

VILLAGE OF INDIAN POINT, MISSOURI

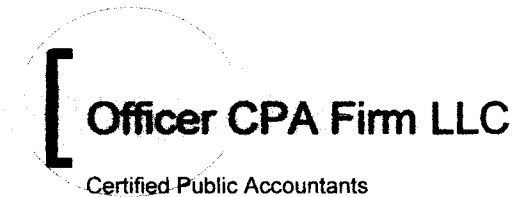
FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2016

VILLAGE OF INDIAN POINT, MISSOURI  
 Audit Report  
 December 31, 2016

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## Independent Auditor's Report

Board of Trustees  
Village of Indian Point  
Indian Point, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities and the business-type activities of the Village of Indian Point as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities and the business-type activities of the Village of Indian Point, as of December 31, 2016, and the respective changes in modified cash basis financial position and where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

**Basis of Accounting**

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

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements. The budgetary comparison information on page 21 and 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Information**

We have previously audited the Village of Indian Point, Missouri's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and the business-type activities in our report dated November 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.

*Officer CPA Firm LLC*

Springfield, Missouri  
August 31, 2017

VILLAGE OF INDIAN POINT, MISSOURI  
Government-wide Statement of Net Position  
Governmental Activities - Modified Cash Basis  
Business -Type Activities - Accrual Basis  
December 31, 2016 With Comparative Data

	Governmental Activities	Business-Type Activities	Total December 31, 2016	Total December 31, 2015
<b>ASSETS</b>				
Cash and cash equivalents	\$ 61,160	\$ 37,275	\$ 98,435	\$ 109,893
Investments	106,467	-	106,467	105,094
Restricted assets:				
Cash and cash equivalents	93,612	35,510	129,122	77,502
Investments	65,185	-	65,185	64,344
Capital Assets:				
Land	243,608	18,586	262,194	262,194
Building and plant	371,671	2,093,816	2,465,487	2,465,487
Equipment	198,038	7,941	205,979	193,969
Accumulated depreciation	(253,789)	(313,952)	(567,741)	(492,774)
<b>TOTAL ASSETS</b>	<b>885,952</b>	<b>1,879,176</b>	<b>2,765,128</b>	<b>2,785,709</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accrued expenses	279	-	279	448
Current portion of long term debt	14,000	47,210	61,210	60,747
<b>Total Current Liabilities</b>	<b>14,279</b>	<b>47,210</b>	<b>61,489</b>	<b>61,195</b>
Long-Term Debt	197,000	523,595	720,595	781,805
<b>TOTAL LIABILITIES</b>	<b>211,279</b>	<b>570,805</b>	<b>782,084</b>	<b>843,000</b>
<b>NET POSITION</b>				
Net investment in capital assets	348,528	1,235,586	1,584,114	1,586,324
Unrestricted	167,348	72,785	240,133	250,240
Restricted	158,797	-	158,797	106,145.00
<b>TOTAL NET POSITION</b>	<b>\$ 674,673</b>	<b>\$ 1,308,371</b>	<b>\$ 1,983,044</b>	<b>\$ 1,942,709</b>

VILLAGE OF INDIAN POINT, MISSOURI  
Government-wide Statement of Activities  
Governmental Activities - Modified Cash Basis  
Business-Type Activities - Accrual Basis  
For the year ended December 31, 2016 With Comparative Data

Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Comparative Data December 31, 2015
	Expenses	Fees, Fines and Charges for Services	Operating		Governmental Activities	Business-type Activities	Total	
			Grants and Contributions	Capital Grants and Contributions				
Governmental activities:								
Administration	\$ 129,970	\$ 4,930	\$ -	\$ -	\$ (125,040)	\$ (125,040)	\$ (113,047)	
Public safety	65,676	12,601	-	-	(53,075)	(53,075)	(64,107)	
Transportation	230,438	-	-	-	(230,438)	(230,438)	(95,765)	
Recycling	396	-	-	-	(396)	(396)	(657)	
Interest on long-term debt	12,928	-	-	-	(12,928)	(12,928)	(12,355)	
Total governmental activities	439,408	17,531	-	-	(421,877)	(421,877)	(285,931)	
Business-type activities								
Wastewater	126,272	119,705	14,901	-	8,334	8,334	(8,538)	
Total Business-type activities	126,272	119,705	14,901	-	8,334	8,334	(8,538)	
Total primary government	\$ 565,680	\$ 137,236	\$ 14,901	\$ -	(421,877)	(413,543)	(294,469)	
General Revenues:								
Taxes					449,801	449,801	360,169	
Interest and Investment Earnings					2,626	2,626	3,309	
Miscellaneous					1,451	1,451	317	
Transfers in (out)					(6,658)	6,658	-	
Total General Revenues and transfers					447,220	453,878	363,795	
Change in Net Assets					25,343	14,992	69,326	
Net Assets at Beginning of Year					649,330	1,293,379	1,873,383	
Net Assets at End of Year					\$ 674,673	\$ 1,308,371	\$ 1,942,709	

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI  
 Balance Sheet - Modified Cash Basis  
 Governmental Funds  
 December 31, 2016 With Comparative Data

	General Fund	Total Governmental Funds December 31, 2016	Total Governmental Funds December 31, 2015
<b>ASSETS</b>			
Unrestricted Assets:			
Cash and cash equivalents	\$ 61,160	\$ 61,160	\$ 83,724
Investments	106,467	106,467	105,094
Restricted			
Restricted cash equivalents	93,612	93,612	41,801
Restricted investments	65,185	65,185	64,344
<b>TOTAL ASSETS</b>	<u>\$ 326,424</u>	<u>\$ 326,424</u>	<u>\$ 294,963</u>
 <b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Accrued expenses	\$ 279	279	\$ 448
Total liabilities	<u>279</u>	<u>279</u>	<u>448</u>
Equity:			
Fund balance:			
Restricted	-	-	-
Assigned	158,797	158,797	106,145
Unassigned	167,348	167,348	188,370
<b>Total Equity</b>	<u>326,145</u>	<u>326,145</u>	<u>294,515</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 326,424</u>	<u>\$ 326,424</u>	<u>\$ 294,963</u>

VILLAGE OF INDIAN POINT, MISSOURI

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets - Modified Cash Basis

December 31, 2016 with With Comparative Data

	December 31, 2016	Comparative Data December 31, 2015
Total fund balances - governmental funds	\$ 326,145	\$ 294,515
Amounts reported for <i>governmental activities</i> the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	559,528	579,815
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.	(211,000)	(225,000)
Net assets of governmental activities	<u>\$ 674,673</u>	<u>\$ 649,330</u>



VILLAGE OF INDIAN POINT, MISSOURI

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

Governmental Funds

Year Ended December 31, 2016 With Comparative Data

	General Fund	Total Governmental Funds 2016	Total Governmental Funds 2015
<b>REVENUES</b>			
Taxes	\$ 421,347	\$ 421,347	\$ 331,957
Transportation taxes	28,454	28,454	28,212
Fines and forfeitures	12,601	12,601	10,376
Charge for services	4,930	4,930	7,177
Interest	2,626	2,626	3,286
Miscellaneous	1,451	1,451	317
<b>TOTAL REVENUES</b>	<u>471,409</u>	<u>471,409</u>	<u>381,325</u>
<b>EXPENDITURES</b>			
Administration	114,212	114,212	92,680
Public safety	74,614	74,614	73,745
Transportation	216,969	216,969	224,360
Recycling	396	396	657
Debt service:			
principal payments	14,000	14,000	14,000
interest and agent fees	12,928	12,928	12,355
<b>TOTAL EXPENDITURES</b>	<u>433,119</u>	<u>433,119</u>	<u>417,797</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	38,290	38,290	(36,472)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>(6,658)</u>	<u>(6,658)</u>	<u>(25,590)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(6,658)</u>	<u>(6,658)</u>	<u>(25,590)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	31,632	31,632	(62,062)
<b>FUND BALANCE (DEFICIT), January 1</b>	<u>294,513</u>	<u>294,513</u>	<u>356,575</u>
<b>FUND BALANCE (DEFICIT), December 31</b>	<u><u>\$ 326,145</u></u>	<u><u>\$ 326,145</u></u>	<u><u>\$ 294,513</u></u>

VILLAGE OF INDIAN POINT, MISSOURI  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balance of Governmental Funds to the Statement of Activities - Modified Cash Basis  
 Year Ended December 31, 2016 with Comparative Data

	<u>2016</u>	<u>Comparative Data 2015</u>
Net change in fund balances - total governmental funds	\$ 31,632	\$ (62,062)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(20,289)	100,313
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	14,000	14,000
Changes in net assets of governmental activities	<u>\$ 25,343</u>	<u>\$ 52,251</u>

VILLAGE OF INDIAN POINT, MISSOURI  
Statement of Fund Net Position - Modified Cash Basis  
Proprietary Funds  
December 31, 2016 with Comparative Data

	December 31, 2016	Comparative Data December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 37,275	\$ 26,169
Restricted assets:		
Cash and cash equivalents	35,510	35,701
Total current assets	<u>72,785</u>	<u>61,870</u>
Capital Assets:		
Land	18,586	18,586
Equipment	7,941	7,941
Building and plant	2,093,816	2,093,816
Accumulated depreciation	(313,952)	(271,282)
Net capital assets	<u>1,806,391</u>	<u>1,849,061</u>
 Total Assets	 <u>\$ 1,879,176</u>	 <u>\$ 1,910,931</u>
<b>LIABILITIES</b>		
Current Liabilities		
Current portion of long term debt	47,210	46,747
Total Current Liabilities	<u>47,210</u>	<u>46,747</u>
 Long-term debt	 <u>523,595</u>	 <u>570,805</u>
 Total Liabilities	 <u>570,805</u>	 <u>617,552</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,235,586	1,231,509
Unrestricted	72,785	61,870
Total Net Position	<u>\$ 1,308,371</u>	<u>\$ 1,293,379</u>

VILLAGE OF INDIAN POINT, MISSOURI  
Statement of Revenues, Expenses and Changes in Fund Net Position - Modified Cash Basis  
Proprietary Funds - Sewer Fund  
Year Ended December 31, 2016 With Comparative Data

	Comparative Data	
	December 31, 2016	December 31, 2015
Operating revenues		
Charge for services	\$ 119,705	\$ 94,145
Total operating revenues	<u>119,705</u>	<u>94,145</u>
Operating expenses:		
Depreciation and amortization	42,670	42,671
Sewer operating expenses	51,684	39,248
Total operating expenses	<u>94,354</u>	<u>81,919</u>
Operating income (loss)	<u>25,351</u>	<u>12,226</u>
Non-Operating revenues (expenses)		
Intergovernmental revenues	14,901	-
Interest expense	(31,918)	(20,764)
Interest income	-	23
Total non-operating revenues (expenses)	<u>(17,017)</u>	<u>(20,741)</u>
Income (loss) before transfers	8,334	(8,515)
Operating transfers in (out)	<u>6,658</u>	<u>25,590</u>
Change in net position	14,992	17,075
Net position at the beginning of year	<u>1,293,379</u>	<u>1,276,304</u>
Net position at end of year	<u>\$ 1,308,371</u>	<u>\$ 1,293,379</u>

VILLAGE OF INDIAN POINT  
STATEMENT OF CASH FLOWS  
December 31, 2016 with Comparative Data

	2016	Comparative Data 2015
	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 119,705	\$ 94,145
Cash payments to suppliers and vendors	(51,684)	(39,248)
Net cash provided by (used for) operating activities	<u>68,021</u>	<u>54,897</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Income from investments	-	23
Net cash provided (used) by investing activities	<u>-</u>	<u>23</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on debt	(46,747)	(46,313)
Interest paid on debt	(31,918)	(20,764)
Grant revenues	14,901	-
Transfers in	6,658	25,590
Net cash provided (used) by financing activities	<u>(57,106)</u>	<u>(41,487)</u>
<b>Net increase (decrease) in cash and equivalents</b>	10,915	13,433
<b>Cash and equivalents, January 1</b>	61,870	48,437
<b>Cash and equivalents, December 31</b>	<u>\$ 72,785</u>	<u>\$ 61,870</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	25,351	12,226
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,670	42,671
Net cash provided by (used for) operating activities	<u>\$ 68,021</u>	<u>\$ 54,897</u>

See accompanying notes to financial statements.

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

**1. Summary of Significant Accounting Policies**

**A. The Financial Reporting Entity**

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

The financial reporting entity includes all funds, functions, and organizations over which the Village officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Village's reporting entity does not contain any component units as defined in GASB Statement No. 14 and GASB Statement No. 39.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

**B. Government-Wide and Fund Financial Statements**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes on the Village's financial position and operations. Such information is presented in a summarized comparative format and should be read in conjunction with the government's financial statements for the year ended December 31, 2014, from which the summarized information was summarized.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Village as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources and measurement focus and the cash basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The "doubling up" effect of internal service fund activity has been eliminated from the government-wide financial statements with the expenses shown in the various functions and programs on the Statement of Activities.

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

The government-wide Statement of Net Position reports all financial and capital resources of the Village (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net position, with the assets and liabilities show in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

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

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

Taxes and other items not properly included among program revenues are reported instead as general revenues. Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds.

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

The governmental fund types the Village has are:

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.

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

The business-type fund types the City has are:

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods or services to the general public are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, the funds are presented using the modified cash basis of accounting.

In the fund financial statements of the governmental funds, the “current financial resources” measurement focus or the economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All funds utilize a “current financial resources” measurement focus. Only currently financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The funds of the Village are maintained, and the accompanying financial statements have been prepared and presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this 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 expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Cash and Cash Equivalents

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

E. Property Taxes

The Village does not levy property taxes.



VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2016

F. Capital Assets

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

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

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

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

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

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

G. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent asset assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

H. Short-Term Interfund Receivables/Payables

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

I. Compensated Absences

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

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2016

J. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - pre-paid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*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 or ordinances 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 of aldermen removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*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. The board of aldermen has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable 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.

K. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 62, Codification of Pre-November 30, 1989 FASB and AICPA Pronouncements. The current period financial statements have been restated to implement this pronouncement.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position has been implemented in the current financial statements. The financial statements were restated for the elimination of deferred debt issuance costs.

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

**2. Restricted Assets**

**Governmental Activities**

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

	Restricted Cash and Investments	Reserved Net Assets
Debt service funds		
Capital Improvements	158,797	158,797
	158,797	158,797

**Business-Type Activities (Sewer Fund)**

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

	Restricted Cash	Reserved Net Position
Debt service funds	23,630	
Special reserve funds	11,880	
	35,510	-

**3. Cash and Equivalents**

The Village has formal investment policies for Village monies. Investments consist of non-negotiable certificates of deposit stated at cost, which approximates market.

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

Deposits:

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

	Book Carrying Amounts	Bank Balance
Petty cash	\$ 400	
Checking accounts	191,647	204,668
Certificates of Deposit	171,652	171,652
Total	363,699	376,320
<b>Held in Trust:</b>		
U.S. Government money market funds	35,510	35,510
Total	\$ 399,209	\$ 411,830

Of the total bank balance at December 31, 2016, the entire balance was covered by federal depository insurance or pledged collateral.

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

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

**4. Risk Management**

The Village 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 disaster. The Village maintains commercial insurance coverage for each of those risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

**5. Capital Assets**

Capital asset activities for the year ended December 31, 2016, were as follows:

**Governmental activities:**

	Balance 1/1/2016	Additions	Retirements	Balance 12/31/2016
<b>Governmental activities:</b>				
Land & Improvments	\$ 243,608			243,608
Buildings	371,671			371,671
Equipment	186,028	12,010		198,038
Total	<u>801,307</u>	<u>12,010</u>	<u>-</u>	<u>813,317</u>
Less accumulated depreciation for:				
Land Improvements	3,939	11,818		15,757
Buildings	76,016	10,152		86,168
Equipment	141,537	10,327		151,864
Total	<u>221,492</u>	<u>32,297</u>	<u>-</u>	<u>253,789</u>
Net capital assets	<u>\$ 579,815</u>	<u>\$ (20,287)</u>	<u>\$ -</u>	<u>\$ 559,528</u>

**Business-type activities:**

Land	\$ 18,586			\$ 18,586
Equipment	7,941			7,941
Building and plant	2,093,816			2,093,816
Total	<u>2,120,343</u>	<u>-</u>	<u>-</u>	<u>2,120,343</u>
Less accumulated depreciation for:				
Buildings	266,167	41,876		308,043
Equipment	5,115	794		5,909
Total	<u>271,282</u>	<u>42,670</u>	<u>-</u>	<u>313,952</u>
Net capital assets	<u>\$ 1,849,061</u>	<u>\$ (42,670)</u>	<u>\$ -</u>	<u>\$ 1,806,391</u>

VILLAGE OF INDIAN POINT, MISSOURI  
Notes to Financial Statements  
December 31, 2016

**6. Long-Term Debt**

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

	Debt outstanding, Jan 1, 2016	Additions of new debt	Retirements and	Debt outstanding, Dec 31, 2016	Due Within One Year
<b>Government-type Activities:</b>					
Certificates of participation	\$ 225,000		14,000	\$ 211,000	\$ 15,000
<b>Business-type Activities:</b>					
Revenue Bonds:					
2009 Lease Purchase	\$ 142,552		\$ 6,747	\$ 135,805	\$ 7,210
Waste Water, 2005	475,000		40,000	435,000	40,000
	<u>\$ 617,552</u>	<u>\$ -</u>	<u>\$ 46,747</u>	<u>\$ 570,805</u>	<u>\$ 47,210</u>
<b>Total</b>	<u>\$ 842,552</u>	<u>\$ -</u>	<u>\$ 60,747</u>	<u>\$ 781,805</u>	<u>\$ 62,210</u>

The debt consists of:

	Governmental-Type Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	15,000	9,844	24,844	47,209	29,985	77,194
2018	16,000	9,127	25,127	47,704	27,839	75,543
2019	16,000	8,383	24,383	48,233	25,210	73,443
2020	17,000	7,615	24,615	48,798	22,545	71,343
2021	18,000	6,802	24,802	54,402	19,841	74,243
2022-2026	105,000	19,592	124,592	274,522	54,234	328,756
2026-2029	24,000	600	24,600	49,937	7,010	56,947
	<u>\$211,000</u>	<u>\$ 61,963</u>	<u>\$272,963</u>	<u>\$ 570,805</u>	<u>\$ 186,664</u>	<u>\$ 757,469</u>

**Governmental-Type Activities**

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

**Business-Type Activities**

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

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

## OTHER INFORMATION

VILLAGE OF INDIAN POINT, MISSOURI  
 Budgetary Comparison Schedule - General Fund-Modified Cash Basis  
 Year Ended December 31, 2016

	Original Budget	Budget as Amended	Actual	Variance from amended Positive (Negative)
Resources (inflows):				
Taxes	\$ 328,666	\$ 328,666	\$ 449,801	\$ 121,135
Fines and forfeitures	3,425	3,425	12,601	9,176
Charges for services	4,880	4,880	4,930	50
Interest income	4,216	4,216	2,626	(1,590)
Miscellaneous income	432	432	1,451	1,019
Total Resources (inflows)	<u>341,619</u>	<u>341,619</u>	<u>471,409</u>	<u>129,790</u>
Charges to appropriations (outflows):				
Administration	76,600	76,600	114,212	(37,612)
Public safety	99,126	99,126	74,614	24,512
Transportation	130,150	130,150	216,969	(86,819)
Recycling	-	-	396	(396)
Debt service:				
Principal payments	14,000	14,000	14,000	-
Interest and agent fees	11,000	11,000	12,928	(1,928)
Total charges to appropriations	<u>330,876</u>	<u>330,876</u>	<u>433,119</u>	<u>(102,243)</u>
Other Financing Sources (Uses)				
Transfers in (out)	(16,500)	(16,500)	(6,658)	9,842
Total Other Financing Sources (Uses)	<u>(16,500)</u>	<u>(16,500)</u>	<u>(6,658)</u>	<u>9,842</u>
Net Change in Fund Balances	(5,757)	(5,757)	31,632	37,389
Fund Balance, January 1	<u>294,513</u>	<u>294,513</u>	<u>294,513</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 288,756</u>	<u>\$ 288,756</u>	<u>\$ 326,145</u>	<u>\$ 37,389</u>



VILLAGE OF INDIAN POINT, MISSOURI  
Notes to the Other Information - Budget Comparisons  
December 31, 2016

**1. Budgetary Basis**

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

**2. Budgetary Information**

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

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

**3. Excess of Expenditures over Appropriations**

For 2016, the Village expenditures exceeded the budget in the General Fund due to non-budgeted road repair and repaving and capital outlay.