

VILLAGE OF INDIAN POINT, MISSOURI

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2020

VILLAGE OF INDIAN POINT, MISSOURI
Audit Report
December 31, 2020

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Officer CPA Firm LLC

Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Village of Indian Point
Indian Point, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities and the business-type activities of the Village of Indian Point as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village'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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities and the business-type activities of the Village of Indian Point, 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 as 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 opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the Village's basic financial statements. The budgetary comparison information on page 24 and 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 it.

Other Information

We have previously audited the Village of Indian Point, Missouri's 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and the business-type activities in our report dated September 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent in all material respects, with the audited financial statements from which it has been derived.

Officer CPA Firm LLC

Springfield, Missouri
June 30, 2021

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Net Position-Modified Cash Basis
December 31, 2020 With Comparative Data

	Governmental Activities	Business-Type Activities	Total December 31, 2020	Total December 31, 2019
ASSETS				
Cash and cash equivalents	\$ 417,711	\$ 13,861	\$ 431,572	\$ 226,830
Investments	-	-	-	110,691
Due from other funds	5,000	-	5,000	-
Restricted assets:				
Cash and cash equivalents	87,498	36,639	124,137	139,056
Investments	-	-	-	67,771
Capital Assets:				
Land	72,931	24,704	97,635	97,635
Building and plant	376,314	2,093,816	2,470,130	2,465,487
Equipment	217,523	53,208	270,731	296,845
Accumulated depreciation	(253,376)	(484,747)	(738,123)	(701,572)
TOTAL ASSETS	923,601	1,737,481	2,661,082	2,702,743
LIABILITIES				
Current Liabilities:				
Accrued expenses	8,935	-	8,935	2,417
Due to other funds	-	5,000	5,000	-
Current portion of long term debt	18,000	54,402	72,402	65,799
Total Current Liabilities	<u>26,935</u>	<u>59,402</u>	<u>86,337</u>	<u>68,216</u>
Long-Term Debt	129,000	324,457	453,457	525,858
TOTAL LIABILITIES	155,935	383,859	539,794	594,074
NET POSITION				
Net investment in capital assets	266,392	1,308,122	1,574,514	1,566,738
Restricted	87,498	-	87,498	172,133
Unrestricted	413,776	45,500	459,276	369,798
TOTAL NET POSITION	\$ 767,666	\$ 1,353,622	\$ 2,121,288	\$ 2,108,669

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Activities-Modified Cash Basis
For the year ended December 31, 2020 With Comparative Data

Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Comparative Data December 31, 2019
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	December 31, 2020			
					Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Administration	\$ 153,353	\$ 9,494	\$ -	\$ -	\$ (143,859)	\$ (143,859)	\$ (143,859)	\$ (151,214)
Public safety	182,994	5,717	-	-	(177,277)	(177,277)	(177,277)	(175,184)
Transportation	432,872	-	-	-	(432,872)	(432,872)	(432,872)	(70,785)
Recycling	287	-	-	-	(287)	(287)	(287)	-
Interest on long-term debt	8,933	-	-	-	(8,933)	(8,933)	(8,933)	(16,600)
Total governmental activities	778,439	15,211	-	-	(763,228)	(763,228)	(763,228)	(413,783)
Business-type activities								
Wastewater	143,430	120,644	9,806	-		(12,980)	(12,980)	(20,481)
Total Business-type activities	143,430	120,644	9,806	-	-	(12,980)	(12,980)	(20,481)
Total primary government	\$ 921,869	\$ 135,855	\$ 9,806	\$ -	(763,228)	(12,980)	(776,208)	(434,264)
General Revenues:								
Taxes					778,228	-	778,228	704,272
Interest and Investment Earnings					3,312	119	3,431	3,725
Miscellaneous					6,586	-	6,586	7,070
Gain (Loss) on Sale of Assets					1,200	(618)	582	393
Transfers in (out)					(16,176)	16,176	-	-
Total General Revenues and transfers					773,150	15,677	788,827	715,460
Change in Net Position					9,922	2,697	12,619	281,196
Net Position at Beginning of Year					757,744	1,350,925	2,108,669	1,827,473
Net Position at End of Year					\$ 767,666	\$ 1,353,622	\$ 2,121,288	\$ 2,108,669

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
Balance Sheet - Modified Cash Basis
Governmental Funds
December 31, 2020 With Comparative Data

	General Fund	Total Governmental Funds December 31, 2020	Total Governmental Funds December 31, 2019
ASSETS			
Unrestricted Assets:			
Cash and cash equivalents	\$ 417,711	\$ 417,711	\$ 217,809
Investments	-	-	110,691
Due from other funds	5,000	5,000	-
Restricted:			
Restricted cash equivalents	87,498	87,498	104,362
Restricted investments	-	-	67,771
TOTAL ASSETS	<u>\$ 510,209</u>	<u>\$ 510,209</u>	<u>\$ 500,633</u>
LIABILITIES			
Accrued expenses	\$ 8,935	8,935	\$ 2,417
Total liabilities	<u>8,935</u>	<u>8,935</u>	<u>2,417</u>
FUND BALANCES			
Restricted	87,498	87,498	172,133
Assigned	-	-	110,691
Unassigned	413,776	413,776	215,392
Total fund balances	<u>501,274</u>	<u>501,274</u>	<u>498,216</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 510,209</u>	<u>\$ 510,209</u>	<u>\$ 500,633</u>

VILLAGE OF INDIAN POINT, MISSOURI

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - Modified Cash Basis
December 31, 2020 with Comparative Data

	December 31, 2020	Comparative Data December 31, 2019
Total fund balances - total governmental funds	\$ 501,274	\$ 498,216
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 governmental funds balance sheet.	413,392	423,528
Long-term liabilities, including bonds payable and compensated balances, are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(147,000)	(164,000)
Net position of governmental activities	<u>\$ 767,666</u>	<u>\$ 757,744</u>

VILLAGE OF INDIAN POINT, MISSOURI

Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis

Governmental Funds

Year Ended December 31, 2020 with Comparative Data

	General Fund	Total Governmental Funds 2020	Total Governmental Funds 2019
REVENUES			
Taxes	\$ 567,692	\$ 567,692	\$ 531,487
Transportation taxes	210,536	210,536	172,785
Fines and forfeitures	5,717	5,717	10,721
Charge for services	9,494	9,494	8,405
Interest	3,312	3,312	3,136
Other income	6,586	6,586	7,070
TOTAL REVENUES	<u>803,337</u>	<u>803,337</u>	<u>733,604</u>
EXPENDITURES			
Administration	145,112	145,112	147,759
Public safety	180,236	180,236	201,206
Transportation	433,735	433,735	105,135
Recycling	287	287	-
Debt service:			
Principal payments	17,000	17,000	149,000
Interest and agent fees	8,933	8,933	16,600
TOTAL EXPENDITURES	<u>785,303</u>	<u>785,303</u>	<u>619,700</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	18,034	18,034	113,904
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(16,176)	(16,176)	(49,375)
Sale of assets	1,200	1,200	4,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,976)</u>	<u>(14,976)</u>	<u>(45,375)</u>
NET CHANGE IN FUND BALANCE	3,058	3,058	68,529
FUND BALANCE, January 1	<u>498,216</u>	<u>498,216</u>	<u>429,687</u>
FUND BALANCE, December 31	<u>\$ 501,274</u>	<u>\$ 501,274</u>	<u>\$ 498,216</u>

VILLAGE OF INDIAN POINT, MISSOURI

Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities - Modified Cash Basis
Year Ended December 31, 2020 with Comparative Data

	2020	Comparative Data 2019
Net changes in fund balances - total governmental funds	\$ 3,058	\$ 68,529
Governmental funds financial statements report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(10,136)	43,907
In the statement of activities, only the gain on the sale is reported, whereas in the governmental funds, the proceeds from the sale increase the financial resources.	-	(9,723)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	17,000	149,000
Changes in net position of governmental activities	<u>\$ 9,922</u>	<u>\$ 251,713</u>

VILLAGE OF INDIAN POINT, MISSOURI
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds-Sewer Fund
December 31, 2020 with Comparative Data

	December 31, 2020	Comparative Data December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,861	\$ 9,021
Restricted assets:		
Cash and cash equivalents	36,639	34,694
Total current assets	<u>50,500</u>	<u>43,715</u>
Capital Assets:		
Land	24,704	24,704
Equipment	53,208	54,123
Building and plant	2,093,816	2,093,816
Accumulated depreciation	(484,747)	(437,776)
Net capital assets	<u>1,686,981</u>	<u>1,734,867</u>
 Total Assets	 <u>\$ 1,737,481</u>	 <u>\$ 1,778,582</u>
LIABILITIES		
Current Liabilities		
Due to other funds	5,000	-
Current portion of long term debt	54,402	48,799
Total Current Liabilities	<u>59,402</u>	<u>48,799</u>
Long-term debt	<u>324,457</u>	<u>378,858</u>
Total Liabilities	<u>383,859</u>	<u>427,657</u>
NET POSITION		
Net investment in capital assets	1,308,122	1,307,210
Unrestricted	45,500	43,715
Total Net Position	<u>\$ 1,353,622</u>	<u>\$ 1,350,925</u>

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI

Statement of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis

Proprietary Funds - Sewer Fund

Year Ended December 31, 2020 With Comparative Data

	Comparative Data	
	December 31, 2020	December 31, 2019
Operating revenues		
Charge for services	\$ 120,644	\$ 111,273
Total operating revenues	<u>120,644</u>	<u>111,273</u>
Operating expenses:		
Depreciation and amortization	47,268	44,224
Sewer operating expenses	71,910	71,521
Total operating expenses	<u>119,178</u>	<u>115,745</u>
Operating income (loss)	<u>1,466</u>	<u>(4,472)</u>
Non-Operating revenues (expenses)		
Intergovernmental revenues	9,806	11,139
Interest expense and fiscal fees	(24,252)	(27,148)
Loss on disposal of capital assets	(618)	-
Interest income	119	589
Total non-operating revenues (expenses)	<u>(14,945)</u>	<u>(15,420)</u>
Income (loss) before transfers	(13,479)	(19,892)
Operating transfers in (out)	<u>16,176</u>	<u>49,375</u>
Change in net position	2,697	29,483
Net position at the beginning of year	<u>1,350,925</u>	<u>1,321,442</u>
Net position at end of year	<u>\$ 1,353,622</u>	<u>\$ 1,350,925</u>

VILLAGE OF INDIAN POINT
STATEMENT OF CASH FLOWS-Modified Cash Basis
December 31, 2020 with Comparative Data

	2020	Comparative Data 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 120,644	\$ 111,273
Cash payments to suppliers and vendors	(71,910)	(71,521)
Net cash provided by (used for) operating activities	<u>48,734</u>	<u>39,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from investments	119	589
Net cash provided (used) by investing activities	<u>119</u>	<u>589</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in/(out)	16,176	49,375
Due to other funds	5,000	-
Net cash provided (used) by noncapital financing activities	<u>21,176</u>	<u>49,375</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	-	(42,557)
Principal paid on debt	(48,798)	(48,233)
Interest paid on debt	(24,252)	(27,148)
Grant revenues	9,806	11,139
Net cash provided (used) by capital and related financing activities	<u>(63,244)</u>	<u>(106,799)</u>
Net increase (decrease) in cash and equivalents	6,785	(17,083)
Cash and equivalents, January 1	43,715	60,798
Cash and equivalents, December 31	<u>\$ 50,500</u>	<u>\$ 43,715</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	1,466	(4,472)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation and amortization	47,268	44,224
Net cash provided by (used for) operating activities	<u>\$ 48,734</u>	<u>\$ 39,752</u>

See accompanying notes to financial statements.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The Village of Indian Point, Missouri operates under a form of government that is comprised of an elected Board of Trustees. Indian Point provides a range of municipal services, including general government administration, public safety, planning and community development and street maintenance.

In evaluating how to define the reporting entity, for financial statement purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by the Financial Accounting Standards Board (FASB) which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component units board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

B. Government-Wide and Fund Financial Statements

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes on the Village's financial position and operations. Such information is presented in a summarized comparative format and should be read in conjunction with the government's financial statements for the year ended December 31, 2019, from which the information was summarized.

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the Village as a whole, excluding fiduciary activities, within the limitations of the modified cash basis of accounting. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed by taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance, revenues, and expenditures or expenses. The Village's funds are organized into two major categories: governmental and proprietary. The Village presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds.

The funds of the financial reporting entity are described subsequently:

Governmental Fund:

General Fund - The General Fund is the general operating fund of the Village and is always classified as major. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund:

Enterprise Funds - Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The one enterprise fund is the sewer fund.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus:

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

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

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

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2020

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

Basis of Accounting

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

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

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

C. Revenues, Expenditures, and Expenses

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Transportation, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

among program revenues are reported instead as general revenues even if restricted for a specific purpose.

The Village distinguishes operating revenues and expenses from non-operating items in the proprietary funds. Operating receipts and disbursements generally result from providing services in connection with the Village's principal ongoing operations. The principal operating receipts are charges to customers for water services. Operating disbursements include the costs of sales and services and administrative expenses. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Cash and Cash Equivalents

Cash consists of amounts in demand deposits and certificates of deposit. The Village considers all highly liquid investments maturing within three months to be cash equivalents. Cash balances are invested to the extent available. Investments include money market accounts and certificates of deposit. Investments are stated at cost which approximates fair value.

E. Property Taxes

The Village does not levy property taxes.

F. Capital Assets

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. Under GASB No. 34, small Cities have the option to capitalize infrastructure purchased in previous years. The Village of Indian Point has chosen not to capitalize existing infrastructure but will capitalize any future infrastructure that it acquires. No long-term capital assets or depreciation are shown in the governmental fund's financial statements.

Capital assets, excluding public domain infrastructure (e.g. roads, bridges, sidewalks and other assets that are immovable and of value only to the Village) are defined as assets with an individual cost of more than \$500 and an estimated useful life greater than one year. Infrastructure assets are defined as assets that have an individual cost of \$10,000 or more.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment	5-15 years
Buildings	50 years
Sewer mains	50 years
Water towers and lines	20-50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

G. Use of Estimates

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

H. Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur which result in amounts owed to a particular fund by another fund, other than for goods provided or services rendered. These receivables and payables are due within a year and are classified as "due to/from other funds" on the balance sheet.

I. Compensated Absences

The Village's policy on vacation and sick leave permits limited accruals of each type that can be used in a future year. No provision has been made to record this liability in the year incurred, but rather, when paid.

J. Pension

Financial reporting information included in the notes to the financial statements pertaining to the Library's participation in the Missouri Local Government Employees' Retirement System (LAGERS) is prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as applicable to the Village's modified cash basis of accounting. Therefore, employer contributions are recognized when paid and the Village's net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions are not recorded in the financial statements.

K. Net Position/Fund Balance Classifications

Government-Wide Statements

On government-wide statements, net position is classified and displayed in three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position is one with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, is shown as unrestricted. Generally, the Village would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

Fund Financial Statements

Governmental Funds:

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on their respective level of constraint. Nonspendable amounts cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact. Restricted amounts are constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enable legislation. Committed amounts are constrained regarding use for specific purposes pursuant to requirements imposed by formal action by the City's Board of Trustees. Assigned amounts are constrained by the Village's intent to be used for specific purposes but that are neither restricted nor committed. Unassigned amounts are spendable amounts that have not been restricted, committed, or assigned to specific purposes. The Village would typically use restricted funds first, followed by committed, followed by assigned, and then unassigned, as needed.

Proprietary Funds:

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

2. **Restricted Assets**

Governmental Activities

The 2007 Certificates of Participation established deposit requirements for project construction and debt service. These funds are held in trust accounts. At December 31, 2020 the required deposits had been met and consist of:

	Restricted Cash and Investments	Restricted Net Position
Roads Fund	\$ 78,397	\$ 78,397
Capital Improvements	9,101	9,101
	<u>\$ 87,498</u>	<u>\$ 87,498</u>

Business-Type Activities (Sewer Fund)

The 2005 Revenue Bonds established deposit requirements for project construction, debt service payments, rebates and debt service reserve. These funds are held in trust accounts. At December 31, 2020, the required deposits had been met and consist of:

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2020

	Restricted Cash	Restricted Net Position
Debt service funds	\$ 24,759	\$ -
Special reserve funds	11,880	-
	<u>\$ 36,639</u>	<u>-</u>

3. Cash and Equivalents

The Village has formal investment policies for Village monies.

Deposits:

The Village's deposits, including restricted assets, are stated at cost and are composed of the following:

	Book Carrying Amounts	Bank Balance
Petty cash	\$ 400	
Checking accounts	518,670	528,517
Total	519,070	528,517
Held in Trust:		
U.S. Government money market funds	36,639	36,639
Total	<u>\$ 555,709</u>	<u>\$ 565,156</u>

Interest Rate Risk – In accordance with its investment policy, the Village manages its exposure to declines in fair values by holding investments to maturity.

Custodial Credit Risk – This is the risk that in the event of a bank failure, the Village's deposits may not be returned to it.

Of the total bank balance at December 31, 2020, the entire balance was covered by federal depository insurance or pledged collateral.

To protect the safety of the Village deposits, Section 110.020, RSMo 1986, requires depositories to pledge collateral securities to secure Village deposits not insured by the Federal Deposit Insurance Corporation. As the previous paragraph indicates, the Village and its depository banks were in compliance with the Missouri law.

Section 95.355, RSMo 1986, requires the Village to enter into agreements with the banks selected as depositories. The Village does not have formal depository contracts with the banks that hold Village monies.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

4. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; employee health benefits; and natural disaster. The Village maintains commercial insurance coverage for each of those risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

5. Capital Assets

Capital asset activities for the year ended December 31, 2020, were as follows:

	Balance 1/1/2020	Additions	Retirements	Balance 12/31/2020
Governmental activities:				
Land & Improvements	\$ 72,931	\$ -	\$ -	72,931
Buildings	371,671	4,643		376,314
Equipment	242,722	16,044	41,243	217,523
Total	687,324	20,687	41,243	666,768
Less accumulated depreciation for:				
Land Improvements	706	846	-	1,552
Buildings	116,388	8,613	-	125,001
Equipment	146,702	21,364	41,243	126,823
Total	263,796	30,823	41,243	253,376
Net capital assets	\$ 423,528	\$ (10,136)	\$ -	\$ 413,392
Business-type activities:				
Land	\$ 24,704	-	-	\$ 24,704
Equipment	54,123	-	915	53,208
Building and plant	2,093,816	-	-	2,093,816
Total	2,172,643	-	915	2,171,728
Less accumulated depreciation for:				
Buildings	433,672	41,877	-	475,549
Equipment	4,104	5,391	297	9,198
Total	437,776	47,268	297	484,747
Net capital assets	\$ 1,734,867	\$ (47,268)	\$ 618	\$ 1,686,981

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

6. Short-Term Debt

The Village entered into a promissory note with the Table Rock Community Bank on March 6, 2020 for short-term financing for road repairs. The promissory note was due in installments of accrued interest at 3.30% every three months and due on November 30, 2020. This note was paid off during 2020.

7. Long-Term Debt

The following is a summary of the Village's long-term debt transactions for the years ended:

	Debt outstanding, Jan 1, 2020	Additions of new debt	Retirements and repayments	Debt outstanding, Dec 31, 2020	Due Within One Year
Governmental-type Activities:					
Certificates of participation	\$ 164,000	-	17,000	\$ 147,000	\$ 18,000
	<u>\$ 164,000</u>	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ 147,000</u>	<u>\$ 18,000</u>
Business-type Activities:					
Revenue Bonds:					
2009 Lease Purchase	\$ 112,658		\$ 8,799	\$ 103,859	\$ 9,402
Waste Water, 2005	315,000		40,000	275,000	45,000
	<u>\$ 427,658</u>	<u>\$ -</u>	<u>\$ 48,799</u>	<u>\$ 378,859</u>	<u>\$ 54,402</u>
Total	<u>\$ 591,658</u>	<u>\$ -</u>	<u>\$ 65,799</u>	<u>\$ 525,859</u>	<u>\$ 72,402</u>

The debt consists of:

	Governmental-Type Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	18,000	6,802	24,802	54,402	19,841	74,243
2022	19,000	5,942	24,942	55,048	17,059	72,107
2023	20,000	5,000	25,000	55,738	14,232	69,970
2024	21,000	3,975	24,975	56,474	11,357	67,831
2025	22,000	2,900	24,900	57,262	8,432	65,694
2026-2029	47,000	2,375	49,375	99,935	9,264	109,199
	<u>\$ 147,000</u>	<u>\$ 26,994</u>	<u>\$ 173,994</u>	<u>\$ 378,859</u>	<u>\$ 80,185</u>	<u>\$ 459,044</u>

Governmental-type Activities:

2007 Village City Hall Project Certificates of Participation, dated April 1, 2007, due in annual installments through April 1, 2027, bearing interest rates of 4.6% to 5.0%, interest payable semi-annually.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2020

Business-type Activities:

2005 State Revolving Fund waste water system revenue bonds, dated November 1, 2005, due in annual installments through July 1, 2026, bearing interest rates of 3.25% to 5.25%, interest payable semi-annually.

2009 Lease Purchase, dated March 15, 2009, due in semi-annual installments through April 1, 2029, bearing interest rate of 6.75%, interest payable semi-annually.

7. Operating Leases

The Village entered into an operating lease for a new copy machine beginning in July 2017 and ending August 2022. The agreement is for a 60-month term, \$105.32 due monthly. For December 31, 2020, \$1,264 was expensed.

Future minimum rental commitments at December 31, 2020 are as follows:

For the year ending December 31,	<u>Equipment</u>
2021	\$ 1,264
2022	855
	<u>\$ 2,119</u>

8. Pension Plan

A. Plan Description

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

B. Benefits Provided

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

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2020

	2/29/2020
	<u>Valuation</u>
Benefit Multiplier:	1.50% for life
Final Average Salary:	5 Years
Member Contributions:	4%

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

As of February 29, 2020, the following employees were covered by the benefit terms:

	<u>Plan</u>
Retirees and beneficiaries currently receiving benefits	0
Terminated employees entitled to benefits but not yet receiving them	0
Active Employees	<u>4</u>
Total	<u><u>4</u></u>

C. Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the Village contribute 4% to the pension plan. The Employer contribution rates are 7.80% for General and 9.20% for Police of annual covered. For the year ended December 31, 2020 the employer recognized pension expense of \$17,069.

SUPPLEMENTARY INFORMATION

VILLAGE OF INDIAN POINT, MISSOURI

Budgetary Comparison Schedule - General Fund-Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Budget as Amended	Actual	Variance from amended Positive (Negative)
Resources (inflows):				
Taxes	\$ 648,500	\$ 754,600	\$ 778,228	\$ 23,628
Fines and forfeitures	6,000	11,600	5,717	(5,883)
Charges for services	9,000	8,800	9,494	694
Interest income	3,400	3,300	3,312	12
Miscellaneous income	3,600	1,200	6,586	5,386
Total Resources (inflows)	<u>670,500</u>	<u>779,500</u>	<u>803,337</u>	<u>23,837</u>
Charges to appropriations (outflows):				
Administration	137,640	149,685	145,112	4,573
Public safety	205,300	223,318	180,236	43,082
Transportation	479,000	541,100	433,735	107,365
Recycling	200	200	287	(87)
Debt service:				
Principal payments	26,000	26,000	17,000	9,000
Interest and agent fees	-	-	8,933	(8,933)
Total charges to appropriations	<u>848,140</u>	<u>940,303</u>	<u>785,303</u>	<u>155,000</u>
Other Financing Sources (Uses)				
Transfers in (out)	(16,260)	(16,260)	(16,176)	84
Sale of assets	-	-	1,200	1,200
Total Other Financing Sources (Uses)	<u>(16,260)</u>	<u>(16,260)</u>	<u>(14,976)</u>	<u>1,284</u>
Net Change in Fund Balances	(193,900)	(177,063)	3,058	180,121
Fund Balance, January 1	<u>498,216</u>	<u>498,216</u>	<u>498,216</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 304,316</u>	<u>\$ 321,153</u>	<u>\$ 501,274</u>	<u>\$ 180,121</u>

VILLAGE OF INDIAN POINT, MISSOURI

Notes to the Supplementary Information - Budget Comparisons

December 31, 2020

1. Budgetary Basis

Annual budgets are adopted on a modified cash basis of accounting where revenues are reported as collected and expenditures when paid. All annual appropriations lapse at year-end.

2. Budgetary Information

Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level.

All budget revisions at this level are subject to final review by the Board of Trustees. Revisions to the budget were made during the year.

3. Excess of Expenditures over Appropriations

None.