u>\$ 245,862</u>	<u>\$ 17,964</u>	<u>\$ 1,158,389</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, 2021

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

Net change in fund balances-total governmental funds		\$ 167,393
<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	\$ 9,302	
Depreciation expense	<u>(33,728)</u>	(24,426)
<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>\$ 143,495</u>

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

CITY OF COLE CAMP, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-Type Activities -		
	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash	\$ 266,223	\$ 1,441,837	\$ 1,708,060
Total current assets	266,223	1,441,837	1,708,060
Noncurrent assets:			
Restricted cash and cash equivalents	305,066	33,306	338,372
Restricted investments	29,587	-	29,587
Capital assets, net of accumulated depreciation:			
Land	-	10,060	10,060
Plant, structure, and lines	1,944,090	1,187,575	3,131,665
Vehicles and equipment	10,274	36,060	46,334
Construction in progress	13,392	-	13,392
Total noncurrent assets	2,302,409	1,267,001	3,569,410
Total assets	2,568,632	2,708,838	5,277,470
LIABILITIES			
Current liabilities:			
Current portion of long-term obligations	69,302	74,646	143,948
Total current liabilities	69,302	74,646	143,948
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	1,726,483	938,533	2,665,016
Meter deposits	12,021	-	12,021
Total noncurrent liabilities	1,738,504	938,533	2,677,037
Total liabilities	1,807,806	1,013,179	2,820,985
NET POSITION			
Net invested in capital assets	171,971	220,516	392,487
Restricted for:			
Grant projects	114,432	-	114,432
Capital improvements	56,899	-	56,899
Debt service	151,162	33,306	184,468
Meter deposits	12,160	-	12,160
Unrestricted (deficit)	254,202	1,441,837	1,696,039
Total net position	\$ 760,826	\$ 1,695,659	\$ 2,456,485

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, 2021

	Business-Type Activities -		
	Enterprise Funds		
	Water	Sewer	Total
	Fund	Fund	Total
OPERATING REVENUES			
Charges for services	\$ 255,817	\$ 306,558	\$ 562,375
Taxes	7,825	-	7,825
Federal grants	114,412	-	114,412
Miscellaneous	36,437	4,222	40,659
Total operating revenues	<u>414,491</u>	<u>310,780</u>	<u>725,271</u>
OPERATING EXPENSES			
Salaries	44,268	46,498	90,766
Payroll taxes	3,342	3,517	6,859
Employee benefits	4,977	5,468	10,445
Repairs and maintenance	13,703	8,429	22,132
Administration and supplies	6,243	5,778	12,021
Insurance	4,086	4,776	8,862
Utilities	8,867	23,585	32,452
Capital outlay	-	3,651	3,651
Depreciation	56,150	33,089	89,239
Bond costs	49,500	37,000	86,500
Miscellaneous	11,160	955	12,115
Wastewater testing	-	4,757	4,757
Total operating expenses	<u>202,296</u>	<u>177,503</u>	<u>379,799</u>
Operating income (loss)	<u>212,195</u>	<u>133,277</u>	<u>345,472</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	(40,807)	(33,385)	(74,192)
Investment earnings	822	-	822
Total non-operating revenues (expenses)	<u>(39,985)</u>	<u>(33,385)</u>	<u>(73,370)</u>
Change in net position	172,210	99,892	272,102
Net position - beginning	<u>588,616</u>	<u>1,595,767</u>	<u>2,184,383</u>
Net position - ending	<u>\$ 760,826</u>	<u>\$ 1,695,659</u>	<u>\$ 2,456,485</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, 2021, 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, 2021, the City's potential compensated absences liability was \$769.

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>
	<u>Street Fund</u>	<u>Library Fund</u>
General Fund	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</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 2021 for purposes of City taxation was \$10,836,253. The property tax levy per \$100 of assessed valuation of real and tangible personal property for the calendar year 2021 was as follows:

General Fund	\$ 0.4737
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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, 2021, 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, 2021				
	Street	Library	Water	Sewer	Total
(1) Debt Service Reserve Fund	\$ -	\$ -	\$ 151,162	\$ 33,306	\$ 184,468
(2) Meter Deposits	-	-	12,160	-	12,160
(3) Capital Improvements	-	-	27,312	-	27,312
(4) Grant Projects	-	-	114,432	-	114,432
(5) Street Improvements	200,275	-	-	-	200,275
(6) Park Operations	45,587	-	-	-	45,587
(7) Library Operations	-	15,819	-	-	15,819
Total Restricted Cash	<u>\$ 245,862</u>	<u>\$ 15,819</u>	<u>\$ 305,066</u>	<u>\$ 33,306</u>	<u>\$ 600,053</u>

3. INVESTMENTS

The City's investments at December 31, 2021, consisted of the following:

Investment Type	Maturity	General	Library	Water	Total
Certificates of Deposit	5/18/2022-8/25/2024	\$ 265,118	\$ -	\$ 29,587	\$ 294,705
Diversified Investment Pool	N/A	-	29,126	-	29,126
Total Investments		<u>\$ 265,118</u>	<u>\$ 29,126</u>	<u>\$ 29,587</u>	<u>\$ 323,831</u>

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, 2021, all certificates of deposit are entirely insured or collateralized with securities. At December 31, 2021, the value of these funds held and restricted for use in the City of Cole Camp Water Fund were \$29,587.
- C. Diversified Investment Pool: At December 31, 2021, 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, 2021, the value of these funds held and restricted for use in the City of Cole Camp Library Fund were \$29,126.

4. CAPITAL ASSETS

The capital assets activity of the business-type funds at December 31, 2021, is as follows:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021
Non-depreciable assets				
Land	\$ 10,060	\$ -	\$ -	\$ 10,060
Construction in progress	17,647	13,392	(17,647)	13,392
Depreciable assets				
Vehicles and equipment	134,224	-	(2,000)	132,224
Lines	3,932,542	61,699	-	3,994,241
	4,094,473	75,091	(19,647)	4,149,917
Less: Accumulated depreciation	861,227	89,239	(2,000)	948,466
Net capital assets	<u>\$ 3,233,246</u>	<u>\$ (14,148)</u>	<u>\$ (17,647)</u>	<u>\$ 3,201,451</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, 2021, is as follows:

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2021</u>
Non-depreciable assets				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Depreciable assets				
Vehicles and equipment	171,126	9,302	(3,000)	177,428
Buildings	<u>564,080</u>	<u>-</u>	<u>-</u>	<u>564,080</u>
	745,206	9,302	(3,000)	751,508
Less: Accumulated depreciation	<u>260,168</u>	<u>33,728</u>	<u>(3,000)</u>	<u>290,896</u>
Net capital assets	<u>\$ 485,038</u>	<u>\$ (24,426)</u>	<u>\$ -</u>	<u>\$ 460,612</u>

Depreciation expense was charged as direct expense as follows:

Business-type activities:

Water fund	\$ 56,150
Sewer fund	33,089
	<u>\$ 89,239</u>

Governmental activities:

General fund	\$ 19,308
Street fund	4,927
Library fund	9,493
	<u>\$ 33,728</u>

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

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, 2021, the total interest and principal remaining to be paid on the 2021 Series A Combined Waterworks and Sewerage System Refunding Revenue Bonds was \$2,374,602. Principal and interest paid for the current year on these bonds was \$60,888.

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, 2021, the total interest and principal remaining to be paid on the 2021 Series B Combined Waterworks and Sewerage System Refunding Revenue Bonds was \$1,158,176. Principal and interest paid for the current year on these bonds was \$48,199.

The following is a summary of bond transactions for the year ended December 31, 2021:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Bonds payable, January 1, 2021	\$ 1,929,756	\$ 1,010,253	\$ 2,940,009
Add:			
Bonds issued - Series 2021 A & B	1,838,593	1,053,651	2,892,244
Less:			
Bonds retired	<u>(1,972,564)</u>	<u>(1,050,725)</u>	<u>(3,023,289)</u>
Bonds payable, December 31, 2021	\$ 1,795,785	\$ 1,013,179	\$ 2,808,964
Current portion	<u>(69,302)</u>	<u>(74,646)</u>	<u>(143,948)</u>
	<u>\$ 1,726,483</u>	<u>\$ 938,533</u>	<u>\$ 2,665,016</u>

These balances consisted of the following:

A. 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.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

A. 2007 SERIES A AND B ISSUE (continued)

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 4.3755% per annum with interest on the Series B bonds is 4.125% per annum.

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. These bonds were paid off early with the Combined Waterworks and Sewerage System Refunding Revenue Bond Series 2021A and 2021B Bonds. Therefore, as of December 31, 2021, there are no future debt service payment or reserve requirements on the 2007 Series A and B Bonds.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

B. 2013 SERIES COMBINED WATERWORKS AND SEWERAGE REVENUE BONDS

On August 27, 2013, the City issued the 2013 Series Combined Waterworks and Sewerage System 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.

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. These bonds were paid off early with the Combined Waterworks and Sewerage System Refunding Revenue Bond Series 2021A and 2021B Bonds. Therefore, as of December 31, 2021, there are no future debt service payment or reserve requirements on the 2013 Series Combined Waterworks and Sewerage System Revenue Bonds.

C. 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.

CITY OF COLE CAMP, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (continued)

Business-type Activities (continued)

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

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.

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>
2022	\$ 143,948	\$ 74,354	\$ 218,302
2023	147,658	70,644	218,302
2024	151,466	66,835	218,301
2025	155,375	62,926	218,301
2026	159,387	58,915	218,302
2027 -2031	860,919	230,590	1,091,509
2032 - 2036	680,698	121,229	801,927
2037 - 2041	509,513	38,321	547,834
	<u>\$ 2,808,964</u>	<u>\$ 723,814</u>	<u>\$ 3,532,778</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, 2021, 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, 2021, 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

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, 2021.

The following is a summary of capital lease obligation transactions for the year ended December 31, 2021:

	<u>General Fund</u>
Capital lease obligations, January 1, 2021	\$ 528
Less: Current year principal paid	<u>(528)</u>
Capital lease obligations, December 31, 2021	<u>\$ -</u>

The are no future capital lease obligation payments regarding this lease.

7. RELATED PARTY TRANSACTIONS

One board member was related to an employee of the City and the former mayor owned a business with which the City transacts business from time to time. During the year ended December 31, 2021, it appears the City has complied with state statutes regarding voting on related party transactions as there were none.

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 \$3,617. The City's total general fund revenues, exclusive of interfund transfers, designated taxes, grant and other designated revenues were \$344,316. 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. DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through October 20, 2022, which is the date the financial statements were available to be issued.



210 W. Ohio
Butler, MO 64730
Phone: 660.679.6571
Fax: 660.679.6575

1626 Hedges Plaza
Nevada, MO 64772
Phone: 417.667.6375
Fax: 417.667.6420

1118 Remington Plaza, Suite A
Raymore, MO 64083
Phone: 816.331.4242
Fax: 816.322.4646

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, 2021, 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 20, 2022.

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 2021-001 and 2021-002 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 2021-003 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 2021-004 through 2021-007.

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 20, 2022

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

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.*

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.

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 OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

INTERNAL CONTROL

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

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.

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.

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.

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.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2021-004 Budget Compliance (continued)

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.*

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.

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.*

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.

CITY OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – CURRENT YEAR

COMPLIANCE AND OTHER MATTERS (CONTINUED)

2021-006 Public Notice Compliance (continued)

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.*

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.

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

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.*

December 31, 2021 Status: This is now considered a material weakness.

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 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, 2021 Status: This is still considered a significant deficiency.

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.

December 31, 2021 Status: There is still a compliance issue regarding minute recordkeeping.

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 OF COLE CAMP, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR

COMPLIANCE AND OTHER MATTERS (continued)

2020-004 Budget Compliance (continued)

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

December 31, 2021 Status: There is still a compliance issue regarding the City's budget.

CITY OF COLE CAMP, MISSOURI
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 299,008	\$ 310,780	\$ 609,788
Proceeds from federal grants	114,412	-	114,412
Payments to suppliers and employees	<u>(146,145)</u>	<u>(144,414)</u>	<u>(290,559)</u>
Net cash provided (used) by operations	<u>267,275</u>	<u>166,366</u>	<u>433,641</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Payments on long-term obligations	(1,972,564)	(1,050,725)	(3,023,289)
Proceeds from long-term obligations	1,838,593	1,053,651	2,892,244
Interest paid on long-term obligations	(40,807)	(33,385)	(74,192)
Construction in progress	(13,392)	-	(13,392)
Purchase of capital assets	<u>(44,052)</u>	<u>-</u>	<u>(44,052)</u>
Net cash used by capital financing activities	<u>(232,222)</u>	<u>(30,459)</u>	<u>(262,681)</u>
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES			
Interest income	<u>822</u>	<u>-</u>	<u>822</u>
Net cash provided by investing activities	<u>822</u>	<u>-</u>	<u>822</u>
Net increase (decrease) in cash and cash equivalents	<u>35,875</u>	<u>135,907</u>	<u>171,782</u>
Cash and cash equivalents, beginning of year	565,001	1,339,236	1,904,237
Cash and cash equivalents reclassified to investments	<u>(29,587)</u>	<u>-</u>	<u>(29,587)</u>
Cash and cash equivalents, beginning of year as restated	<u>535,414</u>	<u>1,339,236</u>	<u>1,874,650</u>
Cash and cash equivalents, end of year	<u>\$ 571,289</u>	<u>\$ 1,475,143</u>	<u>\$ 2,046,432</u>
Reconciliation to Statement of Net Position:			
Cash	\$ 266,223	\$ 1,441,837	\$ 1,708,060
Restricted cash and cash equivalents	<u>305,066</u>	<u>33,306</u>	<u>338,372</u>
Total cash and cash equivalents	<u>\$ 571,289</u>	<u>\$ 1,475,143</u>	<u>\$ 2,046,432</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Net income (loss) from operations	\$ 212,195	\$ 133,277	\$ 345,472
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation	56,150	33,089	89,239
Increase (decrease) in meter deposits	<u>(1,070)</u>	<u>-</u>	<u>(1,070)</u>
Net cash provided (used) by operations	<u>\$ 267,275</u>	<u>\$ 166,366</u>	<u>\$ 433,641</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, 2021

	<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						
Taxes	\$ 263,300	\$ 263,300	\$ 308,214	\$ -	\$ 308,214	\$ 44,914
Licenses, fees, and permits	8,700	8,700	11,695	-	11,695	2,995
Solid waste charges	43,500	43,500	46,117	-	46,117	2,617
Police charges	5,000	5,000	3,617	(46)	3,663	(1,337)
Police miscellaneous	-	-	546	-	546	546
Donations	-	-	2,185	-	2,185	2,185
Investment earnings	7,300	7,300	7,660	238	7,422	122
Miscellaneous	9,900	9,900	15,258	-	15,258	5,358
Total revenues	<u>337,700</u>	<u>337,700</u>	<u>395,292</u>	<u>192</u>	<u>395,100</u>	<u>57,400</u>
EXPENDITURES						
General administrative						
Salaries	17,400	19,400	20,186	-	20,186	(786)
Payroll taxes	1,880	1,880	1,536	-	1,536	344
Employee benefits	3,230	3,230	2,014	14	2,000	1,230
Repairs and maintenance	5,600	5,600	2,104	-	2,104	3,496
Administration and supplies	23,600	23,600	26,470	-	26,470	(2,870)
Insurance	4,200	4,200	4,796	-	4,796	(596)
Utilities	4,550	4,550	4,769	-	4,769	(219)
Solid waste expense	46,000	46,000	46,922	-	46,922	(922)
Miscellaneous	5,025	6,525	6,349	-	6,349	176
Grant	-	-	500	-	500	(500)
Total general administration	<u>111,485</u>	<u>114,985</u>	<u>115,646</u>	<u>14</u>	<u>115,632</u>	<u>(647)</u>
Public safety						
Salaries	144,000	144,000	112,686	-	112,686	31,314
Payroll taxes	9,670	9,670	8,568	-	8,568	1,102
Employee benefits	27,200	27,200	22,141	55	22,086	5,114
Repairs and maintenance	6,400	6,400	11,752	-	11,752	(5,352)
Administration and supplies	17,600	17,600	12,210	-	12,210	5,390
Insurance	9,000	9,000	9,135	-	9,135	(135)
Utilities	480	480	245	-	245	235
Court	500	500	191	-	191	309
Miscellaneous	-	-	330	-	330	(330)
Capital outlay	1,000	1,000	1,277	-	1,277	(277)
Total public safety	<u>215,850</u>	<u>215,850</u>	<u>178,535</u>	<u>55</u>	<u>178,480</u>	<u>37,370</u>
Total expenditures	<u>327,335</u>	<u>330,835</u>	<u>294,181</u>	<u>69</u>	<u>294,112</u>	<u>36,723</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,365</u>	<u>6,865</u>	<u>101,111</u>	<u>123</u>	<u>100,988</u>	<u>94,123</u>
OTHER FINANCING SOURCES SOURCES (USES)						
Transfers out	(32,500)	(10,000)	-	46	(46)	9,954
Total other financing sources	<u>(32,500)</u>	<u>(10,000)</u>	<u>-</u>	<u>46</u>	<u>(46)</u>	<u>9,954</u>
Net change in fund balances	(22,135)	(3,135)	101,111	169	100,942	104,077
Fund balances - beginning	<u>735,267</u>	<u>793,452</u>	<u>793,452</u>	<u>-</u>	<u>793,452</u>	<u>-</u>
Fund balances - ending	<u>\$ 713,132</u>	<u>\$ 790,317</u>	<u>\$ 894,563</u>	<u>\$ 169</u>	<u>\$ 894,394</u>	<u>\$ 104,077</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, 2021

	Budgeted Amounts		Modified Cash Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes	\$ 141,000	\$ 141,000	\$ 161,960	\$ -	\$ 161,960	\$ 20,960
Donations	-	-	20	-	20	20
Miscellaneous	-	-	39	-	39	39
Total revenues	<u>141,000</u>	<u>141,000</u>	<u>162,019</u>	<u>-</u>	<u>162,019</u>	<u>21,019</u>
EXPENDITURES						
Street expenses						
Salaries	26,000	26,000	19,952	-	19,952	6,048
Payroll taxes	2,400	2,400	1,530	-	1,530	870
Employee benefits	2,800	2,800	2,682	-	2,682	118
Repairs and maintenance	62,800	62,800	9,093	-	9,093	53,707
Administration and supplies	2,700	2,700	2,273	-	2,273	427
Insurance	3,700	3,700	3,104	-	3,104	596
Utilities	25,150	25,150	24,658	-	24,658	492
Miscellaneous	600	600	3,799	-	3,799	(3,199)
Capital outlay	14,850	14,850	-	(14,850)	14,850	-
Total street expenses	<u>141,000</u>	<u>141,000</u>	<u>67,091</u>	<u>(14,850)</u>	<u>81,941</u>	<u>59,059</u>
Park expenses						
Salaries	3,000	3,000	3,939	-	3,939	(939)
Payroll taxes	330	330	301	-	301	29
Employee benefits	150	150	64	-	64	86
Repairs and maintenance	7,000	21,250	18,838	-	18,838	2,412
Administration and supplies	500	500	428	-	428	72
Miscellaneous	1,900	1,900	27	-	27	1,873
Insurance	1,200	1,200	1,294	-	1,294	(94)
Utilities	-	-	892	-	892	(892)
Capital outlay	-	-	383	-	383	(383)
Total park expenses	<u>14,080</u>	<u>28,330</u>	<u>26,166</u>	<u>-</u>	<u>26,166</u>	<u>2,164</u>
Total expenditures	<u>155,080</u>	<u>169,330</u>	<u>93,257</u>	<u>(14,850)</u>	<u>108,107</u>	<u>61,223</u>
Net change in fund balances	(14,080)	(28,330)	68,762	14,850	53,912	82,242
Fund balances - beginning	<u>109,955</u>	<u>177,100</u>	<u>177,100</u>	<u>-</u>	<u>177,100</u>	<u>-</u>
Fund balances - ending	<u>\$ 95,875</u>	<u>\$ 148,770</u>	<u>\$ 245,862</u>	<u>\$ 14,850</u>	<u>\$ 231,012</u>	<u>\$ 82,242</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, 2021

	<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	\$ -	\$ -	\$ 4,930	\$ 4,915	\$ 15	\$ 15
Total revenues	-	-	4,930	4,915	15	15
EXPENDITURES						
Salaries	1,000	1,000	646	-	646	354
Payroll taxes	100	100	49	-	49	51
Employee benefits	-	-	5	-	5	(5)
Repairs and maintenance	6,000	6,000	2,806	-	2,806	3,194
Administration and supplies	-	-	322	322	-	-
Insurance	2,100	2,100	2,258	-	2,258	(158)
Miscellaneous	500	500	-	-	-	500
Investment loss	-	-	1,324	1,324	-	-
Total expenditures	9,700	9,700	7,410	1,646	5,764	3,936
Excess (deficiency) of revenues over (under) expenditures	(9,700)	(9,700)	(2,480)	3,269	(5,749)	3,951
OTHER FINANCING USES SOURCES (USES)						
Transfers in	10,000	10,000	-	-	-	(10,000)
Total other financing sources (uses)	10,000	10,000	-	-	-	(10,000)
Net change in fund balances	300	300	(2,480)	3,269	(5,749)	(6,049)
Fund balances - beginning	12,101	20,444	20,444	-	20,444	-
Fund balances - ending	\$ 12,401	\$ 20,744	\$ 17,964	\$ 3,269	\$ 14,695	\$ (6,049)

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, 2021

	<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	\$ 255,817	\$ -	\$ 255,817	\$ 6,517
Taxes	7,800	7,800	7,825	-	7,825	25
Federal grants	-	-	114,412	-	114,412	114,412
Miscellaneous	2,150	2,150	36,437	(23,922)	60,359	58,209
Total operating revenues	<u>259,250</u>	<u>259,250</u>	<u>414,491</u>	<u>(23,922)</u>	<u>438,413</u>	<u>179,163</u>
OPERATING EXPENSES						
Salaries	44,000	44,000	44,268	-	44,268	(268)
Payroll taxes	1,600	2,800	3,342	-	3,342	(542)
Employee benefits	8,900	7,700	4,977	202	4,775	2,925
Repairs and maintenance	17,800	17,800	13,703	(13,392)	27,095	(9,295)
Administration and supplies	4,500	4,500	6,243	-	6,243	(1,743)
Insurance	4,700	4,700	4,086	-	4,086	614
Utilities	9,950	9,950	8,867	-	8,867	1,083
Miscellaneous	39,700	39,700	11,160	(44,052)	55,212	(15,512)
Capital outlay	-	17,000	-	(28,667)	28,667	(11,667)
Depreciation	-	-	56,150	56,150	-	-
Bond costs	-	-	49,500	49,500	-	-
Total operating expenses	<u>131,150</u>	<u>148,150</u>	<u>202,296</u>	<u>19,741</u>	<u>182,555</u>	<u>(34,405)</u>
Operating income (loss)	<u>128,100</u>	<u>111,100</u>	<u>212,195</u>	<u>(43,663)</u>	<u>255,858</u>	<u>144,758</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	(130,000)	(130,000)	(40,807)	66,872	(107,679)	22,321
Investment earnings	1,995	1,995	822	-	822	(1,173)
Total non-operating revenues (expenses)	<u>(128,005)</u>	<u>(128,005)</u>	<u>(39,985)</u>	<u>66,872</u>	<u>(106,857)</u>	<u>21,148</u>
Net change in net position	95	(16,905)	172,210	23,209	149,001	165,906
Net position - beginning	<u>589,599</u>	<u>588,616</u>	<u>588,616</u>	<u>-</u>	<u>588,616</u>	<u>-</u>
Net position - ending	<u>\$ 589,694</u>	<u>\$ 571,711</u>	<u>\$ 760,826</u>	<u>\$ 23,209</u>	<u>\$ 737,617</u>	<u>\$ 165,906</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, 2021

	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	\$ 306,558	\$ -	\$ 306,558	\$ 7,808
Miscellaneous	2,000	2,000	4,222	(80,724)	84,946	82,946
Total operating revenues	<u>300,750</u>	<u>300,750</u>	<u>310,780</u>	<u>(80,724)</u>	<u>391,504</u>	<u>90,754</u>
OPERATING EXPENSES						
Salaries	45,700	45,700	46,498	-	46,498	(798)
Payroll taxes	3,280	3,280	3,517	-	3,517	(237)
Employee benefits	8,300	8,300	5,468	851	4,617	3,683
Repairs and maintenance	24,300	24,300	8,429	-	8,429	15,871
Administration and supplies	5,100	5,100	5,778	-	5,778	(678)
Insurance	5,500	5,500	4,776	-	4,776	724
Utilities	21,950	21,950	23,585	-	23,585	(1,635)
Miscellaneous	1,400	1,400	955	-	955	445
Wastewater testing	4,500	4,500	4,757	-	4,757	(257)
Capital outlay	5,000	5,000	3,651	(28,667)	32,318	(27,318)
Depreciation	-	-	33,089	33,089	-	-
Bond costs	-	-	37,000	37,000	-	-
Principal	60,000	60,000	-	(102,002)	102,002	(42,002)
Total operating expenses	<u>185,030</u>	<u>185,030</u>	<u>177,503</u>	<u>(59,729)</u>	<u>237,232</u>	<u>(52,202)</u>
Operating income (loss)	<u>115,720</u>	<u>115,720</u>	<u>133,277</u>	<u>(20,995)</u>	<u>154,272</u>	<u>38,552</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	(41,000)	(41,000)	(33,385)	12,796	(46,181)	(5,181)
Total non-operating revenues (expenses)	<u>(41,000)</u>	<u>(41,000)</u>	<u>(33,385)</u>	<u>12,796</u>	<u>(46,181)</u>	<u>(5,181)</u>
Net change in net position	74,720	74,720	99,892	(8,199)	108,091	33,371
Net position - beginning	1,550,779	1,595,767	1,595,767	-	1,595,767	-
Net position - ending	<u>\$ 1,625,499</u>	<u>\$ 1,670,487</u>	<u>\$ 1,695,659</u>	<u>\$ (8,199)</u>	<u>\$ 1,703,858</u>	<u>\$ 33,371</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.