

# City of Oronogo, Missouri

Basic Financial Statements  
Year Ended June 30, 2022

**KPM**  
CPAS & ADVISORS

## Table of Contents

<b>Independent Auditors' Report</b> .....	3
<b>Basic Financial Statements</b>	
Statement of Net Position – Modified Cash Basis .....	6
Statement of Activities – Modified Cash Basis.....	7
Statement of Assets and Fund Balances – Governmental Funds– Modified Cash Basis .....	9
Statement of Receipts, Disbursements, and Changes in Fund Balances Governmental Funds – Modified Cash Basis.....	10
Statement of Net Position – Proprietary Funds – Modified Cash Basis.....	11
Statement of Receipts, Disbursements, and Changes in Net Position – Proprietary Funds – Modified Cash Basis .....	12
Statement of Cash Flows – Proprietary Funds – Modified Cash Basis.....	13
Notes to the Financial Statements.....	14
<b>Other Information</b>	
Budgetary Comparison Schedule – General Fund – Modified Cash Basis .....	28
Budgetary Comparison Schedule – Street Fund – Modified Cash Basis .....	30
Budgetary Comparison Schedule – Stormwater Fund – Modified Cash Basis.....	31
Budgetary Comparison Schedule – American Rescue Plan Act Fund – Modified Cash Basis .....	32
Notes to the Budgetary Comparison Schedules .....	33



Honorable Mayor and Board of Aldermen  
City of Oronogo  
Oronogo, Missouri

## **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oronogo, Missouri, as of and for the year ended June 30, 2022, 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 of Oronogo, Missouri, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting in Note 1.

## **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Oronogo, Missouri 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.

## **Basis of Accounting**

As described in Note 1 of the financial statements, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, which includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances; 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.

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.

[www.kpmcpa.com](http://www.kpmcpa.com)

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343  
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Other Information**

Management is responsible for the other information presented. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
November 7, 2022

## **Government-Wide Financial Statements**

# City of Oronogo

## Statement of Net Position – Modified Cash Basis

June 30, 2022

---

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 1,023,733	\$ 643,294	\$ 1,667,027
Cash and cash equivalents - restricted	191,865	1,748,810	1,940,675
<b>Total Assets</b>	<u>\$ 1,215,598</u>	<u>\$ 2,392,104</u>	<u>\$ 3,607,702</u>
<b>Net Position</b>			
Restricted	\$ 476,273	\$ 1,748,810	\$ 2,225,083
Unrestricted	739,325	643,294	1,382,619
<b>Total Net Position</b>	<u>\$ 1,215,598</u>	<u>\$ 2,392,104</u>	<u>\$ 3,607,702</u>

See accompanying notes to the financial statements.

# City of Oronogo

## Statement of Activities – Modified Cash Basis

Year Ended June 30, 2022

Functions/Programs	Program Receipts				Net (Disbursements), Receipts and Changes in Net Position		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities							
Administrative	\$ (444,854)	\$ 236,809	\$ 1,390	\$ -	\$ (206,655)	\$ -	\$ (206,655)
Police	(418,794)	50	28,027	29,481	(361,236)	-	(361,236)
Municipal court	(50,551)	137,173	-	-	86,622	-	86,622
Streets	(204,690)	-	-	-	(204,690)	-	(204,690)
Stormwater	(88,645)	-	-	271,674	183,029	-	183,029
Park	(1,119)	-	-	-	(1,119)	-	(1,119)
<b>Total Governmental Activities</b>	(1,208,653)	374,032	29,417	301,155	(504,049)	-	(504,049)
Business-Type Activities							
Water and sewer	(1,568,063)	920,294	-	-	-	(647,769)	(647,769)
Natural gas	(410,321)	241,439	-	-	-	(168,882)	(168,882)
<b>Total Business-Type Activities</b>	(1,978,384)	1,161,733	-	-	-	(816,651)	(816,651)
<b>Total Government</b>	\$ (3,187,037)	\$ 1,535,765	\$ 29,417	\$ 301,155	(504,049)	(816,651)	(1,320,700)
			General Receipts				
			Ad valorem taxes		106,019	-	106,019
			Sales taxes		285,838	-	285,838
			Franchise taxes		116,593	-	116,593
			Motor vehicle taxes		104,405	-	104,405
			Interest		4,861	7,592	12,453
			Other receipts		173,192	-	173,192
			Transfers		(305,034)	305,034	-
			<b>Total General Receipts and Transfers</b>		485,874	312,626	798,500
			Special Item				
			Financed purchase proceeds		25,150	-	25,150
			<i>Changes in Net Position</i>		6,975	(504,025)	(497,050)
			Net Position, Beginning of year		1,208,623	2,896,129	4,104,752
			<b>Net Position, End of year</b>		\$ 1,215,598	\$ 2,392,104	\$ 3,607,702

See accompanying notes to the financial statements.

## **Fund Financial Statements**



# City of Oronogo

## Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis

June 30, 2022

	Special Revenue Funds				Total Governmental Funds
	General Fund	Street Fund	Stormwater Fund	American Rescue Plan Act Fund	
<b>Assets</b>					
Cash and cash equivalents - unrestricted	\$ 739,325	\$ 252,755	\$ 31,653	\$ -	\$ 1,023,733
Cash and cash equivalents - restricted	8,191	-	-	183,674	191,865
<b>Total Assets</b>	<b>\$ 747,516</b>	<b>\$ 252,755</b>	<b>\$ 31,653</b>	<b>\$ 183,674</b>	<b>\$ 1,215,598</b>
<b>Fund Balance</b>					
Restricted for					
Law enforcement training	\$ 5,501	\$ -	\$ -	\$ -	\$ 5,501
Judicial education	2,690	-	-	-	2,690
Stormwater sales tax	-	-	31,653	-	31,653
Streets	-	252,755	-	-	252,755
Grant funds	-	-	-	183,674	183,674
Unassigned	739,325	-	-	-	739,325
<b>Total Fund Balances</b>	<b>\$ 747,516</b>	<b>\$ 252,755</b>	<b>\$ 31,653</b>	<b>\$ 183,674</b>	<b>\$ 1,215,598</b>

See accompanying notes to the financial statements.

## City of Oronogo

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis  
Year Ended June 30, 2022

	Special Revenue Funds				Total Governmental Funds
	General Fund	Street Fund	Stormwater Fund	American Rescue Plan Act Fund	
<b>Receipts</b>					
Taxes	\$ 371,341	\$ 175,590	\$ 65,924	\$ -	\$ 612,855
Licenses and permits	38,757	-	-	-	38,757
Intergovernmental receipts	57,508	-	-	271,674	329,182
Charges for services	198,102	-	-	-	198,102
Fines and forfeitures	137,173	-	-	-	137,173
Miscellaneous	174,898	1,119	3,426	-	179,443
<b>Total Receipts</b>	<u>977,779</u>	<u>176,709</u>	<u>69,350</u>	<u>271,674</u>	<u>1,495,512</u>
<b>Disbursements</b>					
Current					
Administrative	444,854	-	-	-	444,854
Police	418,794	-	-	-	418,794
Municipal court	50,551	-	-	-	50,551
Streets	-	204,690	-	-	204,690
Stormwater	-	-	645	88,000	88,645
Park	-	-	1,119	-	1,119
<b>Total Disbursements</b>	<u>914,199</u>	<u>204,690</u>	<u>1,764</u>	<u>88,000</u>	<u>1,208,653</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	63,580	(27,981)	67,586	183,674	286,859
<b>Other Financing Sources (Uses)</b>					
Financed purchase proceeds	25,150	-	-	-	25,150
Transfers (out)	(29,880)	(664)	(274,490)	-	(305,034)
<b>Total Other Financing Sources (Uses)</b>	<u>(4,730)</u>	<u>(664)</u>	<u>(274,490)</u>	<u>-</u>	<u>(279,884)</u>
<i>Excess (Deficit) of Receipts and Other Sources over Disbursements and Other (Uses)</i>	58,850	(28,645)	(206,904)	183,674	6,975
Fund Balance, July 1	688,666	281,400	238,557	-	1,208,623
<b>Fund Balance, June 30</b>	<u>\$ 747,516</u>	<u>\$ 252,755</u>	<u>\$ 31,653</u>	<u>\$ 183,674</u>	<u>\$ 1,215,598</u>

See accompanying notes to the financial statements.

# City of Oronogo

## Statement of Net Position – Proprietary Funds – Modified Cash Basis

June 30, 2022

---

	Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 481,396	\$ 161,898	\$ 643,294
Cash and cash equivalents - restricted	1,713,925	34,885	1,748,810
<b>Total Assets</b>	<u>\$ 2,195,321</u>	<u>\$ 196,783</u>	<u>\$ 2,392,104</u>
<b>Net Position</b>			
Restricted	\$ 1,713,925	\$ 34,885	\$ 1,748,810
Unrestricted	481,396	161,898	643,294
<b>Total Net Position</b>	<u>\$ 2,195,321</u>	<u>\$ 196,783</u>	<u>\$ 2,392,104</u>

See accompanying notes to the financial statements.

## City of Oronogo

Statement of Receipts, Disbursements, and Changes in Net Position – Proprietary Funds – Modified Cash Basis

Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
<b>Operating Receipts</b>			
Charges for services	\$ 914,939	\$ 234,189	\$ 1,149,128
Other	5,355	7,250	12,605
<b>Total Operating Receipts</b>	<u>920,294</u>	<u>241,439</u>	<u>1,161,733</u>
<b>Operating Disbursements</b>			
Wages and benefits	250,201	20,430	270,631
Professional services	89,901	9,080	98,981
Utilities	50,853	3,515	54,368
Insurance	30,440	1,182	31,622
Supplies	8,931	644	9,575
Travel, meetings, and dues	1,685	-	1,685
Vehicle expense	10,070	1,203	11,273
Repairs and maintenance	124,090	4,437	128,527
Advertising	1,017	935	1,952
Sewer plant	69,911	-	69,911
Natural gas	-	144,715	144,715
Miscellaneous	57,423	21,225	78,648
<b>Total Operating Disbursements</b>	<u>694,522</u>	<u>207,366</u>	<u>901,888</u>
<i>Operating Income</i>	225,772	34,073	259,845
<b>Nonoperating Receipts (Disbursements)</b>			
Interest receipts	5,227	2,365	7,592
Capital outlay	(221,262)	(202,955)	(424,217)
Debt service			
Principal	(536,594)	-	(536,594)
Interest	(114,835)	-	(114,835)
Fees	(850)	-	(850)
<b>Total Nonoperating Receipts (Disbursements)</b>	<u>(868,314)</u>	<u>(200,590)</u>	<u>(1,068,904)</u>
<i>Net (Loss) Before Operating Transfers</i>	(642,542)	(166,517)	(809,059)
Operating Transfers In (Out)	<u>305,698</u>	<u>(664)</u>	<u>305,034</u>
<i>Net (Loss)</i>	(336,844)	(167,181)	(504,025)
Net Position, July 1	2,532,165	363,964	2,896,129
<b>Net Position, June 30</b>	<u><u>\$ 2,195,321</u></u>	<u><u>\$ 196,783</u></u>	<u><u>\$ 2,392,104</u></u>

See accompanying notes to the financial statements.

# City of Oronogo

## Statement of Cash Flows – Proprietary Funds – Modified Cash Basis

Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 920,294	\$ 241,439	\$ 1,161,733
Cash (paid) to suppliers	(444,321)	(186,936)	(631,257)
Cash (paid) to employees	(250,201)	(20,430)	(270,631)
<b>Net Cash Provided by Operating Activities</b>	225,772	34,073	259,845
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers from (to) from other funds	305,698	(664)	305,034
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	305,698	(664)	305,034
<b>Cash Flows from Capital and Related Financing Activities</b>			
Payment of bond principal	(536,594)	-	(536,594)
Payment of interest expense	(114,835)	-	(114,835)
Payment of fees	(850)	-	(850)
Purchase of capital outlay	(221,262)	(202,955)	(424,217)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	(873,541)	(202,955)	(1,076,496)
<b>Cash Flows from Investing Activities</b>			
Interest received on cash and investments	5,227	2,365	7,592
<b>Net Cash Provided by Investing Activities</b>	5,227	2,365	7,592
<i>Net (Decrease) In Cash and Cash Equivalents</i>	(336,844)	(167,181)	(504,025)
Cash and Cash Equivalents, Beginning of year	2,532,165	363,964	2,896,129
<b>Cash and Cash Equivalents, End of year</b>	2,195,321	196,783	2,392,104
Less Restricted Cash and Cash Equivalents	1,713,925	34,885	1,748,810
<b>Unrestricted Cash and Cash Equivalents</b>	\$ 481,396	\$ 161,898	\$ 643,294
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 225,772	\$ 34,073	\$ 259,845
<b>Net Cash Provided by Operating Activities</b>	\$ 225,772	\$ 34,073	\$ 259,845

See accompanying notes to the financial statements.

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

---

### 1. Summary of Significant Accounting Policies

The City of Oronogo, Missouri, (the City) operates as a fourth class city under an elected Mayor - Board of Aldermen form of government and provides the following services: public safety, streets, parks and recreation, planning and development, and general administrative services. Other services include water, sewer, and trash operations.

The accounting policies of the City conform to the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The City is organized under the laws of the State of Missouri and is a primary government governed by an elected five-member Board. The City is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

#### Basis of Presentation

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

#### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities, which are financed mostly through taxes and intergovernmental receipts, are reported separately from business-type activities, which rely mostly on fees and charges for services for support.

#### Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, fund balance, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds of the City are as follows:

#### Governmental Fund Types

*General Fund:* The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

*Street Fund:* The Street Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for City streets.

*Stormwater Fund:* The Stormwater Fund is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for stormwater improvements.

*American Rescue Plan Act Fund:* The American Rescue Plan Act (ARPA) Fund accounts for the resources of federal grant revenue whose use is restricted for COVID-19 expenditures or the negative economic impacts of COVID-19.

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

---

### Proprietary Fund Types

*Water and Sewer Fund:* The Water and Sewer Fund accounts for the activities and capital improvements of the City's water and sewer operations.

*Natural Gas Fund:* The Natural Gas Fund accounts for the activities and capital improvements of the City's natural gas operations.

### Basis of Accounting

The government-wide Statement of Assets and Net Position and Statement of Activities, as well as the fund financial statements, are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund balance, receipts, and disbursements when they result from cash transactions. The modification to the cash basis relates to the presentation of investments. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures/expenses (such as accounts payable and expenditures/expenses for goods or services received but not yet paid, and accrued expenditures and liabilities) *are not recorded* in these financial statements.

If the City used the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting and the proprietary fund would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting and would include capital assets and long-term debt.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on-demand to be cash equivalents.

### Vacation and Sick Leave

Use of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on City disbursements in any one year.

### Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

### Long-Term Debt

Long-term debt arising from cash transactions is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. Debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

---

### Capital Outlay

Capital assets are property and equipment purchases and are recorded as disbursements at the time the goods are paid for and received.

### Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable fund balance:* This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Aldermen – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment.

*Assigned fund balance:* This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

### Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in two components as follows:

*Restricted net position:* Consists of the net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position:* Consists of the financial position that does not meet the definition of “restricted.”

When a disbursement is made for purposes for which both restricted and unrestricted net position (equity) are available, the City first applies restricted net position.



# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

### Program Receipts

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the City's taxpayers are reported as program receipts. These include charges for good, services, or privileges provided and operating grants and contributions. All other governmental receipts are reported as general. All taxes are classified as general receipts, even if restricted for a specific purpose.

### Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds are those that result from providing services and producing and delivering goods and services. All other receipts and disbursements are considered nonoperating.

## 2. Cash & Cash Equivalents

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all bank balances on deposit are entirely insured or collateralized.

## 3. Restricted Assets

Cash and cash equivalents, fund balance, and net position have been restricted as follows:

	<u>Restricted Cash and Cash Equivalents</u>	<u>Restricted Fund Balance/ Net Position</u>
<b>General Fund</b>		
Law enforcement training	\$ 5,501	\$ 5,501
Judicial education	2,690	2,690
	<u>\$ 8,191</u>	<u>\$ 8,191</u>
<b>Street Fund</b>		
Streets	<u>\$ -</u>	<u>\$ 252,755</u>
<b>Stormwater Fund</b>		
Stormwater sales tax	<u>\$ -</u>	<u>\$ 31,653</u>
<b>American Rescue Plan Act Fund</b>		
Grant funds	<u>\$ 183,674</u>	<u>\$ 183,674</u>
<b>Water and Sewer Fund</b>		
Debt service reserve	\$ 114,612	\$ 114,612
2016D debt service	11,800	11,800
Sewer project funds	1,500,000	1,500,000
Customer utility deposits	87,513	87,513
	<u>\$ 1,713,925</u>	<u>\$ 1,713,925</u>
<b>Natural Gas Fund</b>		
Customer utility deposits	<u>\$ 34,885</u>	<u>\$ 34,885</u>

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

### 4. Assessed Valuation, Tax Levy, & Legal Debt Margin

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due December 31. The county collects the property taxes and remits them to the City.

The assessed valuation of the tangible property and the tax levies per \$100 assessed valuation of that property were as follows:

	<b>2021</b>
Assessed Valuation	
Real estate	\$ 20,530,508
Personal property	6,093,264
<b>Total</b>	<b>\$ 26,623,772</b>

	<b>2021</b>
Tax Rates Per \$100 of Assessed Valuation	
General Fund	\$ .2596
Street Fund	.1239
<b>Total</b>	<b>\$ .3835</b>

The legal debt margin at June 30, 2022, was computed as follows:

	<b>General Obligation Bonds</b>		
	<b>Ordinary (1)</b>	<b>Additional (2)</b>	<b>Total</b>
Constitutional Debt Limit	\$ 2,662,377	\$ 2,662,377	\$ 5,324,754
General Obligation Bonds Payable	-	-	-
<b>Legal Debt Margin</b>	<b>\$ 2,662,377</b>	<b>\$ 2,662,377</b>	<b>\$ 5,324,754</b>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights of way, constructing, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

### 5. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at June 30, 2022, consists of a financed purchase agreement and compensated absences.

In November 2021, the city entered into a direct borrowing financed purchase agreement with Southwest Missouri Bank to purchase a Police Interceptor. The agreement requires annual principal and interest payments through July 2025, including interest at 3.7%.

The City’s financed purchase agreement provides for the cancellation of the agreement at the City’s option on the renewal date each year, per state statute, however, the City does not foresee exercising its option to cancel. Therefore, this financed purchase is accounted for as a noncancelable financed purchase.

The following is a schedule of the future minimum payments under the financed purchase agreement (assuming noncancellation):

Year Ended June 30,	Direct Borrowing		
	Principal	Interest	Total
2023	\$ 6,179	\$ 626	\$ 6,805
2024	6,093	712	6,805
2025	6,320	484	6,804
2026	6,558	246	6,804
	<u>\$ 25,150</u>	<u>\$ 2,068</u>	<u>\$ 27,218</u>

The following table is a summary of the changes in the long-term liabilities of the governmental activities:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Direct Borrowing				
2022 Ford Police Interceptor	\$ -	\$ 25,150	\$ -	\$ 25,150
Compensated Absences	8,531	3,340	-	11,871
<b>Total</b>	<u>\$ 8,531</u>	<u>\$ 28,490</u>	<u>\$ -</u>	<u>\$ 37,021</u>

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

### 6. Long-Term Liabilities – Business-Type Activities

Long-term liabilities for business-type activities at June 30, 2022, consists of the 2016D Combined Waterworks and Sewerage Revenue Bond, 2016A Combined Waterworks and Sewerage Refunding Revenue Bonds, 2016B Combined Waterworks and Sewerage Revenue Bonds, one financed purchase agreement and compensated absences.

#### Revenue Bonds

On July 26, 2016, the City issued \$500,000 in Combined Waterworks and Sewerage Revenue Bonds for the purpose of constructing, furnishing and equipping improvements to the City's combined waterworks and sewerage system. The bonds bear interest at the rate of 2.5%. Principal and interest payments are due monthly in the amount of \$1,991. The revenue bonds are a direct placement debt issuance. If the City defaults in the payment of principal or interest on the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, then at any time thereafter and while such default continues, the registered owners of 25% in principal amounts of the bonds outstanding may, by written notice to the City, declare the principal of all bonds then outstanding to be due and payable immediately. Annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2022, are as follows:

Year Ending June 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 13,025	\$ 10,867	\$ 23,892
2024	12,843	10,538	23,381
	<u>\$ 25,868</u>	<u>\$ 21,405</u>	<u>\$ 47,273</u>

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

On August 18, 2016, the City issued \$1,640,000 in Combined Waterworks and Sewerage Refunding Revenue Bonds for the purpose of refinancing the City's 2005C Combined Waterworks and Sewerage Revenue Bonds. The bonds bear interest at the varying rate of 1.00% to 3.60%. Principal payments are due December 1 and interest payments are due June 1 and December 1 of each year. If the City defaults in the payment of principal or interest on the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, then at any time thereafter and while such default continues, the registered owners of 25% in principal amounts of the bonds outstanding may, by written notice to the City, declare the principal of all bonds then outstanding to be due and payable immediately. Annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2022, are as follows:

Year Ending June 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 55,000	\$ 41,820	\$ 96,820
2024	55,000	40,555	95,555
2025	60,000	39,115	99,115
2026	60,000	38,335	98,335
2027	65,000	37,525	102,525
2028	65,000	35,805	100,805
2029	65,000	33,888	98,888
2030	70,000	31,873	101,873
2031	70,000	29,780	99,780
2032	75,000	27,610	102,610
2033	75,000	25,363	100,363
2034	80,000	22,925	102,925
2035	80,000	20,290	100,290
2036	85,000	17,570	102,570
2037	90,000	14,765	104,765
2038	90,000	11,790	101,790
2039	95,000	8,640	103,640
2040	100,000	5,310	105,310
	\$ 1,335,000	\$ 482,959	\$ 1,817,959

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

On August 18, 2016, the City issued \$425,000 in Combined Waterworks and Sewerage Revenue Bonds for the purpose of constructing, furnishing and equipping improvements to the City’s combined waterworks and sewerage system. The bonds bear interest at the varying rate of 2.10% to 3.70%. Principal payments are due December 1 and interest payments are due June 1 and December 1 of each year. If the City defaults in the payment of principal or interest on the bonds as they become due for a period of 60 days after written notice specifying such default has been given to the City, by the registered owner of any bond then outstanding, then at any time thereafter and while such default continues, the registered owners of 25% in principal amounts of the bonds outstanding may, by written notice to the City, declare the principal of all bonds then outstanding to be due and payable immediately. Annual debt service requirements to amortize the principal on the bonds outstanding at June 30, 2022, are as follows:

Year Ending June 30,	Direct Placement		
	Principal	Interest	Total
2023	\$ 10,000	\$ 12,325	\$ 22,325
2024	10,000	12,025	22,025
2025	10,000	11,725	21,725
2026	10,000	11,425	21,425
2027	10,000	11,125	21,125
2028	10,000	10,825	20,825
2029	15,000	10,435	25,435
2030	10,000	10,035	20,035
2031	15,000	9,635	24,635
2032	15,000	9,425	24,425
2033	15,000	8,653	23,653
2034	15,000	8,127	23,127
2035	15,000	7,603	22,603
2036	15,000	7,077	22,077
2037	15,000	6,553	21,553
2038	20,000	5,920	25,920
2039	15,000	5,272	20,272
2040	15,000	4,718	19,718
2041	120,000	2,220	122,220
	\$ 360,000	\$ 165,123	\$ 525,123

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

### Financed Purchase Agreements

On September 30, 2020, the City entered into a cancellable financed purchase agreement with NBH Bank for a sewer project in the amount of \$1,560,500. The financed purchase agreement requires annual payments of \$106,982 which includes interest at 3.3%. In the event of default, the Lender may declare all payments and other amounts payable.

Although the financed purchase agreement provides for cancellation of the agreement at the City's option at the renewed date, the City does not foresee exercising its option to cancel. The following is a schedule of future minimum payments under the financed purchase (assuming noncancellation):

Year Ending June 30,	Direct Borrowing		
	Principal	Interest	Total
2023	\$ 58,872	\$ 48,110	\$ 106,982
2024	60,830	46,152	106,982
2025	62,854	44,128	106,982
2026	64,946	42,036	106,982
2027	67,107	39,876	106,983
2028	69,339	37,643	106,982
2029	71,647	35,336	106,983
2030	74,030	32,952	106,982
2031	76,494	30,489	106,983
2032	79,039	27,944	106,983
2033	81,668	25,314	106,982
2034	84,386	22,596	106,982
2035	87,193	19,789	106,982
2036	90,095	16,888	106,983
2037	93,092	13,890	106,982
2038	96,190	10,793	106,983
2039	99,390	7,592	106,982
2040	102,697	4,285	106,982
2041	52,622	868	53,490
	<u>\$ 1,472,491</u>	<u>\$ 506,681</u>	<u>\$ 1,979,172</u>

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

The following table is a summary of the changes in the long-term liabilities of the business-type activities:

	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2022</b>	<b>Amounts Due Within One Year</b>
Direct Placement					
2016D Revenue Bonds	\$ 440,486	\$ -	\$ 414,618	\$ 25,868	\$ 13,025
2016A Refunding Revenue Bonds	1,390,000	-	55,000	1,335,000	55,000
2016B Revenue Bonds	370,000	-	10,000	360,000	10,000
Direct Borrowing					
2020 Financed Purchase	1,529,467	-	56,976	1,472,491	58,872
Compensated Absences	5,407	-	2,501	2,906	-
	<u>\$ 3,735,360</u>	<u>\$ -</u>	<u>\$ 539,095</u>	<u>\$ 3,196,265</u>	<u>\$ 136,897</u>

## 7. 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; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

## 8. Claims & Adjustments

The City participates in a number of programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of June 30, 2022, disbursements have not been audited by grantor governments, but the City believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual government funds or the overall financial position of the City.

## 9. Pledged Receipts

The City has pledged future water and sewer customer receipts to repay the 2016A, 2016B, and 2016D Combined Waterworks and Sewerage System Revenue Bonds issued to improve and expand the water and sewer system. The bonds are payable solely from water and sewer customer net receipts and are payable through 2041. Net receipts are receipts of the system less disbursements of the system. The total principal and interest remaining to be paid on the bonds is \$2,390,355. Principal and interest paid for the current year and total customer net receipts were \$544,447 and \$225,772, respectively. Amount includes additional prepayment of 2016D Revenue Bonds in the amount of \$402,046. Additionally, the City has established a stormwater tax to pay for 2016D revenue bonds. The amount of \$65,924 was received from the tax during 2022.



# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

### 10. Intermunicipal Agreements

#### Wastewater Treatment Facilities and Treatment

The Center Creek Wastewater Treatment Board provides wastewater treatment services to the citizens of Webb City, Carterville, and Oronogo, Missouri. In accordance with Missouri law, the Utility is operated by a Board of Directors. Bonded debt must be authorized by a resolution of the Board of Directors and approved by a vote of the citizens. The Center Creek Wastewater Treatment Board is a jointly governed organization between the cities of Webb City, Carterville, and Oronogo, Missouri, and authorized by an enactment of the Missouri General Assembly. The Board is a component entity of the City of Webb City, Missouri, because the City of Webb City appoints a voting majority, or five of ten members of the Board, which is comprised of:

- The Mayors of Webb City, Carterville, and Oronogo.
- Four citizens of Webb City, appointed by the Mayor and confirmed by the City Council.
- Two citizens of Carterville and one citizen of Oronogo, appointed by the Mayor and confirmed by the City Council.

The purpose of the Board is to provide responsibility for the operation, maintenance, and replacement of jointly constructed wastewater facilities, which include a wastewater facility, interceptor sewers, pumping facilities, and force main. In accordance with the inter-municipal agreement, ownership and responsibility for operation, maintenance and replacement costs are allocated to each city based on flow consumption of the previous year. These percentages are as follows:

City of Webb City	82.17%
City of Carterville	10.69%
City of Oronogo	7.14%

The Center Creek Wastewater Treatment Board issued separate financial statements that may be obtained by calling (417) 673-4651.

### 11. Interfund Transfers

Transfers between funds of the City for the year ended June 30, 2022, were as follows:

	<u>Transfers In (Out)</u>
General Fund	\$ (29,880)
Street Fund	(664)
Gas Fund	(664)
Stormwater Fund	(274,490)
Water and Sewer Fund	305,698
	<u>\$ -</u>

Transfers are made to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, (2) use unrestricted receipts in the Enterprise Funds and General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) reimburse various funds for amounts owed from the other funds.

# City of Oronogo

## Notes to the Financial Statements

June 30, 2022

---

### **12. Commitments**

As of June 30, 2022, the City was committed to Justin Best Construction for a lift station project in the amount of \$70,918.

As of June 30, 2022, the City was committed to Romesburg Construction for a commercial roof project in the amount of \$35,168.

As of June 30, 2022, the City was committed to Allgeier, Martin and Associates, Inc. for engineering services related to sanitary sewer improvements in the amount of \$301,990.

### **13. Subsequent Events**

On June 27, 2022, the City approved issuing \$2,000,000 in Combined Waterworks and Sewerage System Revenue Bonds, Series E for the purpose of improving the City's Combined Waterworks and Sewerage System.

On July 11, 2022 the City approved a construction contract with G&G Construction Company for construction of a new Sanitary Sewer Improvements Lift Station project in the amount of \$2,737,000.

## Other Information

# City of Oronogo

## Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Receipts</b>				
Taxes				
Ad valorem taxes	\$ 100,000	\$ 104,500	\$ 100,758	\$ (3,742)
Sales taxes	160,000	160,000	153,990	(6,010)
Franchise taxes	119,500	119,500	116,593	(2,907)
	<u>379,500</u>	<u>384,000</u>	<u>371,341</u>	<u>(12,659)</u>
Licenses and Permits				
Merchants licenses	5,500	6,600	7,420	820
Animal license	300	300	228	(72)
Building permits	49,000	30,000	31,034	1,034
Garage sale permits	50	50	75	25
	<u>54,850</u>	<u>36,950</u>	<u>38,757</u>	<u>1,807</u>
Intergovernmental Receipts				
Grants	39,500	54,980	57,508	2,528
Charges for Services				
Trash	145,000	145,000	153,091	8,091
Board fees	1,000	1,800	50	(1,750)
Planning and zoning	93,600	42,132	44,961	2,829
	<u>239,600</u>	<u>188,932</u>	<u>198,102</u>	<u>9,170</u>
Fines and Forfeitures				
City court fines	90,000	135,600	137,173	1,573
Miscellaneous				
Rentals	7,200	7,200	7,200	-
Donations	25	1,365	1,390	25
Interest	1,800	1,803	506	(1,297)
Other receipts	162,830	166,230	165,802	(428)
	<u>171,855</u>	<u>176,598</u>	<u>174,898</u>	<u>(1,700)</u>
<b>Total Receipts</b>	<u>975,305</u>	<u>977,060</u>	<u>977,779</u>	<u>719</u>

## City of Oronogo

### Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Disbursements</b>				
Current				
Administrative	500,968	446,998	444,854	2,144
Police	419,550	431,257	418,794	12,463
Municipal court	54,395	53,960	50,551	3,409
<b>Total Disbursements</b>	974,913	932,215	914,199	18,016
 <i>Excess of Receipts over Disbursements</i>	392	44,845	63,580	18,735
 <b>Other Financing Sources (Uses)</b>				
Financed purchase proceeds	-	1,390	25,150	23,760
Transfers (out)	(147,902)	(29,880)	(29,880)	-
<b>Total Other Financing Sources (Uses)</b>	(147,902)	(28,490)	(4,730)	23,760
 <i>Excess (Deficit) of Receipts and Other Sources over Disbursements and Other (Uses)</i>	(147,510)	16,355	58,850	42,495
 Fund Balance, July 1	688,666	688,666	688,666	-
<b>Fund Balance, June 30</b>	\$ 541,156	\$ 705,021	\$ 747,516	\$ 42,495

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Oronogo

### Budgetary Comparison Schedule – Street Fund – Modified Cash Basis

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Receipts</b>				
Taxes				
Sales taxes	\$ 69,000	\$ 69,000	\$ 65,924	\$ (3,076)
Ad valorem taxes	5,200	5,200	5,261	61
Motor vehicle taxes	85,000	87,900	104,405	16,505
	159,200	162,100	175,590	13,490
Miscellaneous				
Interest	400	1,150	1,119	(31)
Other receipts	11,100	11,100	-	(11,100)
	11,500	12,250	1,119	(11,131)
<b>Total Receipts</b>	170,700	174,350	176,709	2,359
<b>Disbursements</b>				
Current				
Streets	211,668	224,653	204,690	19,963
<b>Total Disbursements</b>	211,668	224,653	204,690	19,963
<i>(Deficit) of Receipts over Disbursements</i>	(40,968)	(50,303)	(27,981)	22,322
<b>Other Financing (Uses)</b>				
Transfers (out)	-	-	(664)	(664)
<i>(Deficit) of Receipts over Disbursements and Other (Uses)</i>	(40,968)	(50,303)	(28,645)	21,658
Fund Balance, July 1	281,400	281,400	281,400	-
<b>Fund Balance, June 30</b>	\$ 240,432	\$ 231,097	\$ 252,755	\$ 21,658

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Oronogo

### Budgetary Comparison Schedule – Stormwater Fund – Modified Cash Basis

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Receipts</b>				
Taxes				
Sales taxes	\$ 70,000	\$ 70,000	\$ 65,924	\$ (4,076)
Miscellaneous				
Interest	1,275	3,025	3,236	211
Other	-	-	190	190
	1,275	3,025	3,426	401
<b>Total Receipts</b>	71,275	73,025	69,350	(3,675)
<b>Disbursements</b>				
Current				
Stormwater	442,500	424,650	645	424,005
Park	7,000	7,550	1,119	6,431
<b>Total Disbursements</b>	449,500	432,200	1,764	430,436
<i>Excess (Deficit) of Receipts over Disbursements</i>	(378,225)	(359,175)	67,586	426,761
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	149,402	149,402	(274,490)	(423,892)
<i>(Deficit) of Receipts and Other Sources over Disbursements and Other (Uses)</i>	(228,823)	(209,773)	(206,904)	2,869
Fund Balance, July 1	238,557	238,557	238,557	-
<b>Fund Balance, June 30</b>	\$ 9,734	\$ 28,784	\$ 31,653	2,869

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Oronogo

Budgetary Comparison Schedule – American Rescue Plan Act Fund – Modified Cash Basis

Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Receipts</b>				
Intergovernmental	\$ -	\$ 271,674	\$ 271,674	\$ -
<b>Total Receipts</b>	<u>-</u>	<u>271,674</u>	<u>271,674</u>	<u>-</u>
<b>Disbursements</b>				
Current				
Stormwater	-	88,000	88,000	-
<b>Total Disbursements</b>	<u>-</u>	<u>88,000</u>	<u>88,000</u>	<u>-</u>
<i>Excess of Receipts over Disbursements</i>	-	183,674	183,674	-
Fund Balance, July 1	-	-	-	-
<b>Fund Balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ 183,674</u></u>	<u><u>\$ 183,674</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.



# City of Oronogo

## Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2022

---

### **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedules:

1. Prior to July, the City Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed disbursement plans and the proposed means of financing them.
2. One public hearing is conducted by the Board of Aldermen in late May or early June to obtain taxpayers' comments on the proposed budget.
3. Prior to July 1, the City adopts a budget.
4. The budget for the City is adopted on the modified cash basis. Budgeted amounts may be amended during the year by the City.