

VILLAGE OF INDIAN POINT, MISSOURI

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2022

VILLAGE OF INDIAN POINT, MISSOURI
Audit Report
December 31, 2022

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Independent Auditor's Report

Board of Trustees
Village of Indian Point
Indian Point, Missouri

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village of Indian Point'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 and the business-type activities of the Village of Indian Point, as of December 31, 2022, and the respective changes in modified cash basis financial position 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. 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 Village of Indian Point, 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 the 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 presentation 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 Village of Indian Point'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Indian Point'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 Village of Indian Point's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Indian Point's basic financial statements. The budgetary comparison information on pages 24 and 25 is presented for purposes of additional analysis and is not a required part of the basic 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.

Report on Summarized Comparative Information

We have previously audited the Village of Indian Point's 2021 financial statements and we expressed unmodified opinions on the respective financial statements of the governmental and business-type activities in our report dated August 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with that audited financial statements from which it has been derived.

Miles CPA & Associates, LLC

Springfield, Missouri
June 23, 2023

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Net Position-Modified Cash Basis
December 31, 2022 With Comparative Data

	Governmental Activities	Business-Type Activities	Total December 31, 2022	Total December 31, 2021
ASSETS				
Cash and cash equivalents	\$ 749,800	\$ 7,349	\$ 757,149	\$ 583,302
Due from other funds	-	-	-	1,040
Restricted assets:				
Cash and cash equivalents	89,172	36,116	125,288	318,140
Capital Assets:				
Land	72,931	24,704	97,635	97,635
Building and plant	376,314	2,093,816	2,470,130	2,470,130
Equipment	376,172	78,703	454,875	334,976
Accumulated depreciation	(316,947)	(581,097)	(898,044)	(815,499)
TOTAL ASSETS	1,347,442	1,659,591	3,007,033	2,989,724
LIABILITIES				
Current Liabilities:				
Accrued expenses	994	-	994	11,385
Due to other funds	-	-	-	1,040
Current portion of long term debt	28,802	55,737	84,539	82,485
Total Current Liabilities	29,796	55,737	85,533	94,910
Long-Term Debt	102,332	213,672	316,004	400,541
TOTAL LIABILITIES	132,128	269,409	401,537	495,451
NET POSITION				
Net investment in capital assets	377,336	1,346,717	1,724,053	1,604,216
Restricted	89,172	36,116	125,288	318,140
Unrestricted	748,806	7,349	756,155	571,917
TOTAL NET POSITION	\$ 1,215,314	\$ 1,390,182	\$ 2,605,496	\$ 2,494,273

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Activities-Modified Cash Basis
For the year ended December 31, 2022 With Comparative Data

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position December 31, 2022			Comparative Data December 31, 2021
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Administration	\$ 368,736	\$ 17,797	\$ 32,083	\$ -	\$ (318,856)		\$ (318,856)	\$ (190,272)
Public safety	151,638	6,363	-	-	(145,275)		(145,275)	(158,194)
Transportation	470,303	-	-	-	(470,303)		(470,303)	(212,841)
Recycling	134	-	-	-	(134)		(134)	-
Interest on long-term debt	8,355	-	-	-	(8,355)		(8,355)	(9,047)
Total governmental activities	999,166	24,160	32,083	-	(942,923)		(942,923)	(570,354)
Business-type activities								
Wastewater	132,927	128,278	7,073	-		2,424	2,424	17,602
Total Business-type activities	132,927	128,278	7,073	-	-	2,424	2,424	17,602
Total primary government	\$ 1,132,093	\$ 152,438	\$ 39,156	\$ -	(942,923)	2,424	(940,499)	(552,752)
General Revenues:								
Taxes					1,052,265	-	1,052,265	923,328
Interest and Investment Earnings					1,122	251	1,373	1,434
Miscellaneous					890	-	890	975
Gain (Loss) on Sale of Assets					(2,806)	-	(2,806)	-
Total General Revenues and transfers					1,051,471	251	1,051,722	925,737
Change in Net Position					108,548	2,675	111,223	372,985
Net Position at Beginning of Year					1,106,766	1,387,507	2,494,273	2,121,288
Net Position at End of Year					\$ 1,215,314	\$ 1,390,182	\$ 2,605,496	\$ 2,494,273

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
Balance Sheet - Modified Cash Basis
Governmental Funds
December 31, 2022 With Comparative Data

	General Fund	Total Governmental Funds December 31, 2022	Total Governmental Funds December 31, 2021
ASSETS			
Unrestricted Assets:			
Cash and cash equivalents	\$ 749,800	\$ 749,800	\$ 556,755
Due from other funds	-	-	1,040
Restricted:			
Restricted cash equivalents	89,172	89,172	281,869
TOTAL ASSETS	<u>\$ 838,972</u>	<u>\$ 838,972</u>	<u>\$ 839,664</u>
LIABILITIES			
Accrued expenses	\$ 994	994	\$ 11,385
Total liabilities	<u>994</u>	<u>994</u>	<u>11,385</u>
FUND BALANCES			
Restricted	89,172	89,172	281,869
Unassigned	748,806	748,806	546,410
Total fund balances	<u>837,978</u>	<u>837,978</u>	<u>828,279</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 838,972</u>	<u>\$ 838,972</u>	<u>\$ 839,664</u>

VILLAGE OF INDIAN POINT, MISSOURI

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - Modified Cash Basis
December 31, 2022 with Comparative Data

	December 31, 2022	Comparative Data December 31, 2021
Total fund balances - total governmental funds	\$ 837,978	\$ 828,279
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.	508,470	437,057
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.	(131,134)	(158,570)
Net position of governmental activities	<u>\$ 1,215,314</u>	<u>\$ 1,106,766</u>

VILLAGE OF INDIAN POINT, MISSOURI

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

Governmental Funds

Year Ended December 31, 2022 with Comparative Data

	General Fund	Total Governmental Funds 2022	Total Governmental Funds 2021
REVENUES			
Taxes	\$ 769,777	\$ 769,777	\$ 676,345
Transportation taxes	282,488	282,488	246,983
Intergovernmental revenue	32,083	32,083	9,999
Fines and forfeitures	6,363	6,363	20,647
Charge for services	17,797	17,797	9,381
Interest	1,122	1,122	1,408
Other income	890	890	975
TOTAL REVENUES	1,110,520	1,110,520	965,738
EXPENDITURES			
Administration	380,400	380,400	199,871
Public safety	223,879	223,879	168,610
Transportation	461,052	461,052	256,519
Recycling	134	134	-
Debt service:			
Principal payments	27,437	27,437	23,429
Interest and agent fees	8,355	8,355	9,047
TOTAL EXPENDITURES	1,101,257	1,101,257	657,476
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	9,263	9,263	308,262
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	(16,257)
Loan proceeds	-	-	35,000
Sale of assets	436	436	-
TOTAL OTHER FINANCING SOURCES (USES)	436	436	18,743
NET CHANGE IN FUND BALANCE	9,699	9,699	327,005
FUND BALANCE, January 1	828,279	828,279	501,274
FUND BALANCE, December 31	\$ 837,978	\$ 837,978	\$ 828,279

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, 2022 with Comparative Data

	2022	Comparative Data 2021
Net changes in fund balances - total governmental funds	\$ 9,699	\$ 327,005
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 capital outlay exceeded depreciation in the current period.	74,654	23,665
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.	(3,242)	-
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.	27,437	(11,570)
Changes in net position of governmental activities	<u>\$ 108,548</u>	<u>\$ 339,100</u>

VILLAGE OF INDIAN POINT, MISSOURI
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds-Sewer Fund
December 31, 2022 with Comparative Data

	December 31, 2022	Comparative Data December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,349	\$ 26,547
Restricted assets:		
Cash and cash equivalents	36,116	36,271
Total current assets	<u>43,465</u>	<u>62,818</u>
Capital Assets:		
Land	24,704	24,704
Equipment	78,703	63,867
Building and plant	2,093,816	2,093,816
Accumulated depreciation	(581,097)	(532,202)
Net capital assets	<u>1,616,126</u>	<u>1,650,185</u>
Total Assets	<u>\$ 1,659,591</u>	<u>\$ 1,713,003</u>
LIABILITIES		
Current Liabilities		
Due to other funds	-	1,040
Current portion of long term debt	55,737	55,048
Total Current Liabilities	<u>55,737</u>	<u>56,088</u>
Long-term debt	<u>213,672</u>	<u>269,408</u>
Total Liabilities	<u>269,409</u>	<u>325,496</u>
NET POSITION		
Net investment in capital assets	1,346,717	1,325,729
Restricted	36,116	36,271
Unrestricted	7,349	25,507
Total Net Position	<u>\$ 1,390,182</u>	<u>\$ 1,387,507</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, 2022 With Comparative Data

	Comparative Data	
	December 31, 2022	December 31, 2021
Operating revenues		
Charge for services	\$ 128,278	\$ 153,532
Total operating revenues	<u>128,278</u>	<u>153,532</u>
Operating expenses:		
Depreciation and amortization	48,895	47,455
Sewer operating expenses	65,810	75,717
Total operating expenses	<u>114,705</u>	<u>123,172</u>
Operating income (loss)	<u>13,573</u>	<u>30,360</u>
Non-Operating revenues (expenses)		
Intergovernmental revenues	7,073	8,476
Interest expense and fiscal fees	(18,222)	(21,234)
Interest income	251	26
Total non-operating revenues (expenses)	<u>(10,898)</u>	<u>(12,732)</u>
Income (loss) before transfers	2,675	17,628
Operating transfers in (out)	<u>-</u>	<u>16,257</u>
Change in net position	2,675	33,885
Net position at the beginning of year	<u>1,387,507</u>	<u>1,353,622</u>
Net position at end of year	<u>\$ 1,390,182</u>	<u>\$ 1,387,507</u>

VILLAGE OF INDIAN POINT
STATEMENT OF CASH FLOWS-Modified Cash Basis
December 31, 2022 with Comparative Data

		Comparative Data
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 128,278	\$ 153,532
Cash payments to suppliers and vendors	(65,810)	(75,717)
Net cash provided by (used for) operating activities	<u>62,468</u>	<u>77,815</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from investments	251	26
Net cash provided (used) by investing activities	<u>251</u>	<u>26</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in/(out)	-	16,257
Due to other funds	(1,040)	(3,960)
Net cash provided (used) by noncapital financing activities	<u>(1,040)</u>	<u>12,297</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	(14,835)	(10,659)
Principal paid on debt	(55,048)	(54,403)
Interest paid on debt	(18,222)	(21,234)
Grant revenues	7,073	8,476
Net cash provided (used) by capital and related financing activities	<u>(81,032)</u>	<u>(77,820)</u>
Net increase (decrease) in cash and equivalents	(19,353)	12,318
Cash and equivalents, January 1	62,818	50,500
Cash and equivalents, December 31	<u>\$ 43,465</u>	<u>\$ 62,818</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	13,573	30,360
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation and amortization	48,895	47,455
Net cash provided by (used for) operating activities	<u>\$ 62,468</u>	<u>\$ 77,815</u>

See accompanying notes to financial statements.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

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 Governmental Accounting Standards Board (GASB) 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, 2021, 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.

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Notes to Financial Statements

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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 period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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Notes to Financial Statements

December 31, 2022

- 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.

GASB Statement No. 87, Leases, was issued to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 are effective for years beginning after June 15, 2021. The Village is currently implementing GASB Statement No. 87 and it did not impact the preparation of these financial statements.

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

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

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 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. Leased assets are amortized over the life of the lease.

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

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

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

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 Village'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, 2022

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, 2022 the required deposits had been met. Cash and fund balances have been restricted as follows:

	Restricted Cash	Restricted Fund Balance
Capital Improvements	\$ 89,172	\$ 89,172
	<u>\$ 89,172</u>	<u>\$ 89,172</u>

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

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, 2022, the required deposits had been met and consist of:

	Restricted Cash	Restricted Net Position
Debt service funds	\$ 24,132	\$ 24,132
Special reserve funds	11,984	11,984
	<u>\$ 36,116</u>	<u>36,116</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	\$ 452	
Checking accounts	845,870	848,782
Total	<u>846,322</u>	<u>848,782</u>
Held in Trust:		
U.S. Government money market funds	36,116	36,116
Total	<u>\$ 882,438</u>	<u>\$ 884,898</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, 2022, 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.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

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.

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, 2022, were as follows:

	Balance 1/1/2022	Additions	Retirements	Balance 12/31/2022
Governmental activities:				
Land & Improvements	\$ 72,931	\$ -	\$ -	72,931
Buildings	376,314	-	-	376,314
Equipment	271,109	117,407	12,344	376,172
Total	720,354	117,407	12,344	825,417
Less accumulated depreciation for:				
Land Improvements	2,399	847	-	3,246
Buildings	133,649	9,047	-	142,696
Equipment	147,249	32,858	9,102	171,005
Total	283,297	42,752	9,102	316,947
Net capital assets	\$ 437,057	\$ 74,655	\$ 3,242	\$ 508,470
Business-type activities:				
Land	\$ 24,704	-	-	\$ 24,704
Equipment	63,867	14,836	-	78,703
Building and plant	2,093,816	-	-	2,093,816
Total	2,182,387	14,836	-	2,197,223
Less accumulated depreciation for:				
Buildings	517,424	41,877	-	559,301
Equipment	14,778	7,018	-	21,796
Total	532,202	48,895	-	581,097
Net capital assets	\$ 1,650,185	\$ (34,059)	\$ -	\$ 1,616,126

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

6. Long-Term Debt

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

	Debt outstanding, Jan 1, 2022	Additions of new debt	Retirements and repayments	Debt outstanding, Dec 31, 2022	Due Within One Year
Governmental-type Activities:					
Certificates of participation	\$ 129,000	-	19,000	\$ 110,000	\$ 20,000
2021 Lease purchase	29,571	-	8,437	21,134	8,802
	<u>\$ 158,571</u>	<u>\$ -</u>	<u>\$ 27,437</u>	<u>\$ 131,134</u>	<u>\$ 28,802</u>
Business-type Activities:					
Revenue Bonds:					
2009 Lease Purchase	\$ 94,456		10,048	\$ 84,408	\$ 10,738
Waste Water, 2005	230,000		45,000	185,000	45,000
	<u>\$ 324,456</u>	<u>\$ -</u>	<u>\$ 55,048</u>	<u>\$ 269,408</u>	<u>\$ 55,738</u>

The debt consists of:

	Governmental-Type Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	28,802	5,728	34,530	55,738	14,232	69,970
2024	30,184	4,322	34,506	56,474	11,357	67,831
2025	25,148	2,928	28,076	57,262	8,432	65,694
2026	23,000	1,775	24,775	63,104	5,453	68,557
2027	24,000	600	24,600	14,003	2,254	16,257
2028-2029	-	-	-	22,827	1,557	24,384
	<u>\$ 131,134</u>	<u>\$ 15,353</u>	<u>\$ 146,487</u>	<u>\$ 269,408</u>	<u>\$ 43,285</u>	<u>\$ 312,693</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.

2021 Lease purchase, dated April 29, 2021, due in monthly installments of \$794 for principal and interest through April 23, 2025, bearing interest of 4.25%

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2022

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. 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.

	2/28/2022
	<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.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2022

As of February 28, 2022, 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	4
Active Employees	<u>4</u>
Total	<u><u>8</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 8.70% for General and 11.20% for Police of annual covered. For the year ended December 31, 2022 the employer recognized pension expense of \$20,040.

7. Stewardship, Compliance, and Accountability

For the year ended December 31, 2022, expenditures exceeded appropriations. This was due to unbudgeted transportation expenditures. In total, the Village's actual expenditures exceeded the budgeted expenditures by \$42,336.

SUPPLEMENTARY INFORMATION

VILLAGE OF INDIAN POINT, MISSOURI

Budgetary Comparison Schedule - General Fund-Modified Cash Basis

Year Ended December 31, 2022

	Original Budget	Budget as Amended	Actual	Variance from amended Positive (Negative)
Resources (inflows):				
Taxes	\$ 870,600	\$ 1,051,875	\$ 1,052,265	\$ 390
Fines and forfeitures	11,200	5,881	6,363	482
Intergovernmental	-	32,083	32,083	-
Charges for services	9,500	17,188	17,797	609
Interest	1,630	1,002	1,122	120
Miscellaneous	500	936	890	(46)
Total Resources (inflows)	<u>893,430</u>	<u>1,108,965</u>	<u>1,110,520</u>	<u>1,555</u>
Charges to appropriations (outflows):				
Administration	262,950	348,906	380,400	(31,494)
Public safety	287,010	265,915	223,879	42,036
Transportation	297,666	417,704	461,052	(43,348)
Recycling	360	134	134	-
Debt service:				
Principal payments	42,260	26,262	27,437	(1,175)
Interest and agent fees	-	-	8,355	(8,355)
Total charges to appropriations	<u>890,246</u>	<u>1,058,921</u>	<u>1,101,257</u>	<u>(42,336)</u>
Net Change in Fund Balances	3,184	50,044	9,263	(40,781)
Fund Balance, January 1	<u>828,279</u>	<u>828,279</u>	<u>828,279</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 831,463</u>	<u>\$ 878,323</u>	<u>\$ 837,542</u>	<u>\$ (40,781)</u>

See accompanying notes to the supplementary information.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to the Supplementary Information - Budget Comparisons

December 31, 2022

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

Actual expenditures exceeded the budget by \$42,336 due to unbudgeted transportation expenditures.