

VILLAGE OF INDIAN POINT, MISSOURI

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2017

VILLAGE OF INDIAN POINT, MISSOURI
 Audit Report
 December 31, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities and the business-type activities of the Village of Indian Point, as of December 31, 2017, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the Village's basic financial statements. The budgetary comparison information on page ~~31~~ and ~~32~~ 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 2016 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 August 31, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, 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, 2018

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Net Position
Governmental Activities - Modified Cash Basis
Business -Type Activities - Accrual Basis
December 31, 2017 With Comparative Data

	Governmental Activities	Business-Type Activities	Total December 31, 2017	Total December 31, 2016
ASSETS				
Cash and cash equivalents	\$ 166,041	\$ 43,128	\$ 209,169	\$ 98,435
Investments	107,854	-	107,854	106,467
Restricted assets:				
Cash and cash equivalents	(33,439)	35,341	1,902	129,122
Investments	66,034	-	66,034	65,185
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	8,855	206,893	205,979
Accumulated depreciation	(285,905)	(356,645)	(642,550)	(567,741)
TOTAL ASSETS	833,902	1,843,081	2,676,983	2,765,128
LIABILITIES				
Current Liabilities:				
Accrued expenses	3,753	-	3,753	279
Current portion of long term debt	16,000	47,704	63,704	61,210
Total Current Liabilities	19,753	47,704	67,457	61,489
Long-Term Debt	278,000	475,891	753,891	720,595
TOTAL LIABILITIES	297,753	523,595	821,348	782,084
NET POSITION				
Net investment in capital assets	233,412	1,241,017	1,474,429	1,584,114
Unrestricted	140,449	78,469	218,918	240,133
Restricted	162,288	-	162,288	158,797.00
TOTAL NET POSITION	\$ 536,149	\$ 1,319,486	\$ 1,855,635	\$ 1,983,044

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, 2017 With Comparative Data

Program Activities	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Comparative Data December 31, 2016
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
		Capital Grants and Contributions					
Governmental activities:							
Administration	\$ 106,135	\$ 6,130	\$ -	\$ (100,005)	\$ -	\$ (100,005)	\$ (125,040)
Public safety	122,439	17,178	-	(105,261)	-	(105,261)	(53,075)
Transportation	358,108	-	-	(358,108)	-	(358,108)	(230,438)
Recycling	160	-	-	(160)	-	(160)	(396)
Interest on long-term debt	11,161	-	-	(11,161)	-	(11,161)	(12,928)
Total governmental activities	598,003	23,308	-	(574,695)	-	(574,695)	(421,877)
Business-type activities							
Wastewater	124,232	104,022	13,685	-	(6,525)	(6,525)	8,334
Total Business-type activities	124,232	104,022	13,685	-	(6,525)	(6,525)	8,334
Total primary government	\$ 722,235	\$ 127,330	\$ 13,685	\$ (574,695)	\$ (6,525)	\$ (581,220)	\$ (413,543)
General Revenues:							
Taxes				448,556	-	448,556	449,801
Interest and Investment Earnings				2,951	1,383	4,334	2,626
Miscellaneous				921	-	921	1,451
Transfers in (out)				(16,257)	16,257	-	-
Total General Revenues and transfers				436,171	17,640	453,811	453,878
Change in Net Assets				(138,524)	11,115	(127,409)	40,335
Net Assets at Beginning of Year				674,673	1,308,371	1,983,044	1,942,709
Net Assets at End of Year				\$ 536,149	\$ 1,319,486	\$ 1,855,635	\$ 1,983,044

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
 Balance Sheet - Modified Cash Basis
 Governmental Funds
 December 31, 2017 With Comparative Data

	General Fund	Total Governmental Funds December 31, 2017	Total Governmental Funds December 31, 2016
ASSETS			
Unrestricted Assets:			
Cash and cash equivalents	\$ 166,041	\$ 166,041	\$ 61,160
Investments	107,854	107,854	106,467
Restricted:			
Restricted cash equivalents	(33,439)	(33,439)	93,612
Restricted investments	66,034	66,034	65,185
TOTAL ASSETS	<u><u>\$ 306,490</u></u>	<u><u>\$ 306,490</u></u>	<u><u>\$ 326,424</u></u>
LIABILITIES			
Accrued expenses	\$ 3,753	3,753	\$ 279
Total liabilities	<u>3,753</u>	<u>3,753</u>	<u>279</u>
FUND BALANCES			
Restricted	107,854	107,854	-
Assigned	32,595	32,595	158,797
Unassigned	162,288	162,288	167,348
Total fund balances	<u>302,737</u>	<u>302,737</u>	<u>326,145</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 306,490</u></u>	<u><u>\$ 306,490</u></u>	<u><u>\$ 326,424</u></u>

VILLAGE OF INDIAN POINT, MISSOURI

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

December 31, 2017 with With Comparative Data

	December 31, 2017	Comparative Data December 31, 2016
Total fund balances - governmental funds	\$ 302,737	\$ 326,145
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.	527,412	559,528
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.	(294,000)	(211,000)
Net assets of governmental activities	<u>\$ 536,149</u>	<u>\$ 674,673</u>

VILLAGE OF INDIAN POINT, MISSOURI

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

Governmental Funds

Year Ended December 31, 2017 With Comparative Data

	General Fund	Total Governmental Funds 2017	Total Governmental Funds 2016
REVENUES			
Taxes	\$ 419,753	\$ 419,753	\$ 421,347
Transportation taxes	28,803	28,803	28,454
Fines and forfeitures	17,178	17,178	12,601
Charge for services	6,130	6,130	4,930
Interest	2,951	2,951	2,626
Other income	921	921	1,451
TOTAL REVENUES	<u>475,736</u>	<u>475,736</u>	<u>471,409</u>
EXPENDITURES			
Administration	90,380	90,380	114,212
Public safety	119,547	119,547	74,614
Transportation	344,639	344,639	216,969
Recycling	160	160	396
Debt service:			
Principal payments	24,000	24,000	14,000
Interest and agent fees	11,161	11,161	12,928
TOTAL EXPENDITURES	<u>589,887</u>	<u>589,887</u>	<u>433,119</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(114,151)	(114,151)	38,290
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(16,257)	(16,257)	(6,658)
Issuance of long-term debt	107,000	107,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>90,743</u>	<u>90,743</u>	<u>(6,658)</u>
NET CHANGE IN FUND BALANCE	(23,408)	(23,408)	31,632
FUND BALANCE (DEFICIT), January 1	<u>326,145</u>	<u>326,145</u>	<u>294,513</u>
FUND BALANCE (DEFICIT), December 31	<u><u>\$ 302,737</u></u>	<u><u>\$ 302,737</u></u>	<u><u>\$ 326,145</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, 2017 with Comparative Data

	2017	Comparative Data 2016
Net change in fund balances - total governmental funds	\$ (23,408)	\$ 31,632
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 depreciation exceeded capital outlays in the current period.	(32,116)	(20,289)
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.	(83,000)	14,000
Changes in net assets of governmental activities	<u>\$ (138,524)</u>	<u>\$ 25,343</u>

VILLAGE OF INDIAN POINT, MISSOURI
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds - *Sewer Fund*
December 31, 2017 with Comparative Data

	December 31, 2017	Comparative Data December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 43,128	\$ 37,275
Restricted assets:		
Cash and cash equivalents	35,341	35,510
Total current assets	<u>78,469</u>	<u>72,785</u>
Capital Assets:		
Land	18,586	18,586
Equipment	8,855	7,941
Building and plant	2,093,816	2,093,816
Accumulated depreciation	(356,645)	(313,952)
Net capital assets	<u>1,764,612</u>	<u>1,806,391</u>
 Total Assets	 <u>\$ 1,843,081</u>	 <u>\$ 1,879,176</u>
LIABILITIES		
Current Liabilities		
Current portion of long term debt	47,704	47,210
Total Current Liabilities	<u>47,704</u>	<u>47,210</u>
 Long-term debt	 <u>475,891</u>	 <u>523,595</u>
 Total Liabilities	 <u>523,595</u>	 <u>570,805</u>
NET POSITION		
Net investment in capital assets	1,241,017	1,235,586
Unrestricted	78,469	72,785
Total Net Position	<u>\$ 1,319,486</u>	<u>\$ 1,308,371</u>

See accompanying notes to the basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

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

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

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, 2016, from which the 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 modified 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.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

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.

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 shown 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

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

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 Village. It is used to account for all financial resources except those required to be accounted for in another fund.

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. The one enterprise fund is the sewer fund.

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.

VILLAGE OF INDIAN POINT, MISSOURI

Notes to Financial Statements

December 31, 2017

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.

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.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

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.

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.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

2. Budget

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.

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.

For 2017, the Village expenditures exceeded the budget in the General Fund due to non-budgeted road repair and repaving, insurance, capital outlay, and personnel expenses.

3. 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	22,595	22,595
	22,595	22,595

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	23,437	
Special reserve funds	11,905	
	35,342	-

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

4. 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.

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	175,330	182,697
Certificates of Deposit	173,888	173,888
Total	349,618	356,585
Held in Trust:		
U.S. Government money market funds	35,342	35,342
Total	\$ 384,960	\$ 391,927

Of the total bank balance at December 31, 2017, 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.

5. 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, 2017

6. Capital Assets

Capital asset activities for the year ended December 31, 2017, were as follows:

Governmental activities:

	Balance 1/1/2017	Additions	Retirements	Balance 12/31/2017
Governmental activities:				
Land & Improvments	\$ 243,608			243,608
Buildings	371,671			371,671
Equipment	198,038			198,038
Total	<u>813,317</u>	<u>-</u>	<u>-</u>	<u>813,317</u>
Less accumulated depreciation for:				
Land Improvements	15,757	11,817		27,574
Buildings	86,168	10,152		96,320
Equipment	151,864	10,147		162,011
Total	<u>253,789</u>	<u>32,116</u>	<u>-</u>	<u>285,905</u>
Net capital assets	<u>\$ 559,528</u>	<u>\$ (32,116)</u>	<u>\$ -</u>	<u>\$ 527,412</u>

Business-type activities:

Land	\$ 18,586			\$ 18,586
Equipment	7,941	914		8,855
Building and plant	2,093,816			2,093,816
Total	<u>2,120,343</u>	<u>914</u>	<u>-</u>	<u>2,121,257</u>
Less accumulated depreciation for:				
Buildings	308,043	41,876		349,919
Equipment	5,909	817		6,726
Total	<u>313,952</u>	<u>42,693</u>	<u>-</u>	<u>356,645</u>
Net capital assets	<u>\$ 1,806,391</u>	<u>\$ (41,779)</u>	<u>\$ -</u>	<u>\$ 1,764,612</u>

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

7. Long-Term Debt

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

	Debt outstanding, Jan 1, 2017	Additions of new debt	Retirement s and	Debt outstanding, Dec 31, 2017	Due Within One Year
Governmental-type Activities:					
Certificates of participation	\$ 211,000		15,000	\$ 196,000	\$ 16,000
Paving Loan	-	107,000	9,000	98,000	-
	<u>\$ 211,000</u>	<u>\$ 107,000</u>	<u>\$ 24,000</u>	<u>\$ 294,000</u>	<u>\$ 16,000</u>
Business-type Activities:					
Revenue Bonds:					
2009 Lease Purchase	\$ 135,805		\$ 7,210	\$ 128,595	\$ 7,704
Waste Water, 2005	435,000		40,000	395,000	40,000
	<u>\$ 570,805</u>	<u>\$ -</u>	<u>\$ 47,210</u>	<u>\$ 523,595</u>	<u>\$ 47,704</u>

The debt consists of:

	Governmental-Type Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
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	115,000	9,301	124,301	48,798	22,545	71,343
2021	18,000	6,802	24,802	54,402	19,841	74,243
2022	19,000	5,942	24,942	55,048	17,059	72,107
2023-2026	110,000	14,250	124,250	232,578	39,475	272,053
2027-2029	-	-	-	36,832	4,710	41,542
	<u>\$294,000</u>	<u>\$ 53,805</u>	<u>\$347,805</u>	<u>#####</u>	<u>#####</u>	<u>#####</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

2017 Paving Loan, dated August 10, 2017, due on November 30, 2020, bearing an interest rate of 3.30%, interest payable at loan end

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.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2017

8. Operating Leases

The Village entered into an operating lease for a new copy machine beginning in July 2017 and ending August 2022. The agreement is for a 60-month term, \$105.32 due monthly. For December 31, 2017, \$421.28 was expensed.

Future minimum rental commitments at December 31, 2017 are as follows:

For the year ending December 31:	<u>Equipment</u>
2018	\$ 1,264
2019	1,264
2020	1,264
2021	1,264
2022	855
	<u>\$ 5,911</u>

SUPPLEMENTARY INFORMATION

VILLAGE OF INDIAN POINT, MISSOURI
 Budgetary Comparison Schedule - General Fund-Modified Cash Basis
 Year Ended December 31, 2017

	Original Budget	Budget as Amended	Actual	Variance from amended Positive (Negative)
Resources (inflows):				
Taxes	\$ 436,420	\$ 436,420	\$ 448,556	\$ 12,136
Fines and forfeitures	7,000	7,000	17,178	10,178
Charges for services	4,000	4,000	6,130	2,130
Interest income	3,950	3,950	2,951	(999)
Miscellaneous income	890	890	921	31
Total Resources (inflows)	<u>452,260</u>	<u>452,260</u>	<u>475,736</u>	<u>23,476</u>
Charges to appropriations (outflows):				
Administration	86,100	65,576	90,380	(24,804)
Public safety	115,614	133,292	119,547	13,745
Transportation	195,575	195,575	344,639	(149,064)
Recycling	200	200	160	40
Debt service:				
Principal payments	15,000	15,000	24,000	(9,000)
Interest and agent fees	11,000	11,000	11,161	(161)
Total charges to appropriations	<u>423,489</u>	<u>420,643</u>	<u>589,887</u>	<u>(169,244)</u>
Other Financing Sources (Uses)				
Transfers in (out)	(16,500)	(16,500)	(16,257)	243
Issuance of long-term debt	-	-	107,000	107,000
Total Other Financing Sources (Uses)	<u>(16,500)</u>	<u>(16,500)</u>	<u>90,743</u>	<u>107,243</u>
Net Change in Fund Balances	12,271	15,117	(23,408)	(38,525)
Fund Balance, January 1	<u>326,145</u>	<u>326,145</u>	<u>326,145</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 338,416</u>	<u>\$ 341,262</u>	<u>\$ 302,737</u>	<u>\$ (38,525)</u>

VILLAGE OF INDIAN POINT, MISSOURI
Notes to the Supplementary 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 2017, the Village expenditures exceeded the budget in the General Fund due to non-budgeted road repair and repaving, insurance, capital outlay, and personnel expenses.