

REPORT OF
CITY OF NEW BLOOMFIELD, MISSOURI
YEAR ENDED DECEMBER 31, 2021

CITY OF NEW BLOOMFIELD, MISSOURI

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| Independent Auditor’s Report | 1-3 |
| Management’s Discussion and Analysis (Unaudited) | 4-15 |
| Government-Wide Statement of Net Position | 16 |
| Government-Wide Statement of Activities | 17-18 |
| Balance Sheet – Governmental Fund | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund | 20 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund to the Statement of Activities | 21 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual - General Fund | 22 |
| Statement of Net Position – Proprietary Funds | 23 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 24 |
| Statement of Cash Flows – Proprietary Funds | 25 |
| Notes to Basic Financial Statements | 26-42 |

Compliance and Internal Control

| | |
|---|-------|
| Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 43-44 |
| Schedule of Findings and Responses | 45-46 |

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Board of Aldermen
City of New Bloomfield, Missouri

723 Main St.
Boonville, MO 65233
(660) 882-7000
Fax: (660) 882-7765
www.gkccpas.com

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of New Bloomfield, Missouri (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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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 financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

PARTNERS
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

PARTNERS EMERITI
Robert A. Gerding
Fred W. Korte, Jr.

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.

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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 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.



May 24, 2022

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

As management of the City of New Bloomfield, Missouri, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. The City has implemented Governmental Accounting Standards Board GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1,819,585 (net position). Of this amount, \$549,680 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$76,941.
- As of the close of the current fiscal year, the City's governmental fund reported combined ending fund balances of \$176,770. Of this amount, \$2,915 is nonspendable, \$61,995 is restricted for debt service purposes, \$95,901 is restricted for other purposes, and \$15,959 is unassigned.
- At the end of the current fiscal year, the general fund had a fund balance of \$176,770.
- The City's bonds payable decreased \$36,646 due to payments on bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with the broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator to whether the financial position of the City is improving or deteriorating.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, transportation, cultural, parks and recreation and community development. The business-type activities of the City include Water and Wastewater operations. The government-wide financial statements can be found on pages 16 - 18 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental fund and proprietary funds.

Governmental Fund - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The City maintains one governmental fund. Information is presented in the Governmental Fund Statement Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, which is considered to be a major fund. The basic governmental fund financial statements can be found on pages 19 - 22.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the Enterprise Fund to account for its water, sewer and trash funds.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and trash funds since they are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 23 - 25 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 - 42.

Governmental-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of New Bloomfield, assets exceeded liabilities and deferred inflows of resources by \$1,819,585 as of December 31, 2021.

A significant portion of the City's net position (56%) is its investments in capital assets (e.g., land, buildings, equipment, improvements, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | 2021 NET POSITION | | |
|----------------------------------|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-Type Activities | Total |
| Current and other assets | \$ 117,398 | \$ 570,307 | \$ 687,705 |
| Restricted assets | 157,896 | 104,927 | 262,823 |
| Capital assets | 1,143,610 | 1,113,131 | 2,256,741 |
| Total Assets | 1,418,904 | 1,788,365 | 3,207,269 |
| Current liabilities | 59,751 | 45,687 | 105,438 |
| Long-term liabilities | 609,882 | 585,058 | 1,194,940 |
| Total Liabilities | 669,633 | 630,745 | 1,300,378 |
| Deferred inflows of resources | 87,306 | - | 87,306 |
| Net Position: | | | |
| Net investment in capital assets | 500,135 | 514,377 | 1,014,512 |
| Restricted | 151,912 | 103,481 | 255,393 |
| Unrestricted | 9,918 | 539,762 | 549,680 |
| Total Net Position | \$ 661,965 | \$ 1,157,620 | \$ 1,819,585 |

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

| 2020 NET POSITION | | | |
|----------------------------------|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-Type Activities | Total |
| Current and other assets | \$ 134,275 | \$ 449,261 | \$ 583,536 |
| Restricted assets | 124,923 | 99,067 | 223,990 |
| Capital assets | 1,165,811 | 1,201,601 | 2,367,412 |
| Total Assets | 1,425,009 | 1,749,929 | 3,174,938 |
| Current liabilities | 60,181 | 41,624 | 101,805 |
| Long-term liabilities | 659,786 | 587,717 | 1,247,503 |
| Total Liabilities | 719,967 | 629,341 | 1,349,308 |
| Deferred inflows of resources | 82,986 | - | 82,986 |
| Net Position: | | | |
| Net investment in capital assets | 485,811 | 601,801 | 1,087,612 |
| Restricted | 109,032 | 96,498 | 205,530 |
| Unrestricted | 27,213 | 422,289 | 449,502 |
| Total Net Position | \$ 622,056 | \$ 1,120,588 | \$ 1,742,644 |

As of December 31, 2021, the City is able to report positive balances in all three categories of net position for the government as a whole.

Analysis of the City's Operations - Overall the City had an increase in net position of \$76,941.

Governmental Activities: Governmental activities increased the net position by \$39,909.

Business-Type Activities: Net Position from business-type activities increased by \$37,032 from \$1,120,588 to \$1,157,620. This increase was primarily due to an excess of operating revenues over operating expenses.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

The following tables provide a summary of the City's operations for year ended December 31, 2021 and 2020.

2021 CHANGES IN NET POSITION

| | Governmental Activities | Business-Type Activities | Total |
|------------------------------------|----------------------------|-----------------------------|---------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Charges for services | \$ 1,907 | \$ 321,463 | \$ 323,370 |
| Operating grants and contributions | - | 67,901 | 67,901 |
| Capital grants and contributions | - | - | - |
| General Revenues: | | | |
| Property taxes | 86,960 | - | 86,960 |
| Sales taxes | 88,496 | - | 88,496 |
| Franchise taxes | 34,769 | - | 34,769 |
| Motor vehicle and fuel taxes | 29,203 | - | 29,203 |
| Interest and investment earnings | 195 | 327 | 522 |
| Other | 17,845 | - | 17,845 |
| Interfund transfers | (3,000) | 3,000 | - |
| Total Revenues | 256,375 | 392,691 | 649,066 |
| Expenses: | | | |
| Interest and fees | 17,037 | - | 17,037 |
| General government | 87,698 | - | 87,698 |
| Public safety | 40,780 | - | 40,780 |
| Transportation | 70,951 | - | 70,951 |
| Water, sewer and trash | - | 355,659 | 355,659 |
| Total Expenses | 216,466 | 355,659 | 572,125 |
| Change in net position | 39,909 | 37,032 | 76,941 |
| Net Position - Beginning of Year | 622,056 | 1,120,588 | 1,742,644 |
| Net Position - End of Year | \$ 661,965 | \$ 1,157,620 | \$ 1,819,585 |

2020 CHANGES IN NET POSITION

| | Governmental Activities | Business-Type Activities | Total |
|------------------------------------|----------------------------|-----------------------------|---------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Charges for services | \$ 5,237 | \$ 316,315 | \$ 321,552 |
| Operating grants and contributions | 38,377 | - | 38,377 |
| Capital grants and contributions | 28,200 | - | 28,200 |
| General Revenues: | | | |
| Property taxes | 64,639 | - | 64,639 |
| Sales taxes | 81,139 | - | 81,139 |
| Franchise taxes | 31,064 | - | 31,064 |
| Motor vehicle and fuel taxes | 26,220 | - | 26,220 |
| Interest and investment earnings | 681 | 1,324 | 2,005 |
| Other | 4,767 | 643 | 5,410 |
| Total Revenues | 280,324 | 318,282 | 598,606 |
| Expenses: | | | |
| Interest and fees | 42,215 | - | 42,215 |
| General government | 68,981 | - | 68,981 |
| Public safety | 40,694 | - | 40,694 |
| Transportation | 43,655 | - | 43,655 |
| Water, sewer and trash | - | 323,791 | 323,791 |
| Total Expenses | 195,545 | 323,791 | 519,336 |
| Change in net position | 84,779 | (5,509) | 79,270 |
| Net Position - Beginning of Year | 537,277 | 1,126,097 | 1,663,374 |
| Net Position - End of Year | \$ 622,056 | \$ 1,120,588 | \$ 1,742,644 |

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Financial Analysis of the Government’s Fund

Governmental Fund - The focus of the City’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirement. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City’s governmental fund reported a combined ending fund balance of \$176,770.

In the General Fund, the City budgeted for an increase of \$23,352 in the fund balance. Due to actual revenues and expenditures being more than budgeted, the actual fund balance increase for fiscal year 2021 was \$11,017.

Proprietary Funds - The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights - The City made no revisions to the original appropriations approved by the City Council.

Capital Assets

The City of New Bloomfield’s investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$2,256,741 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements and construction in progress.

2021 CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------------|----------------------------|-----------------------------|---------------------|
| Property, plant and equipment: | | | |
| Land and land elements | \$ 16,500 | \$ 20,000 | \$ 36,500 |
| Buildings and improvements | 135,130 | - | 135,130 |
| Infrastructure | 985,439 | - | 985,439 |
| Equipment | 6,541 | 486,169 | 492,710 |
| Sewerage system | - | 597,658 | 597,658 |
| Treatment plant | - | 9,304 | 9,304 |
| Net Capital Assets | <u>\$ 1,143,610</u> | <u>\$ 1,113,131</u> | <u>\$ 2,256,741</u> |

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

2020 CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------------|----------------------------|-----------------------------|---------------------|
| Property, plant and equipment: | | | |
| Land and land elements | \$ 16,500 | \$ 20,000 | \$ 36,500 |
| Buildings and improvements | 124,056 | - | 124,056 |
| Infrastructure | 1,024,605 | - | 1,024,605 |
| Equipment | 650 | 545,783 | 546,433 |
| Sewerage system | - | 625,586 | 625,586 |
| Treatment plant | - | 10,232 | 10,232 |
| Net Capital Assets | <u>\$ 1,165,811</u> | <u>\$ 1,201,601</u> | <u>\$ 2,367,412</u> |

Additional information on the City's capital assets can be found in Note VII on pages 37 and 38 of this report.

Debt Administration

At the end of the current fiscal year, the City of New Bloomfield had total bonded debt of \$1,242,229.

2021 Outstanding Debt at Year End
Revenue Bonds, General Obligation Bonds and Other Liabilities

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------|----------------------------|-----------------------------|---------------------|
| Revenue bonds | \$ - | \$ 598,754 | \$ 598,754 |
| General obligation bonds | 643,475 | - | 643,475 |
| Compensated absences | 6,648 | 6,648 | 13,296 |
| Total | <u>\$ 650,123</u> | <u>\$ 605,402</u> | <u>\$ 1,255,525</u> |

2020 Outstanding Debt at Year End
Revenue Bonds, General Obligation Bonds and Other Liabilities

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------|----------------------------|-----------------------------|---------------------|
| Revenue bonds | \$ - | \$ 598,875 | \$ 598,875 |
| General obligation bonds | 680,000 | - | 680,000 |
| Compensated absences | 6,244 | 6,244 | 12,488 |
| Total | <u>\$ 686,244</u> | <u>\$ 605,119</u> | <u>\$ 1,291,363</u> |

During the fiscal year, the City's total debt decreased by \$35,838 or 3%. The decrease was due to the payment on debt.

Additional information on the City of New Bloomfield's long-term debt can be found in Note XI and XII on pages 39 - 41 of this report.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Transfers

Transfers in 2021 were as follows:

| | Transfer In | Transfer Out |
|---------|-------------|--------------|
| General | \$ - | \$ 3,000 |
| Water | 83,789 | - |
| Sewer | 1,500 | 82,289 |
| | \$ 85,289 | \$ 85,289 |

The City made no transfers in 2020.

Economic Outlook

The Economic Outlook for 2022 for New Bloomfield, Missouri is good. The current Infrastructure of the town continues to need work in order to support our churches, schools, businesses and population. We are poised for sustainable growth in both population and business opportunities. Six new homes have been built in the last several years, one new business had its Start-up in early 2022, with current businesses thriving.

Independent Annual Audit:

Fourth Class cities are required to perform an independent annual audit. This is a necessary Governance expense for each taxpayer in the city. Our current Independent Auditors are Gerding, Korte and Chitwood. In 2022 a Request for Proposal will be bid out in July.

Petitioned State Audit: Final Report / July 2019:

As stated in the Citizens Summary, New Bloomfield’s rating was “**Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, many of the prior recommendations have been implemented.”

The audit was completed July 2019. On September 3, 2019, the city received an invoice from the State Auditor’s office in the amount of \$27,963.78, stating “Payment is now due”. Due to the immense burden of this expense, the City negotiated a Memorandum of Understanding payment agreement. All taxpayers will feel the weight of this audit for several years as payments are made on a quarterly basis with the final payment being made on June 30, 2024.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Governance Fund:

Departments funded by City General are: Administration, Community Development, Municipal Court, Parks, Police / Public Safety and Streets. The most effective way to operate a monetary system is to look at 'money producing' financial measures, as well as 'cost cutting' measures.

Administration:

Elections:

In 2015, the city population voted to adopt RSMo 115.124, "If the number of candidates who have filed for office is equal to the number of positions to be filled, no election shall be held and the candidates will assume the responsibilities in the same manner as if they had been elected." Taxpayers will once again save up to \$1,500.00 in election expenses in 2021 due to this provision. However, this law has a six-year restriction whereby the City must hold a Municipal Election on April 5, 2022. In the Municipal Election in April 2023, the six-year RSMo 115.124 question will once again be placed on the ballot be voted upon for consideration by the people. This law applies as long as the population of the City remains under one thousand.

Sales Tax Revenues:

In order to support the departments funded by the general fund, a 1% General Revenue Sales Tax measure was placed on the April 2, 2019 ballot to be voted on by the people; it did not pass. Due to the non-election in both 2020 and 2021 the city did not place a 1% General Sales Tax measure on the Ballot. Fortunately, the General Sales Tax and Capital Improvement taxes have been increasing steadily, possibly due to local buying because of COVID. The City will consider the possibility of placing a 1% Sales Tax measure and a Use Tax measure on the Ballot in 2023.

If the Sales Tax increase had passed in 2019, these funds would have made it possible to look at other possible Public Safety / Policing opportunities and Community Development Issues, while adding extra support for our Parks and Streets. Not to mention, these dollars would have assisted with paying the cost of the State Audit. We will need to look at other revenue sources to increase funds in City General to support the departments funded by Governance Funds.

Enterprise Fund:

In order to continue to upgrade our water and sewer systems, the city needs to begin thinking about a new bond issue with hopeful Grant Funding.

General Administration:

The City Clerk is working diligently to update files and keep everything running smoothly. We will be accepting proposals for auditing services in July 2022 for the years 2022, 2023 and 2024.

Community Development:

As our city grows, we must invest in updating our planning and mapping as well as updating our comprehensive plan. We will need to get our City Engineers and City Attorney involved in the process. In order to fund these endeavors, we need to continue to explore Sales/Use Tax Ballot measures

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Court:

Understanding and complying with the new State regulations, we chose to move our Municipal Court to the Associate Circuit level. Our first Court date at the Callaway County Courthouse in Fulton was on September 8, 2017. We no longer have the expenses related to the staffing, training, or supplies for a Court Clerk or Municipal Judge. However, we must retain the services of a Prosecuting Attorney. Once a month, the County Court Clerk's office sends us a check and we pay the law enforcement training fee (LET) to the State; the remainder is placed in the City General fund. We are required to permanently house and retain the records of the New Bloomfield Municipal Court from its inception to the final Court date of June 5, 2017. This will be one of the ongoing costs to the City.

Parks:

Due to the fact that the 1% Sales Tax increase did not pass at the Polls in April 2019, the City sold a land asset to help make the payments for the State Audit. We will have to look to other funding sources to finance a Small Tots Play Area in the Park in the future.

Public Safety/Police:

Due to the desire to protect both our citizens and the safety of our Police officers, the City was blessed by the good will of a nearby community who offered in the middle of the year (2018) to help us with our policing needs. We were able to retain full time (24 hour) services under a contractual agreement that does exactly what we needed; protects both our citizens and our Police officers on a full-time basis. The current Full-Time Police coverage costs the City less than our previous Part-Time coverage. In order to continue to fund Public Safety and Policing measures, the City must increase funding for City General. Fortunately, the City was able to continue the intergovernmental agreement for the next 5 years under a mutually beneficial contract which ends on December 31, 2025.

Public Safety / Street Lights:

Our Street Light electricity fee has been increasing slightly due to inflation. New type of lights continue to be installed by Ameren U.E. as the old lights burn out and are replaced.

Streets/Roads/Stormwater:

History: As early as January 2017, Steve Goehl addressed the Council concerning ways to look at a new measure/s for Road and Street repairs and improvements as well as Stormwater issues. A suggestion was made to look at a Sales Tax measure at the same time planning for a Bond Issue. The passage of a Sales Tax would insure backup support for funding of the Bond Issue without an undo burden on homeowners. In April 2017, ongoing Stormwater concerns were addressed by the City requesting the City Engineer's input. In 2018, Allstate attended two Board of Aldermen meetings requesting input from the public. Afterwards, a preliminary plan was drawn up for a project. A Bond Issue was placed on the Ballot in 2019. The Street/Stormwater Bond Issue passed.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

2019 Bond Issue / 2020 Street/Related Stormwater Project:

In order to attempt to stabilize our tax rate; stay on top of street repairs and upgrades as well as Stormwater issues, the city placed a Bond Issue on the Ballot in April 2019. This Bond Issue was successful with over 57% of the vote required to pass the measure. However, the General Revenue Sales Tax measure which would have provided backup funding for Street/Stormwater concerns did not pass in April, 2019.

In 2020, we paid off the 2012 Street Bond Issue as well as bid out the \$680,000 Street/Related Stormwater project. The funding for the payoff of the 2012 Bond Issue was paid from the remaining Street Bond Reserve Account (#13196) and Capital Improvement Sales Tax dollars. The completion of the Street/Stormwater Project is a considerable blessing to the community as evidenced by a good quality job with a real upgrade to the city. In 2021, as promised in the Bond literature we were able to set the 2021 Debt Service Tax Rate at the Ballot Issue level of 0.9225 for the payoff of the loan in 12 years. The 2022 rate should stay about the same.

Snow and Ice Removal:

The Snow and Ice Removal contract was signed with Roettgen Excavating in 2019, which will expire June 10, 2022. The Snow and Ice Removal contract will be rebid in June 2022.

Solid Waste:

Republic Services will continue to remove our Solid Waste under contract until May 2023. As part of the contract, a Spring Cleanup is held in June each year.

Water/Sewer:

Rates:

In 2021, a Public Hearing was held and the rates were approved. In November 2021, Ordinance #833-21 was passed as a 5-year plan for our annual rate increase ending in year 2026. The rate study was conducted per the Department of Natural Resources timeline. In 2021, the U.S.D.A. loan was refinanced through Central Bank at the rate of 2.9% for the duration of the loan (2042).

Debt Service Reserve Account:

In 2018, we reached our goal of the \$46,560.00 required for the Debt Service Reserve Account by placing \$388.00 per month into this reserve account per the U.S.D.A loan agreement requirement. Once our loan was moved to a bank, this reserve account is no longer required. These dollars may be moved at any time, for possible future loans.

Replacement and Extension Fund:

Once the \$46,560.00 was reached in the Debt Service Reserve Account, \$388.00 per month is to be placed in the Replacement and Extension Account. This monthly payment must occur per the U.S.D.A. loan agreement requirement until our Debt is paid off in 2042. In 2021, because of moving our loan to a bank, this is no longer a requirement. However, because of good practice, \$388.00 is continuing to be deposited on a monthly basis into this account.

CITY OF NEW BLOOMFIELD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Water Reserve Funds:

We continue to save funds at \$1,000.00 a month to paint/maintain the Water Tower. The Water Tower must have a complete paint job done in the summer of 2022, both internal and external. We continue to save funds for the replacement of a well to the tune of \$150.00 a month.

Sewer:

Disinfection is required with the 2021 permit under a 4 year plan. The Department of Natural Resources has sent us a schedule to complete. We are operating under the second year of the plan.

The City has been working to reduce the Infiltration and Inflow within the Sewer System. After receiving bids, TREKK Design Group, LLC was hired under a grant/loan from D.N.R. to perform flow monitoring and smoke testing on our system. The City will ultimately have to choose between treating our wastewater at our facility and/or regionalization of our Sewer System, whichever serves the community best and is the most cost effective.

Goals:

With a goal to continue replacing old and worn out lines, we must begin looking at a new GRANT / BOND measure under a long-range plan.

Land/Building Sale:

Following the receipt of bid proposals, the MoDot facility was sold to Meadow Lake Acres Country Club. The money was placed in the two remaining accounts from which it ultimately came. Due to the loss of a storage facility for pipes, supplies, etc., a new maintenance building is in the planning process.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of New Bloomfield, Missouri, P.O. Box 77, New Bloomfield, Missouri 65063, call (573) 491-3614.

CITY OF NEW BLOOMFIELD, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2021

| ASSETS | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|---------------------|
| Current Assets: | | | |
| Cash and cash equivalents | \$ 123,723 | \$ 409,132 | \$ 532,855 |
| Certificates of deposit | - | 90,021 | 90,021 |
| Accounts receivable, net | 35,760 | 10,299 | 46,059 |
| Accrued interest receivable | - | 32 | 32 |
| Prepaid expenses | 2,915 | 5,520 | 8,435 |
| Inventories | - | 10,303 | 10,303 |
| Internal balances | (45,000) | 45,000 | - |
| Total Current Assets | <u>117,398</u> | <u>570,307</u> | <u>687,705</u> |
| Restricted Assets: | | | |
| Cash and cash equivalents | 80,423 | 75,875 | 156,298 |
| Certificates of deposit | - | 29,052 | 29,052 |
| Accounts receivable, net | 77,473 | - | 77,473 |
| Total Restricted Assets | <u>157,896</u> | <u>104,927</u> | <u>262,823</u> |
| Noncurrent Assets: | | | |
| Capital Assets: | | | |
| Land | 16,500 | 20,000 | 36,500 |
| Property and equipment | 1,458,046 | 3,247,369 | 4,705,415 |
| Accumulated depreciation | (330,936) | (2,154,238) | (2,485,174) |
| Total Capital Assets, net of accumulated depreciation | <u>1,143,610</u> | <u>1,113,131</u> | <u>2,256,741</u> |
| Total Assets | <u>1,418,904</u> | <u>1,788,365</u> | <u>3,207,269</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 1,798 | 5,720 | 7,518 |
| Sales tax/primacy fees payable | - | 837 | 837 |
| Accrued payroll | 1,661 | 3,424 | 5,085 |
| Current portion of accrued audit payable | 4,474 | 1,118 | 5,592 |
| Customer deposits | - | 11,400 | 11,400 |
| Current portion of bonds payable | 45,834 | 21,742 | 67,576 |
| Payable from restricted assets - accrued interest | 5,984 | 1,446 | 7,430 |
| Total Current Liabilities | <u>59,751</u> | <u>45,687</u> | <u>105,438</u> |
| Long-Term Liabilities: | | | |
| Bonds payable (net of current portion) | 597,641 | 577,012 | 1,174,653 |
| Accrued audit payable (net of current portion) | 5,593 | 1,398 | 6,991 |
| Compensated absences | 6,648 | 6,648 | 13,296 |
| Total Long-Term Liabilities | <u>609,882</u> | <u>585,058</u> | <u>1,194,940</u> |
| Total Liabilities | <u>669,633</u> | <u>630,745</u> | <u>1,300,378</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 87,306 | - | 87,306 |
| Total Deferred Inflows of Resources | <u>87,306</u> | <u>-</u> | <u>87,306</u> |
| NET POSITION | | | |
| Net investment in capital assets | 500,135 | 514,377 | 1,014,512 |
| Restricted but expendable for: | | | |
| Debt service | 56,011 | 103,481 | 159,492 |
| Other purposes | 95,901 | - | 95,901 |
| Unrestricted | 9,918 | 539,762 | 549,680 |
| Total Net Position | <u>\$ 661,965</u> | <u>\$ 1,157,620</u> | <u>\$ 1,819,585</u> |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
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 | Primary Government | | Total |
| | | | | | Governmental Activities | Business-Type Activities | |
| Governmental Activities: | | | | | | | |
| General government | \$ 87,698 | \$ 1,590 | \$ - | \$ - | \$ (86,108) | \$ - | \$ (86,108) |
| Public safety | 40,780 | 317 | - | - | (40,463) | - | (40,463) |
| Streets | 70,951 | - | - | - | (70,951) | - | (70,951) |
| Interest & fees on long-term debt | 17,037 | - | - | - | (17,037) | - | (17,037) |
| Total Governmental Activities | <u>216,466</u> | <u>1,907</u> | <u>-</u> | <u>-</u> | <u>(214,559)</u> | <u>-</u> | <u>(214,559)</u> |
| Business-Type Activities: | | | | | | | |
| Water | 168,194 | 135,063 | 67,901 | - | - | 34,770 | 34,770 |
| Sewer | 142,058 | 131,336 | - | - | - | (10,722) | (10,722) |
| Trash | 45,407 | 55,064 | - | - | - | 9,657 | 9,657 |
| Total Business-Type Activities | <u>355,659</u> | <u>321,463</u> | <u>67,901</u> | <u>-</u> | <u>-</u> | <u>33,705</u> | <u>33,705</u> |
| Total | <u>\$ 572,125</u> | <u>\$ 323,370</u> | <u>\$ 67,901</u> | <u>\$ -</u> | <u>\$ (214,559)</u> | <u>\$ 33,705</u> | <u>\$ (180,854)</u> |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (Cont'd)
 YEAR ENDED DECEMBER 31, 2021

| | Net (Expense) Revenue and Changes in Net Position | | |
|----------------------------------|--|-------------------------------------|--------------|
| | Primary Government | | |
| | Governmental Activities | Business-Type Activities | Total |
| General Revenues: | | | |
| Taxes: | | | |
| Property taxes | 86,960 | - | 86,960 |
| Sales taxes | 88,496 | - | 88,496 |
| Franchise taxes | 34,769 | - | 34,769 |
| Motor fuel taxes | 29,203 | - | 29,203 |
| Unrestricted investment earnings | 195 | 327 | 522 |
| Miscellaneous | 17,845 | - | 17,845 |
| Interfund transfers | (3,000) | 3,000 | - |
| Total General Revenues | 254,468 | 3,327 | 257,795 |
| Change in net position | 39,909 | 37,032 | 76,941 |
| Net position - beginning | 622,056 | 1,120,588 | 1,742,644 |
| Net position - ending | \$ 661,965 | \$ 1,157,620 | \$ 1,819,585 |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2021

| | General Fund |
|--|---------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 123,723 |
| Taxes receivable (net) | 35,760 |
| Prepaid expenses | 2,915 |
| Restricted assets: | |
| Cash and cash equivalents | 80,423 |
| Receivables (net) | 77,473 |
| Total Assets | \$ 320,294 |
| <u>LIABILITIES</u> | |
| Accounts payable | \$ 1,798 |
| Accrued payroll | 1,661 |
| Accrued audit payable | 4,474 |
| Due to other funds | 45,000 |
| Total Liabilities | 52,933 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Unavailable revenue - taxes | 90,591 |
| Total Deferred Inflows of Resources | 90,591 |
| <u>FUND BALANCES</u> | |
| Nonspendable | |
| Prepaid expenses | 2,915 |
| Restricted for: | |
| Debt service | 61,995 |
| Protested taxes | 4,157 |
| Streets | 85,347 |
| Capital improvements | 6,397 |
| Unassigned | 15,959 |
| Total Fund Balances | 176,770 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 320,294 |
| RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION: | |
| Total Fund Balances - Governmental Fund | \$ 176,770 |
| 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, net of accumulated depreciation of \$330,936 | 1,143,610 |
| Receivables not collected within sixty days of year-end are not current financial resources and, therefore, are not reported in the funds | 3,285 |
| Liabilities are not due and payable in the current period and therefore are not reported in the funds | (661,700) |
| Net Position of Governmental Activities | \$ 661,965 |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2021

| | General Fund |
|---|---------------------|
| REVENUES COLLECTED | |
| Taxes | \$ 238,837 |
| Licenses and permits | 1,590 |
| Fines and forfeits | 317 |
| Miscellaneous | 17,845 |
| Interest | 195 |
| Total Revenues Collected | 258,784 |
| EXPENDITURES PAID | |
| General government | 111,334 |
| Public safety | 40,780 |
| Street | 29,184 |
| Debt service: | |
| Principal | 36,525 |
| Interest and fees | 26,944 |
| Total Expenditures Paid | 244,767 |
| Excess (Deficit) of Revenues Collected over Expenditures Paid | 14,017 |
| Other Financing Uses | |
| Transfers Out | (3,000) |
| Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Uses | 11,017 |
| Fund Balance, beginning of year | 165,753 |
| Fund Balance, end of year | \$ 176,770 |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds \$ 11,017

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

| | |
|----------------------------|----------|
| Depreciation expense | (44,766) |
| Purchase of capital assets | 22,565 |

| | |
|---|-----|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds | 591 |
|---|-----|

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

| | |
|--|--------|
| Bond principal payments paid | 36,525 |
| Change in accrued interest payable from prior year | 9,907 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

| | |
|------------------------------|-------|
| Accrued audit payable | 4,474 |
| Accrued compensated absences | (404) |

| | |
|---|-----------|
| Change in Net Position of Governmental Activities | \$ 39,909 |
|---|-----------|

CITY OF NEW BLOOMFIELD, MISSOURI
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES COLLECTED | | | | |
| Taxes | \$ 216,950 | \$ 216,950 | \$ 238,837 | \$ 21,887 |
| Licenses and permits | 7,000 | 7,000 | 1,590 | (5,410) |
| Fines and forfeits | - | - | 317 | 317 |
| Miscellaneous | 4,400 | 4,400 | 17,845 | 13,445 |
| Interest | 283 | 283 | 195 | (88) |
| Total Revenues Collected | <u>228,633</u> | <u>228,633</u> | <u>258,784</u> | <u>30,151</u> |
| EXPENDITURES PAID | | | | |
| General government | 73,910 | 73,910 | 111,334 | (37,424) |
| Public safety | 41,902 | 41,902 | 40,780 | 1,122 |
| Street | 26,000 | 26,000 | 29,184 | (3,184) |
| Debt service: | | | | |
| Principal | 36,525 | 36,525 | 36,525 | - |
| Interest and fees | 26,944 | 26,944 | 26,944 | - |
| Total Expenditures Paid | <u>205,281</u> | <u>205,281</u> | <u>244,767</u> | <u>(39,486)</u> |
| Excess (Deficit) of Revenues Collected over Expenditures Paid | 23,352 | 23,352 | 14,017 | (9,335) |
| Other Financing Uses | | | | |
| Transfers In (Out) | - | - | (3,000) | (3,000) |
| Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Uses | 23,352 | 23,352 | 11,017 | <u>\$ 6,335</u> |
| Fund Balance, beginning of year | <u>165,753</u> | <u>165,753</u> | <u>165,753</u> | |
| Fund Balance, end of year | <u>\$ 189,105</u> | <u>\$ 189,105</u> | <u>\$ 176,770</u> | |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|-------------------|------------------|---------------------|
| | Water | Sewer | Trash | Total |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 225,801 | \$ 136,726 | \$ 46,605 | \$ 409,132 |
| Certificates of deposit | 45,010 | 45,011 | - | 90,021 |
| Accounts receivable, net | 4,604 | 3,871 | 1,824 | 10,299 |
| Accrued interest receivable | 16 | 16 | - | 32 |
| Prepaid expenses | 2,760 | 2,760 | - | 5,520 |
| Due from other funds | 45,000 | - | - | 45,000 |
| Inventories | 10,303 | - | - | 10,303 |
| Total Current Assets | 333,494 | 188,384 | 48,429 | 570,307 |
| Restricted Assets: | | | | |
| Cash and cash equivalents | 50,720 | 25,155 | - | 75,875 |
| Certificates of deposit | 18,497 | 10,555 | - | 29,052 |
| Total Restricted Assets | 69,217 | 35,710 | - | 104,927 |
| Noncurrent Assets: | | | | |
| Capital Assets | | | | |
| Land | 20,000 | - | - | 20,000 |
| Property and equipment | 1,498,198 | 1,746,491 | 2,680 | 3,247,369 |
| Accumulated depreciation | (1,027,700) | (1,123,858) | (2,680) | (2,154,238) |
| Total Capital Assets, net of accumulated depreciation | 490,498 | 622,633 | - | 1,113,131 |
| Total Assets | \$ 893,209 | \$ 846,727 | \$ 48,429 | \$ 1,788,365 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ 40 | \$ 2,000 | \$ 3,680 | 5,720 |
| Sales tax/primacy fees payable | 745 | 92 | - | 837 |
| Accrued payroll | 1,712 | 1,712 | - | 3,424 |
| Current portion of accrued audit payable | 559 | 559 | - | 1,118 |
| Customer deposits | 11,400 | - | - | 11,400 |
| Current portion of long-term debt | 10,871 | 10,871 | - | 21,742 |
| Payable from restricted assets - accrued interest | 723 | 723 | - | 1,446 |
| Total Current Liabilities | 26,050 | 15,957 | 3,680 | 45,687 |
| Long-Term Liabilities: | | | | |
| Accrued compensated absences | 3,324 | 3,324 | - | 6,648 |
| Accrued audit payable (net of current portion) | 699 | 699 | - | 1,398 |
| Revenue bonds payable (net of current portion) | 288,506 | 288,506 | - | 577,012 |
| Total Long-Term Liabilities | 292,529 | 292,529 | - | 585,058 |
| Total Liabilities | 318,579 | 308,486 | 3,680 | 630,745 |
| NET POSITION | | | | |
| Net investment in capital assets | 191,121 | 323,256 | - | 514,377 |
| Restricted for debt service | 68,494 | 34,987 | - | 103,481 |
| Unrestricted | 315,015 | 179,998 | 44,749 | 539,762 |
| Total Net Position | \$ 574,630 | \$ 538,241 | \$ 44,749 | \$ 1,157,620 |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

| | Business-Type Activities - Enterprise Funds | | | |
|------------------------------------|--|-------------------|------------------|---------------------|
| | Water | Sewer | Trash | Total |
| Operating Revenues: | | | | |
| Charges for services | \$ 134,858 | \$ 130,944 | \$ 55,064 | \$ 320,866 |
| Miscellaneous | 205 | 392 | - | 597 |
| Total Operating Revenues | <u>135,063</u> | <u>131,336</u> | <u>55,064</u> | <u>321,463</u> |
| Operating Expenses: | | | | |
| Administrative costs | 9,153 | 7,492 | - | 16,645 |
| Depreciation | 59,614 | 28,856 | - | 88,470 |
| Insurance | 1,072 | 1,072 | - | 2,144 |
| Professional fees | 5,128 | 4,478 | - | 9,606 |
| Replacements and repairs | 582 | 487 | - | 1,069 |
| Operational costs | 16,651 | 28,259 | 45,407 | 90,317 |
| Personnel services | 49,588 | 49,588 | - | 99,176 |
| Total Operating Expenses | <u>141,788</u> | <u>120,232</u> | <u>45,407</u> | <u>307,427</u> |
| Net operating income (loss) | <u>(6,725)</u> | <u>11,104</u> | <u>9,657</u> | <u>14,036</u> |
| Nonoperating Revenue (Expense): | | | | |
| Investment income | 160 | 167 | - | 327 |
| Interest expense and fees | (13,406) | (8,826) | - | (22,232) |
| Bond issue costs | (13,000) | (13,000) | - | (26,000) |
| Intergovernmental grants | 67,901 | - | - | 67,901 |
| Transfers in/(out) | 83,789 | (80,789) | - | 3,000 |
| Net Nonoperating Revenue (Expense) | <u>125,444</u> | <u>(102,448)</u> | <u>-</u> | <u>22,996</u> |
| Net income (loss) | 118,719 | (91,344) | 9,657 | 37,032 |
| Net position - beginning of year | <u>455,911</u> | <u>629,585</u> | <u>35,092</u> | <u>1,120,588</u> |
| Net position - end of year | <u>\$ 574,630</u> | <u>\$ 538,241</u> | <u>\$ 44,749</u> | <u>\$ 1,157,620</u> |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|-------------------|-------------------|-------------------|
| | Water | Sewer | Sanitation | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$ 145,600 | \$ 140,164 | \$ 58,834 | \$ 344,598 |
| Cash paid to suppliers | (32,931) | (40,845) | (45,399) | (119,175) |
| Cash paid to employees | (49,401) | (49,401) | - | (98,802) |
| Net cash provided (used) by operating activities | <u>63,268</u> | <u>49,918</u> | <u>13,435</u> | <u>126,621</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on capital debt | (390,793) | (223,108) | - | (613,901) |
| Interest paid on capital debt | (13,406) | (8,826) | - | (22,232) |
| Proceeds of capital debt issue | 306,890 | 306,890 | - | 613,780 |
| Intergovernmental grants | 67,901 | - | - | 67,901 |
| Interfund transfers in/(out) | 83,789 | (80,789) | - | 3,000 |
| Bond issue costs | (13,000) | (13,000) | - | (26,000) |
| Net cash provided (used) by capital and related financing activities | <u>41,381</u> | <u>(18,833)</u> | <u>-</u> | <u>22,548</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of certificates of deposit | (269) | (259) | - | (528) |
| Interest received | 160 | 167 | - | 327 |
| Net cash provided (used) by investing activities | <u>(109)</u> | <u>(92)</u> | <u>-</u> | <u>(201)</u> |
| Net increase (decrease) in cash and cash equivalents | 104,540 | 30,993 | 13,435 | 148,968 |
| Balances - beginning of year | <u>171,981</u> | <u>130,888</u> | <u>33,170</u> | <u>336,039</u> |
| Balances - end of year | <u>\$ 276,521</u> | <u>\$ 161,881</u> | <u>\$ 46,605</u> | <u>\$ 485,007</u> |
| Cash and cash equivalents | \$ 225,801 | \$ 136,726 | \$ 46,605 | \$ 409,132 |
| Restricted cash and cash equivalents | 50,720 | 25,155 | - | 75,875 |
| Total cash and cash equivalents, end of year | <u>\$ 276,521</u> | <u>\$ 161,881</u> | <u>\$ 46,605</u> | <u>\$ 485,007</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (6,725) | \$ 11,104 | \$ 9,657 | \$ 14,036 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Cash flows reported in other categories: | | | | |
| Depreciation expense | 59,614 | 28,856 | - | 88,470 |
| Change in assets and liabilities: | | | | |
| Receivables, net | 8,887 | 8,828 | 3,770 | 21,485 |
| Prepaid expenses | 49 | 50 | - | 99 |
| Inventories | 1,006 | - | - | 1,006 |
| Customer deposits | 1,650 | - | - | 1,650 |
| Accounts and other payables | (1,400) | 893 | 8 | (499) |
| Accrued expenses | 187 | 187 | - | 374 |
| Net cash provided by operating activities | <u>\$ 63,268</u> | <u>\$ 49,918</u> | <u>\$ 13,435</u> | <u>\$ 126,621</u> |

See notes to the basic financial statements

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of New Bloomfield, Missouri operates under a Council form of government and provides the following services as authorized by its charter: public safety, public works, culture, sewage and waterworks.

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general fund is classified as a governmental activity. The City's water, sewer, and trash services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, public works, etc.). The functions are also supported by general government revenues (property, sales and franchise taxes). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, etc.) or a business-type activity. Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property sales or franchise taxes, interest income, etc.).

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are direct costs and program revenues reported for the various functions concerned which would be distorted if eliminated.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Major funds are reported as separate columns in the fund financial statements. Each individual fund of the City is considered to be a major fund.

The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the City:

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.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The City has three enterprise funds: water, sewer, and trash. The operating revenues of these funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. The *water fund* accounts for the billing and collection of charges for water service for most city residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.
2. The *sewer fund* is used to account for the provisions of sanitary sewer services to the residents of the city and a limited number of customers outside the city limits. All activities necessary to provide such services are accounted for in this fund.
3. The *trash fund* accounts for the provision of solid waste collection contracted to a third party. All activities necessary to provide such services are accounted for in this fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The revenues susceptible to accrual are property taxes, sales taxes, franchise taxes and interest income. All other governmental fund type revenues are recognized when received.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an estimated useful life in excess of one year and an initial unit cost of \$5,000 or greater.

Capital assets for all fund types are recorded at cost or estimated historical cost where cost could not be determined from available records. Donated fixed assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are expensed as incurred.

In accordance with the provisions of GASB 34, the City has elected to report infrastructure assets on a prospective basis only. Therefore, the infrastructure balance will represent additions from January 1, 2004 and thereafter.

Fixed assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|---|-------------|
| Buildings | 25-50 years |
| Improvements | 10-20 years |
| Equipment | 5-10 years |
| Treatment plant, distribution and accessories | 5-80 years |
| Other infrastructure | 10-50 years |

F. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

G. Cash and Cash Equivalents

The City considers all highly liquid debt instruments and certificates of deposits purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit with a maturity greater than three months are not considered cash equivalents.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Governmental Fund Balances

Generally, governmental fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

- **Nonspendable:** Fund balances reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted:** Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations or other governments.
- **Committed:** Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the Board of Aldermen may modify or rescind the commitment.
- **Assigned:** Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed.
- **Unassigned:** Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use funds in the following order: Committed, Assigned, then Unassigned.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

As noted previously, equity for government-wide and proprietary fund financial statements is classified as net position and displayed in three components.

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, and increased by any unspent proceeds.
2. Restricted net position – Consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provision or enabling legislation. Net position is reported as restricted using the same definitions as used for restricted fund balance described in the section above.
3. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

I. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

At December 31, 2021, employees of the City had accumulated earned vacation and compensatory time aggregating \$13,296 of which –

- \$6,648 has been recorded in the government-wide, governmental activities, noncurrent liabilities
- \$6,648 has been recorded in the proprietary funds and government-wide, business-type activities, noncurrent liabilities

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Inter-Fund Receivables and Payable

Short-term amounts owed between funds are classified as “Due to/from other funds”. See Note VI for details of interfund transactions, including receivables and payables at year-end.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

L. Materials Inventory

Materials inventories of the enterprise funds are valued at historical cost when known, or at lower of current replacement costs or market value.

For the governmental funds, materials inventories are expensed when purchased.

M. Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use for revenue bond debt service. Governmental funds report restricted assets for cash deposited in bank accounts legally restricted for specific uses such as general obligation bond debt service, streets, capital improvement and law enforcement training.

N. Post Employment Benefits

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the City under this program.

O. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Function

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Missouri or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note III-A, all deposits were fully insured or collateralized.

B. Budgets

The City adopts a budget as required by Missouri Statute. Expenditures in excess of budget must be approved by the Board. Actual expenditures exceeded budgeted expenditures in the general fund by \$39,486.

Deposits and Investments

The City complies with various restrictions on deposits and investments which are imposed by state statutes as follows:

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

Investments - The City may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U. S. government agencies or instrumentalities of any maturity, as provided by law.

The deposits and investments held at December 31, 2021 are as follows:

| | Maturities | Carrying Value |
|--|------------|----------------|
| Deposits: | | |
| Demand deposits | | \$ 689,052 |
| Time deposit | 01/06/22 | 29,074 |
| Time deposit | 05/09/22 | 30,115 |
| Time deposit | 09/08/22 | 59,985 |
| Total deposits | | \$ 808,226 |
| Reconciliation to Statement of Net Position: | | |
| Current Assets: | | |
| Cash and cash equivalents | | \$ 532,855 |
| Certificates of deposit | | 90,021 |
| Restricted Assets: | | |
| Cash and cash equivalents | | 156,298 |
| Certificates of deposit | | 29,052 |
| Total | | \$ 808,226 |

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$815,308 at December 31, 2021, which was fully insured by depository insurance or secured with collateral.

Investment interest rate risk. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2021, are provided in the previous schedule.

Investment credit risk. The Board has given the Clerk the authority to invest idle funds of the City in low-risk investments such as United States government securities or collateralized certificates of deposit.

Concentration of investment credit risk. The City places no limit on the amount it may invest in any one issuer. At December 31, 2021, the City had no concentration of credit risk.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

IV. ACCOUNTS RECEIVABLE

The following is a schedule of enterprise fund accounts receivable balances at December 31, 2021:

| | <u>Water</u> | <u>Sewer</u> | <u>Trash</u> | <u>Total</u> |
|----------------------------------|-----------------|-----------------|-----------------|------------------|
| Accounts Receivable | \$ 4,604 | \$ 3,871 | \$ 1,824 | \$ 10,299 |
| Less Allowance for Uncollectible | - | - | - | - |
| Balance December 31, 2021 | <u>\$ 4,604</u> | <u>\$ 3,871</u> | <u>\$ 1,824</u> | <u>\$ 10,299</u> |

The allowance amount is based upon management’s estimate of uncollectible accounts.

V. TAX REVENUE AND TAXES RECEIVABLE

Property taxes for the current year were assessed and collected by Callaway County and subsequently remitted to the City. Property taxes are assessed as of January 1 each year for property located in the City and first billed (levied) the following October/November. Taxes not paid by December 31 are considered delinquent. The tax levy of the City is established by the Mayor and Board of Alderman around August of each year. The assessed value for property located in the City on which the fiscal year 2020 levy was based was \$7,080,210. The 2020 property tax assessment was budgeted for the 2021 fiscal year.

The City’s property tax levies, per \$100 assessed valuation, are as follows:

| <u>Fund</u> | <u>2021 Levy (dollars)</u> | <u>2020 Levy (dollars)</u> |
|--------------|--------------------------------|--------------------------------|
| Debt Service | \$ 0.9200 | \$ 0.9200 |
| General | 0.3025 | 0.3003 |
| | <u>\$ 1.2225</u> | <u>\$ 1.2203</u> |

The following is a schedule of governmental fund property taxes receivable balances at December 31, 2021:

| | |
|----------------------------------|------------------|
| Property Taxes Receivable | \$ 82,660 |
| Less Allowance for Uncollectible | - |
| | <u>\$ 82,660</u> |

CITY OF NEW BLOOMFIELD, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

V. TAX REVENUE AND TAXES RECEIVABLE (continued)

The receipts of current taxes for the year ended December 31, 2021, assessed in 2020, aggregate approximately 99% of the assessment computed on the basis of the total levy shown above.

The property taxes assessed in 2021 are shown as deferred inflows on the combined balance sheet because the City has budgeted to use these monies in fiscal year 2022.

The legal debt margin (the amount of general obligation bonds the City could issue with voter approval) at December 31, 2021 is computed as follows:

| | | | | |
|--------------------------------|-----|---------------------|----|-----------------------|
| Total 2021 Assessed Valuation: | | <u>\$ 7,361,754</u> | | |
| Ordinary Debt (1) | 10% | | \$ | 736,175 |
| Additional Debt (2) | 10% | | | <u>736,175</u> |
| Constitutional Debt Limit | 20% | | | 1,472,350 |
| Less: Current G.O. Bonds | | | | <u>(643,475)</u> |
| Available Debt Margin | | | \$ | <u><u>828,875</u></u> |

(1) Article VI, Section 26(b) and (c) of the Missouri Constitution provides, with a vote of four-sevenths qualified electors voting, a city may incur an indebtedness not to exceed in aggregate 10 percent of the value of taxable tangible property of the City, for any purposes authorized in the charter of the City or by any general law of the State of Missouri.

(2) Article VI, Section 26(d) and (e) of the Missouri Constitution provides, with a vote of four-sevenths qualified electors voting, a city may become indebted an additional 10 percent of the value of taxable property of the City for the purpose of acquiring right of way; construction, extending and improving streets and/or sanitary or sewer systems; and purchasing or constructing water works, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20 percent of the value of the taxable tangible property of the City.

VI. INTERFUND BALANCES AND INTERFUND TRANSFERS

Interfund balances for the year ended December 31, 2021, consisted of the following:

| <u>Due From Other Funds</u> | <u>Due To Other Funds</u> | <u>Amount</u> |
|-----------------------------|---------------------------|---------------|
| Water Fund | General Fund | \$ 45,000 |

This amount represents the amount the water fund loaned the general fund for purchase of a building.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

VI. INTERFUND BALANCES AND INTERFUND TRANSFERS (continued)

The City transferred the following between funds in 2021:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|---------|--------------------|---------------------|
| General | \$ - | \$ 3,000 |
| Water | 83,789 | - |
| Sewer | 1,500 | 82,289 |
| | <u>\$ 85,289</u> | <u>\$ 85,289</u> |

The \$3,000 transfer was for reimbursement of expenses.

The \$82,289 transfer was for bond allocation repayment.

VII. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and accumulated depreciation by major class at December 31, 2021 are as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|------------------|---------------------------|
| Governmental-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 16,500 | \$ - | \$ - | \$ 16,500 |
| Total capital assets, not being depreciated | <u>16,500</u> | <u>-</u> | <u>-</u> | <u>16,500</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 185,129 | 16,565 | - | 201,694 |
| Infrastructure | 1,174,989 | - | - | 1,174,989 |
| Machinery and equipment | 75,363 | 6,000 | - | 81,363 |
| Total capital assets, being depreciated | <u>1,435,481</u> | <u>22,565</u> | <u>-</u> | <u>1,458,046</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (61,073) | (5,491) | - | (66,564) |
| Infrastructure | (150,384) | (39,166) | - | (189,550) |
| Machinery and equipment | (74,713) | (109) | - | (74,822) |
| Total accumulated depreciation | <u>(286,170)</u> | <u>(44,766)</u> | <u>-</u> | <u>(330,936)</u> |
| Total capital assets, being depreciated, net | <u>1,149,311</u> | <u>(22,201)</u> | <u>-</u> | <u>1,127,110</u> |
| Government-type activities, capital assets, net | <u>\$ 1,165,811</u> | <u>\$ (22,201)</u> | <u>\$ -</u> | <u>\$ 1,143,610</u> |

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

VII. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|--------------------|-------------|---------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 20,000 | \$ - | \$ - | \$ 20,000 |
| Total capital assets, not being depreciated | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>20,000</u> |
| Capital assets, being depreciated: | | | | |
| Furniture and fixtures | 6,860 | - | - | 6,860 |
| Lab equipment | 5,994 | - | - | 5,994 |
| Distribution system and equipment | 1,508,638 | - | - | 1,508,638 |
| Sewerage system | 1,648,491 | - | - | 1,648,491 |
| Treatment plant | 77,386 | - | - | 77,386 |
| Total capital assets, being depreciated | <u>3,247,369</u> | <u>-</u> | <u>-</u> | <u>3,247,369</u> |
| Less accumulated depreciation for: | | | | |
| Furniture and fixtures | (6,860) | - | - | (6,860) |
| Lab equipment | (5,994) | - | - | (5,994) |
| Distribution system and equipment | (962,855) | (59,614) | - | (1,022,469) |
| Sewerage system | (1,022,905) | (27,928) | - | (1,050,833) |
| Treatment plant | (67,154) | (928) | - | (68,082) |
| Total accumulated depreciation | <u>(2,065,768)</u> | <u>(88,470)</u> | <u>-</u> | <u>(2,154,238)</u> |
| Total capital assets, being depreciated, net | <u>1,181,601</u> | <u>(88,470)</u> | <u>-</u> | <u>1,093,131</u> |
| Business-type activities, capital assets, net | <u>\$ 1,201,601</u> | <u>\$ (88,470)</u> | <u>\$ -</u> | <u>\$ 1,113,131</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|--|------------------|
| Governmental activities: | |
| General government | \$ 2,999 |
| Highways and streets, including depreciation of infrastructure assets | <u>41,767</u> |
| Total depreciation expense - governmental activities | <u>\$ 44,766</u> |
| Business-type activities: | |
| Water | \$ 59,614 |
| Sewer | <u>28,856</u> |
| Total depreciation expense - business-type activities | <u>\$ 88,470</u> |

CITY OF NEW BLOOMFIELD, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

VIII. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance. Settled claims have not exceeded the commercial coverage in any of the past three years. There are no significant reductions in coverage compared to the prior year.

IX. LITIGATION

The City may become involved in lawsuits arising in the ordinary course of business. Based on discussions with the City Attorney, management believes there is no outstanding matter which could have a material effect on the financial statements of the City.

X. RETIREMENT PLAN

Effective January 1, 2005 the City established a Simplified Employee Pension plan. Effective November, 2018 eligible participants must have served as full-time City employees for a period of five years.

The City contributes a maximum of 5% of the eligible employee’s wages. Contributions made by the City totaled \$3,482 for the year ended December 31, 2021.

XI. LONG-TERM DEBT

On March 26, 2020, the City issued Series 2020 General Obligation Bonds in the amount of \$680,000 for street and storm water improvements. The bonds are set to mature on September 1, 2033 and have a rate of 2.79%. Annual payments required over the life of the bonds are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|-------------------|-------------------|-------------------|
| 2022 | \$ 45,834 | \$ 17,635 | \$ 63,469 |
| 2023 | 47,121 | 16,348 | 63,469 |
| 2024 | 48,445 | 15,024 | 63,469 |
| 2025 | 49,807 | 13,663 | 63,470 |
| 2026 | 51,205 | 12,263 | 63,468 |
| 2027-2031 | 278,432 | 38,913 | 317,345 |
| 2032-2033 | 122,631 | 4,307 | 126,938 |
| Total | <u>\$ 643,475</u> | <u>\$ 118,153</u> | <u>\$ 761,628</u> |

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

XI. LONG-TERM DEBT (continued)

On July 11, 2007 the City issued Series 2006 A and B Combined Waterworks and Sewerage System Revenue bonds in the amount of \$790,200, which were issued to finance construction projects to the wastewater treatment facilities and infrastructure. The revenue bonds bear an interest rate of 4.25% and are scheduled for final maturity in 2042. These bonds are secured by future water and wastewater revenues. The bonds were paid in full in 2021 with proceeds from the 2021 bond issuance.

On September 1, 2021, the City issued Series 2021 Combined Waterworks and Sewerage System Refunding Revenue Bonds in the amount of \$613,779, which were issued to refund the Series 2006 bonds. The revenue bonds bear an interest rate of 2.9% and are scheduled for maturity in 2042. These bonds are secured by future water and wastewater revenues. Annual payments required over the life of the bonds are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|-------------------|-------------------|-------------------|
| 2022 | \$ 21,742 | \$ 17,207 | \$ 38,949 |
| 2023 | 22,378 | 16,572 | 38,950 |
| 2024 | 23,031 | 15,919 | 38,950 |
| 2025 | 23,704 | 15,246 | 38,950 |
| 2026 | 24,396 | 14,553 | 38,949 |
| 2027-2031 | 133,097 | 61,652 | 194,749 |
| 2032-2036 | 153,705 | 41,044 | 194,749 |
| 2037-2041 | 177,504 | 17,245 | 194,749 |
| 2042 | 19,197 | 278 | 19,475 |
| Total | <u>\$ 598,754</u> | <u>\$ 199,716</u> | <u>\$ 798,470</u> |

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

XII. CHANGES IN GENERAL LONG-TERM LIABILITIES

During the year ended December 31, 2021 the following changes occurred in liabilities reported in long-term debt:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|-------------------|---------------------|-------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 680,000 | \$ - | \$ (36,525) | \$ 643,475 | \$ 45,834 |
| Compensated absences | 6,244 | 2,655 | (2,251) | 6,648 | - |
| Governmental activities Long-term liabilities | <u>\$ 686,244</u> | <u>\$ 2,655</u> | <u>\$ (38,776)</u> | <u>\$ 650,123</u> | <u>\$ 45,834</u> |
| Business-Type Activities: | | | | | |
| Revenue bonds | \$ 598,875 | \$ 613,780 | \$ (613,901) | \$ 598,754 | \$ 21,742 |
| Compensated absences | 6,244 | 2,655 | (2,251) | 6,648 | - |
| Business-type activities Long-term liabilities | <u>\$ 605,119</u> | <u>\$ 616,435</u> | <u>\$ (616,152)</u> | <u>\$ 605,402</u> | <u>\$ 21,742</u> |

XIII. CONTINGENT LIABILITIES

The City may receive federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to request for reimbursement or to withholding of future funding for expenditures disallowed for noncompliance with the terms of the grants and state funding. The federal granting agency will determine whether or not any expenditures will be disallowed. The City is not aware of any noncompliance with federal or state provisions that might require the City to provide reimbursement.

XIV. FUND BALANCE

Classifications of fund balances at December 31, 2021 are as follows:

| | General Fund |
|----------------|-------------------|
| Fund Balances: | |
| Nonspendable | \$ 2,915 |
| Restricted | 157,896 |
| Committed | - |
| Assigned | - |
| Unassigned | 15,959 |
| | <u>\$ 176,770</u> |

The City has not adopted a policy that sets forth a minimum fund balance amount.

CITY OF NEW BLOOMFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

XV. PLEDGED REVENUES

The Water, Sewer and General Funds have pledged future revenues, net of specified operating expenses, to repay general obligation and revenue bonds that were issued for water, sewer and street improvements. The bonds are payable from net revenues from the Water, Sewer and General Funds and are payable through 2042. Annual principal and interest payments in 2021 required 18%, 24% and 82% of net revenues of the Water, Sewer and General Funds, respectively. The total principal and interest remaining to be paid on the bonds is \$399,235 in the Water Fund, \$399,235 in the Sewer Fund and \$761,628 in the General Fund. Principal and interest paid on the water bonds in the current year was \$9,738 and net revenues in the Water Fund in the current year were \$52,889. Principal and interest paid on the sewer bonds in the current year was \$9,738 and net revenues in the Sewer Fund in the current year were \$39,960. Principal and interest paid on the general obligation bonds in the current year was \$63,469 and net revenues in the General Fund were \$77,486.

XVI. FINES

Fines and penalties revenue as shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances is \$317 for the year ended December 31, 2021, which is 1% of general fund revenues.

XVII. ACCRUED STATE AUDIT PAYABLE

In 2019, the City signed a memorandum of understanding payment agreement with the Missouri State Auditor to pay for the cost of the City’s state audit. The agreement requires quarterly payments of the \$1,398.19, with the final payment due June 30, 2024. The following is a summary of activity in 2021:

| | | |
|---------------------------|----|---------|
| Balance December 31, 2020 | \$ | 18,177 |
| 2021 payments | | (5,594) |
| Balance December 31, 2021 | \$ | 12,583 |

XVIII. CONSIDERATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 24, 2022, which is the date the financial statements are available to be issued. In January, 2022, the City sold a building and property for \$150,000 to a private purchaser. No other events requiring disclosure were identified as a result of this review.

COMPLIANCE AND INTERNAL CONTROL

723 Main St.
Boonville, MO 65233
(660) 882-7000
Fax: (660) 882-7765
www.gkccpas.com

**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and Members
of the Board of Aldermen
City of New Bloomfield, Missouri

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of New Bloomfield, Missouri (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 May 24, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency (2021-001).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the schedule of findings and responses as item 2021-002.

City's Response to Findings

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

Purpose of this Report

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



Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

May 24, 2022

CITY OF NEW BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021

| | |
|--|---|
| 2021-001 | Accounting Personnel/Segregation of Duties |
| Criteria: | Proper segregation of duties reduces the risk of errors and fraud and is an important internal control. |
| Condition: | It is recognized that the small number of accounting and clerical personnel of the City precludes the application of internal accounting control procedures possible in a larger organization. |
| Context: | During our audit we reviewed City policies and procedures and determined adequate segregation of duties did not exist. |
| Effect: | A small number of employees perform several accounting duties. |
| Cause: | The City does not have the financial resources to hire enough personnel to segregate duties. |
| Recommendation: | The City should segregate duties wherever possible and implement other controls to compensate for the lack of segregation of duties. |
| View of Responsible Officials & Planned Corrective Action: | <p>As of this time it is cost prohibitive for the City of New Bloomfield to hire additional clerical staff. The City of New Bloomfield recognizes the importance of internal accounting control measures and makes every effort to maintain a checks/balance system. City ordinances and policy/procedures have been put in place so that financial records are routinely reviewed by the Board of Aldermen.</p> <p>In addition, the City of New Bloomfield retains an outside auditor for yearly independent audits and an outside independent accountant to assist the clerk in reviewing payroll financial reports.</p> <p>All account payable checks require two signatures, to include the City Clerk, Alderwomen Rosemary Augustine and/or Mayor Terry Shaw.</p> <p>The City of New Bloomfield is taking all reasonable measures possible to reduce the risk of errors and fraud until such a time additional staff can be hired.</p> |

CITY OF NEW BLOOMFIELD, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
YEAR ENDED DECEMBER 31, 2021

| | |
|--|--|
| 2021-002 | Budgeting |
| Criteria: | State statute, Chapter 67, requires that each political subdivision is prohibited from expending public monies unless those expenditures have been authorized as provided in Chapter 67. |
| Condition: | The City's actual expenditures in the General Fund exceeded final budgeted expenditures by \$39,486. |
| Context: | The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the General Fund by \$39,486. |
| Effect: | The City violated state statute RSMo 67. |
| Cause: | The City budgeted too few expenditures in the General Fund. |
| Recommendation: | The City should ensure actual expenditures do not exceed budgeted expenditures in any funds. |
| View of Responsible Officials & Planned Corrective Action: | Due to COVID and the hospitalization of the Alderman who oversees the financial reports and training of the City Clerk, it was not possible at the end of 2021 to have the proper documents executed before the end of the year to avoid this condition. The City Clerk has been trained on these issues since and this will not continue to be a concern. |