

City of Bolivar, Missouri

Basic Financial Statements Year Ended December 31, 2022



Table of Contents

Independent Auditors' Report	4
Basic Financial Statements	
Statement of Net Position.....	7
Statement of Activities.....	8
Balance Sheet – Governmental Funds	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Net Position – Proprietary Fund	14
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund.....	15
Statement of Cash Flows – Proprietary Fund	16
Notes to the Financial Statements.....	17
Required Supplementary Information	
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	37
Schedule of Contributions.....	38
Notes to the Schedule of Contributions	39
Budgetary Comparison Schedule – General Fund	40
Budgetary Comparison Schedule – Street Fund	42
Budgetary Comparison Schedule – ½ Cent Capital Improvement Fund	43
Budgetary Comparison Schedule – Recreation Facility Fund	44
Budgetary Comparison Schedule – Fire Fund	45
Notes to the Budgetary Comparison Schedules	46

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds..... 48

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance – Nonmajor Governmental Funds 49

Other Reporting Requirements

Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*..... 51

Schedule of Findings and Responses 53



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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of and for the year ended December 31, 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, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Bolivar, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of the City of Bolivar, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bolivar, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 19, 2023

City of Bolivar

Statement of Net Position

December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 7,784,945	\$ -	\$ 7,784,945
Investments	13,361,690	-	13,361,690
Taxes receivable	1,236,842	-	1,236,842
Intergovernmental receivable	8,842	-	8,842
Other accounts receivable	17,975	-	17,975
Interest receivable	56,922	-	56,922
Noncurrent			
Restricted cash and cash equivalents	3,718,115	-	3,718,115
Restricted investments	91,874	-	91,874
Net pension asset	1,342,817	-	1,342,817
Capital assets			
Non-depreciable	1,142,545	-	1,142,545
Depreciable, net	21,631,421	-	21,631,421
Total Assets	50,393,988	-	50,393,988
Deferred Outflow of Resources			
Deferred pension outflows	467,992	-	467,992
Liabilities			
Current			
Accounts payable	328,698	-	328,698
Accrued expenses	139,768	-	139,768
Customer deposits payable	2,495	-	2,495
Court bonds payable	4,372	-	4,372
Police evidence payable	34,326	-	34,326
Unearned revenue	1,679,804	-	1,679,804
	2,189,463	-	2,189,463
Noncurrent			
Compensated absences	70,185	-	70,185
Total Liabilities	2,259,648	-	2,259,648
Deferred Inflow of Resources			
Deferred pension inflows	573,810	-	573,810
Net Position			
Net investment in capital assets	22,773,966	-	22,773,966
Restricted			
Non-expendable	369,887	-	369,887
Expendable	3,542,296	-	3,542,296
Unrestricted	21,342,373	-	21,342,373
Total Net Position	\$ 48,028,522	\$ -	\$ 48,028,522

See accompanying Notes to the Financial Statements

City of Bolivar

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
Administrative	\$ (217,024)	\$ 38,112	\$ 4,141	\$ 25,701	\$ (149,070)	\$ -	\$ (149,070)
Public safety	(2,374,582)	62,802	68,184	84,556	(2,159,040)	-	(2,159,040)
Municipal court	(81,932)	-	-	-	(81,932)	-	(81,932)
Community development	(430,451)	66,645	69,250	-	(294,556)	-	(294,556)
Animal pound	(121,482)	2,256	842	-	(118,384)	-	(118,384)
Recreation and parks	(206,431)	5,270	-	-	(201,161)	-	(201,161)
Recreation center	(1,392,705)	447,226	-	-	(945,479)	-	(945,479)
Child care program	(166,274)	35,320	-	-	(130,954)	-	(130,954)
Aquatic center	(421,562)	132,523	-	-	(289,039)	-	(289,039)
Golf course	(269,187)	113,184	-	-	(156,003)	-	(156,003)
Fire	(1,355,270)	-	38,940	46,219	(1,270,111)	-	(1,270,111)
Cemetery	(56,872)	57,565	1,045	-	1,738	-	1,738
Transportation	(1,930,204)	4,028	-	500,000	(1,426,176)	-	(1,426,176)
Airport	(739,708)	518,798	-	12,074	(208,836)	-	(208,836)
Debt service	(364,580)	-	-	-	(364,580)	-	(364,580)
Total Governmental Activities	(10,128,264)	1,483,729	182,402	668,550	(7,793,583)	-	(7,793,583)
Business-Type Activities							
Water and Sewer	(682,136)	717,601	-	-	-	35,465	35,465
Total Business-Type Activities	(682,136)	717,601	-	-	-	35,465	35,465
Total Primary Government	<u><u>\$(10,810,400)</u></u>	<u><u>\$ 2,201,330</u></u>	<u><u>\$ 182,402</u></u>	<u><u>\$ 668,550</u></u>	<u><u>(7,793,583)</u></u>	<u><u>35,465</u></u>	<u><u>(7,758,118)</u></u>
General Revenues							
Sales taxes					7,192,759	-	7,192,759
Motor vehicle taxes					488,006	-	488,006
Other taxes					38,955	-	38,955
Franchise fees					249,106	-	249,106
Interest					272,178	3,795	275,973
Other revenue					147,650	-	147,650
Special Items							
Insurance recoveries					1,522,998	-	1,522,998
Gain on disposal of assets					-	10,606,953	10,606,953
Disposal of operations					-	(17,969,205)	(17,969,205)
Net position received					17,969,205	-	17,969,205
Transfers					8,064,136	(8,064,136)	-
Total General Revenues, Special Items, and Transfers					<u><u>35,944,993</u></u>	<u><u>(15,422,593)</u></u>	<u><u>20,522,400</u></u>
<i>Changes in Net Position</i>					28,151,410	(15,387,128)	12,764,282
Net Position, Beginning of year					19,877,112	15,387,128	35,264,240
Net Position, End of year					<u><u>\$ 48,028,522</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 48,028,522</u></u>

See accompanying Notes to the Financial Statements

City of Bolivar

Balance Sheet – Governmental Funds

December 31, 2022

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund		
Assets							
Cash and cash equivalents - unrestricted	\$ 5,104,917	\$ 573,020	\$ 374,871	\$ 660,857	\$ 156,430	\$ 914,850	\$ 7,784,945
Investments - unrestricted	12,965,476	55,363	-	-	-	340,851	13,361,690
Taxes receivable	628,566	214,627	125,968	120,577	120,577	26,527	1,236,842
Intergovernmental receivable	126	-	-	-	8,716	-	8,842
Other accounts receivable	2,852	-	-	1,216	-	13,907	17,975
Interest receivable	56,922	-	-	-	-	-	56,922
Due from other funds	230,276	-	-	-	-	-	230,276
Restricted cash and cash equivalents	1,873,574	1,842,046	-	-	-	2,495	3,718,115
Restricted investments	-	-	-	-	-	91,874	91,874
Total Assets	\$ 20,862,709	\$ 2,685,056	\$ 500,839	\$ 782,650	\$ 285,723	\$ 1,390,504	\$ 26,507,481
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 232,831	\$ 32,605	\$ 2,000	\$ 33,438	\$ 23,146	\$ 4,678	\$ 328,698
Accrued expenses	89,007	14,950	-	10,362	25,436	13	139,768
Due to other funds	-	-	-	-	230,276	-	230,276
Customer deposits payable	-	-	-	-	-	2,495	2,495
Court bonds payable	4,372	-	-	-	-	-	4,372
Police evidence payable	34,326	-	-	-	-	-	34,326
Unearned revenue	1,679,804	-	-	-	-	-	1,679,804
Total Liabilities	2,040,340	47,555	2,000	43,800	278,858	7,186	2,419,739

See accompanying Notes to the Financial Statements

City of Bolivar

Balance Sheet – Governmental Funds

December 31, 2022

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund		
Fund Balances							
Nonspendable							
Cemetery perpetual care	-	-	-	-	-	31,874	31,874
Permanent	-	-	-	-	-	338,013	338,013
Restricted for							
Public safety - drug forfeiture	26	-	-	-	-	-	26
Shop with a cop	18,552	-	-	-	-	-	18,552
Dog pound	3,807	-	-	-	-	-	3,807
Transportation	-	2,108,970	-	-	-	-	2,108,970
Capital improvements	-	-	498,839	-	-	-	498,839
Recreation	-	-	-	79,393	-	-	79,393
Cemetery	-	-	-	-	-	60,000	60,000
Airport	-	-	-	-	-	772,709	772,709
Assigned to							
Cemetery	-	-	-	-	-	155,120	155,120
Indirect proceeds from sale of water and sewer system	3,310,662	-	-	-	-	-	3,310,662
Indirect proceeds from sale of water and sewer system for future franchise fees	1,062,500	-	-	-	-	-	1,062,500
Direct proceeds from sale of water and sewer system	12,933,416	-	-	-	-	-	12,933,416
Insurance recovery	152,977	528,531	-	659,457	156,430	25,602	1,522,997
Unassigned	1,340,429	-	-	-	(149,565)	-	1,190,864
Total Fund Balances	18,822,369	2,637,501	498,839	738,850	6,865	1,383,318	24,087,742
Total Liabilities and Fund Balances	\$ 20,862,709	\$ 2,685,056	\$ 500,839	\$ 782,650	\$ 285,723	\$ 1,390,504	\$ 26,507,481

See accompanying Notes to the Financial Statements

City of Bolivar

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2022

Fund balance - total governmental funds	\$ 24,087,742
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	37,161,168
Less accumulated depreciation	<u>(14,387,202)</u>
	22,773,966
The net pension asset and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension asset	1,342,817
Deferred outflows due to pensions	467,992
Deferred inflows due to pensions	<u>(573,810)</u>
	1,236,999
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(70,185)</u>
Net Position of Governmental Activities	<u><u>\$ 48,028,522</u></u>

See accompanying Notes to the Financial Statements

City of Bolivar

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2022

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund		
Revenues							
Taxes	\$ 3,953,942	\$ 1,735,201	\$ 734,059	\$ 698,172	\$ 698,215	\$ 149,237	\$ 7,968,826
Licenses and permits	107,012	-	-	-	-	-	107,012
Charges for services	-	-	-	701,787	-	576,363	1,278,150
Intergovernmental revenues	700,445	-	-	-	38,940	12,074	751,459
Fines and forfeitures	62,802	-	-	-	-	-	62,802
Interest	125,758	53,007	7,878	65,273	-	20,262	272,178
Other	109,269	13,662	-	69,706	5,401	84,870	282,908
Total Revenues	5,059,228	1,801,870	741,937	1,534,938	742,556	842,806	10,723,335
Expenditures							
Current							
Administration	262,619	-	-	-	-	-	262,619
Public safety	2,504,483	-	-	-	-	-	2,504,483
Municipal court	88,181	-	-	-	-	-	88,181
Community development	478,473	-	-	-	-	-	478,473
Animal pound	133,035	-	-	-	-	-	133,035
Recreation and parks	-	-	-	256,602	-	-	256,602
Recreation center	-	-	-	1,243,222	-	-	1,243,222
Child care program	-	-	-	166,274	-	-	166,274
Aquatic center	-	-	-	421,562	-	-	421,562
Golf course	-	-	-	281,613	-	-	281,613
Fire	-	-	-	-	1,204,766	-	1,204,766
Cemetery	-	-	-	-	-	53,845	53,845
Transportation	-	1,625,996	-	-	-	-	1,625,996
Airport	-	-	-	-	-	557,769	557,769
Capital outlay	936,926	1,006,736	7,143	391,350	421,621	32,232	2,796,008
Debt Service							
Principal, interest and fees	-	98,472	-	5,547,957	593,984	-	6,240,413
Total Expenditures	4,403,717	2,731,204	7,143	8,308,580	2,220,371	643,846	18,314,861
<i>Excess (Deficit) of Revenues Over Expenditures</i>	655,511	(929,334)	734,794	(6,773,642)	(1,477,815)	198,960	(7,591,526)
Other Financing Sources (Uses)							
Insurance recoveries	152,977	528,531	-	659,457	156,430	25,603	1,522,998
Operating transfer in (out)	(485,182)	734,519	(490,308)	7,044,170	1,237,957	22,980	8,064,136
Total Other Financing Sources (Uses)	(332,205)	1,263,050	(490,308)	7,703,627	1,394,387	48,583	9,587,134
Special Item							
Net fund balance received	17,501,872	-	-	-	-	-	17,501,872
Net Change in Fund Balances	17,825,178	333,716	244,486	929,985	(83,428)	247,543	19,497,480
Fund Balance (Deficit), January 1	997,191	2,303,785	254,353	(191,135)	90,293	1,135,775	4,590,262
Fund Balance, December 31	\$ 18,822,369	\$ 2,637,501	\$ 498,839	\$ 738,850	\$ 6,865	\$ 1,383,318	\$ 24,087,742

See accompanying Notes to the Financial Statements

City of Bolivar

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2022

Net change in fund balances - total governmental funds	\$ 19,497,480
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities the cost of these assets is allocated over their
estimated useful lives on a straight line basis and reported as depreciation expense.

Capital outlay	2,788,865
Depreciation	(1,067,842)
Disposal of capital assets, net	(7,173)
	<u>1,713,850</u>

Capital assets received from business-type activities are not capitalized on the
governmental fund statements, but are shown in the Statement of Activities. 467,333

The issuance of long-term debt provides current financial resources to governmental
funds. The repayment of the principal of long-term debt is a use of current financial
resources of governmental funds. In the Statement of Activities, interest is accrued
on outstanding debt whereas, in the governmental funds, an interest expenditure is
reported when due. The following is the detail of the net effect of these differences.

Discount on certificates of participation	(220,438)
Accrued interest payable	46,704
Repayment of principal on debt	6,355,036
	<u>6,181,302</u>

Some expenditures reported in the governmental funds represent the use of current
financial resources and were recognized in the Statement of Activities when incurred.

Change in pension related costs	289,217
Change in compensated absences	2,228
	<u>291,445</u>

Change in Net Position of Governmental Activities

\$ 28,151,410

See accompanying Notes to the Financial Statements

City of Bolivar

Statement of Net Position – Proprietary Fund

December 31, 2022

	<u>Water and Sewer Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ -
Total Assets	<u>-</u>
Liabilities	
Current Liabilities	
Accounts payable	-
Total Liabilities	<u>-</u>
Net Position	
Net investment in capital assets	-
Unrestricted	-
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements

City of Bolivar

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund

Year Ended December 31, 2022

	Water and Sewer Fund
Operating Revenues	
Charges for services	\$ 688,779
Other charges	28,822
Total Operating Revenues	<u>717,601</u>
Operating Expenses	
Salaries and wages	253,511
Employee benefits	138,478
Materials and supplies	33,118
Telephone and utilities	51,265
Insurance	43,528
Repairs and maintenance	53,937
Travel and conferences	5,319
Depreciation	44,621
Miscellaneous	49,536
Total Operating Expenses	<u>673,313</u>
<i>Operating Income</i>	44,288
Nonoperating Revenues (Expenses)	
Interest income	3,795
Interest expense	(8,823)
Total Nonoperating Revenues (Expenses)	<u>(5,028)</u>
<i>Income Before Special items and Transfers</i>	39,260
Special Items	
Gain on disposal of capital assets	10,606,953
Disposal of operations	(17,969,205)
Total Special items	<u>(7,362,252)</u>
Transfers (out)	<u>(8,064,136)</u>
<i>Change in Net Position</i>	(15,387,128)
Net Position, January 1	15,387,128
Net Position, December 31	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements

City of Bolivar

Statement of Cash Flows – Proprietary Fund

Year Ended December 31, 2022

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 977,747
Cash paid to employees	(363,815)
Cash paid to suppliers	(282,357)
Net Cash Provided by Operating Activities	331,575
Cash Flows from Noncapital Financing Activities	
Transfers (to) other funds	(8,064,136)
Disposal of operations	(17,501,872)
Net Cash (Used) by Noncapital Financing Activities	(25,566,008)
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of assets	23,500,000
Payment of principal on long-term liabilities	(3,747,061)
Payment of interest expense	(44,577)
Net Cash Provided by Capital and Related Financing Activities	19,708,362
Cash Flows from Investing Activities	
Interest received	3,795
Net Cash Provided by Investing Activities	3,795
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(5,522,276)
Cash and Cash Equivalents, Beginning of year	5,522,276
Cash and Cash Equivalents, End of year	\$ -
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 44,288
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	44,621
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Utilities receivable	440,905
Net pension asset	284,971
Deferred pension outflows	60,889
Accounts payable	(45,654)
Accrued expenses	(55,844)
Compensated absences	(19,517)
Customer deposits payable	(180,759)
Deferred pension inflows	(242,325)
Net Cash Provided by Operating Activities	\$ 331,575
Noncash Capital and Related Financing Activities:	
Transfer of capital assets to governmental activities	\$ 467,333

See accompanying Notes to the Financial Statements

City of Bolivar

Notes to the Financial Statements

December 31, 2022

1. Summary of Significant Accounting Policies

The City of Bolivar, Missouri (the City) is a fourth-class city under Missouri State Statutes and is governed under a Mayor/Board of Aldermen form of government. The City provides a range of municipal services, including general government administration, public safety, fire, recreation, cemetery, community development, street maintenance and airport facilities.

The accounting policies of the City conform to 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 financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not financially accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Bolivar, Missouri, is a primary government, which is governed by an elected Board of Aldermen. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that there are no other entities that should be included as a component unit in the City's basic financial statements.

Government-Wide and Fund Financial Statements

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 government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

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 of the City is used to account for resources restricted, committed or assigned for City streets.

½ Cent Capital Improvement Fund: This fund is used to account for financial resources restricted, committed or assigned for the acquisition, construction, and maintenance of major capital assets of the City.

Recreation Facility Fund: The Recreation Facility Fund is used to account for financial resources restricted, committed or assigned for City recreation and parks.

Fire Fund: The Fire Fund is used to account for financial resources restricted, committed or assigned for the City Fire Department.

The City reports the following major proprietary fund:

Water and Sewer Fund: The Water and Sewer Fund is an enterprise fund and accounts for the activities and capital improvements of the City's water and sewer operations. On December 31, 2022, the City disposed all operations of the Water and Sewer Fund.

Pooled Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

Investments

For purposes of the Statement of Cash Flows, the City considers all investments with an original maturity of three months or less to be a cash equivalent.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1: Inputs using quoted prices in active markets for identical assets or liabilities

Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities

Level 3: Inputs are significant unobservable inputs

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the city elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings	40-50 years
Equipment	5-20 years
Vehicles	10-20 years
Water and sewer plant	20-50 years
Infrastructure	30-50 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Compensated Absences

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

Net Position

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

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: Consists of 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: Consists of net position that does not meet the determination of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted amounts.

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: This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's Board of Aldermen.

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.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has one item that qualifies for reporting in this category, deferred amounts relating to the pension plan.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, deferred pension inflows relating to the pension plan on the Statement of Net Position. This amount is recognized as an inflow of resources in the period that the amount becomes available.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Operating Revenues and Expenses

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

2. Cash & Cash Equivalents

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2022, all bank balances on deposit are entirely insured or collateralized.

3. Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of December 31, 2022:

<u>Investment Type</u>	<u>Maturity</u>	<u>Not Subject to Fair Value Measurement</u>	<u>Level 1</u>	<u>Total</u>
Certificates of Deposit	11/17/2023 - 1/4/2024	\$ 3,520,149	\$ -	\$ 3,520,149
U.S. Treasury Bills	5/18/2023 - 11/2/2023	-	2,007,535	2,007,535
U.S. Treasury Notes	5/15/2024 - 5/15/2027	-	6,941,397	6,941,397
U.S. Treasury Bonds	11/15/2027	-	984,483	984,483
		<u>\$ 3,520,149</u>	<u>\$ 9,933,415</u>	<u>\$ 13,453,564</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. 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 December 31, 2022, all certificates of deposit are entirely insured or collateralized with securities.

U.S. Treasury Securities

Funds invested in U.S. Treasury Bills, U.S. Treasury Notes and U.S. Treasury Bonds are held by Commerce Bank Capital Markets Group and rated Aaa, Aaa, and AAA respectively by Moody's.

Interest Rate Risk

The City does not have a policy on interest rate risk.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

4. Restricted Assets

Governmental Activities

Cash and investments and fund balance/net position have been restricted in the following funds:

	Restricted Cash and Investments	Restricted Fund Balance/ Net Position
General Fund		
Court bonds	\$ 4,372	\$ -
Drug forfeiture	26	26
Shop with a cop	18,552	18,552
Dog pound fund	3,807	3,807
Sales tax to developer	132,687	-
Police evidence	34,326	-
Opioid remediation	49,351	-
Grant proceeds	1,630,453	-
	1,873,574	22,385
Street Fund		
Transportation taxes	1,842,046	2,108,970
1/2 Cent Capital Improvement Fund		
Capital improvement taxes	-	498,839
Recreation Facility Fund		
Park taxes	-	79,393
Nonmajor Governmental Funds		
Cemetery perpetual care	31,874	31,874
Cemetery donations	60,000	60,000
Corbett donation	-	285,294
Airport hangar deposits	2,495	-
Airport	-	772,709
Plaza of the Americas	-	52,719
	94,369	1,202,596
Total Governmental Activities	\$ 3,809,989	\$ 3,912,183

City of Bolivar

Notes to the Financial Statements

December 31, 2022

5. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2022, was as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Governmental Activities				
Non-depreciable Capital Assets				
Land	\$ 1,063,336	\$ 21,211	\$ -	\$ 1,084,547
Construction in progress	80,315	104,910	127,227	57,998
Total Non-depreciable Capital Assets	<u>1,143,651</u>	<u>\$ 126,121</u>	<u>\$ 127,227</u>	<u>1,142,545</u>
Depreciable Capital Assets				
Buildings and land improvements	11,644,834	\$ 843,971	\$ -	12,488,805
Equipment and furniture	8,082,133	1,497,489	463,050	9,116,572
Infrastructure	13,497,402	915,844	-	14,413,246
Total Depreciable Capital Assets	<u>33,224,369</u>	<u>\$ 3,257,304</u>	<u>\$ 463,050</u>	<u>36,018,623</u>
Less Accumulated Depreciation	<u>(13,775,237)</u>	<u>\$ (1,067,842)</u>	<u>\$ 455,877</u>	<u>(14,387,202)</u>
Total Depreciable Capital Assets, net	<u>19,449,132</u>			<u>21,631,421</u>
Total Governmental Activities Capital Assets, net	<u>\$ 20,592,783</u>			<u>\$ 22,773,966</u>

Depreciation expense for governmental activities was charged to the functions as follows:

Administrative	\$ 53,984
Law and public safety	83,641
Community development	732
Recreation and parks	184,468
Golf course	1,343
Fire	163,437
Cemetery	3,027
Transportation	395,271
Airport	181,939
	<u>\$ 1,067,842</u>

City of Bolivar

Notes to the Financial Statements

December 31, 2022

Capital asset activity for business-type activities for the year ended December 31, 2022, was as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Business-type Activities				
Non-depreciable Capital Assets				
Land	\$ 132,231	\$ -	\$ 132,231	\$ -
Depreciable Capital Assets				
Equipment and furniture	2,393,126	\$ -	\$ 2,393,126	-
Water and sewer system	24,153,494	-	24,153,494	-
Buildings and improvements	589,993	-	589,993	-
Total Depreciable Capital Assets	27,136,613	\$ -	\$ 27,136,613	-
Less Accumulated Depreciation	(13,863,842)	\$ (44,621)	\$ 13,908,463	-
Total Depreciable Capital Assets, net	13,272,771			-
Total Business-type Activities Capital Assets, net	\$ 13,405,002			\$ -

6. Internal Balances

Internal balances as of December 31, 2022, consisted of the following:

	General Fund	Fire Fund
Internal balances	\$ 230,276	\$ (230,276)

The City passed a resolution authorizing an interfund loan from the General Fund to the Fire Fund for the purchase of Fire Department apparatus in the amount of \$250,057. The Fire Fund will make monthly payments of \$4,410 including interest of 2.25% beginning August 1, 2022 through August 1, 2027. Principal and interest payments are due as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 48,238	\$ 4,686	\$ 52,924
2024	49,335	3,589	52,924
2025	50,457	2,467	52,924
2026	51,604	1,320	52,924
2027	30,642	230	30,872
	\$ 230,276	\$ 12,292	\$ 242,568

City of Bolivar

Notes to the Financial Statements

December 31, 2022

7. Long-Term Liabilities

The summary of changes in long-term liabilities of the governmental activities for the year ended December 31, 2022, are as follows:

	Balance December 31, 2021	Additions	Retirements	Balance December 31, 2022	Amounts Due Within One Year
Governmental Activities					
Financed Purchases					
Direct Borrowing					
2014 Fire Truck	\$ 164,909	\$ -	\$ 164,909	\$ -	\$ -
Refinanced Public Safety Building	274,078	-	274,078	-	-
2015 Fire Truck	283,794	-	283,794	-	-
Dispatch Equipment	33,220	-	33,220	-	-
Street Sweeper	85,628	-	85,628	-	-
Excavator	10,699	-	10,699	-	-
Police Vehicles	98,908	-	98,908	-	-
	<u>951,236</u>	<u>-</u>	<u>951,236</u>	<u>-</u>	<u>-</u>
Certificates of Participation					
Series 2016 Refunding Certificates	628,800	-	628,800	-	-
Series 2010B Certificates	4,775,000	-	4,775,000	-	-
Less: Discount	(220,438)	-	(220,438)	-	-
	<u>5,183,362</u>	<u>-</u>	<u>5,183,362</u>	<u>-</u>	<u>-</u>
Compensated Absences Payable	72,413	-	2,228	70,185	-
	<u>\$ 6,207,011</u>	<u>\$ -</u>	<u>\$ 6,136,826</u>	<u>\$ 70,185</u>	<u>\$ -</u>

The summary of changes in long-term liabilities of the business-type activities for the year ended December 31, 2022, are as follows:

	Balance December 31, 2021	Additions	Retirements	Balance December 31, 2022	Amounts Due Within One Year
Business-type Activities					
Direct Borrowings					
Sewer Lines and Lift Station	\$ 2,728,800	\$ -	\$ 2,728,800	\$ -	\$ -
Water and Sewer Lines	996,863	-	996,863	-	-
Excavator	21,398	-	21,398	-	-
	<u>3,747,061</u>	<u>-</u>	<u>3,747,061</u>	<u>-</u>	<u>-</u>
Compensated Absences Payable	19,517	-	19,517	-	-
	<u>\$ 3,766,578</u>	<u>\$ -</u>	<u>\$ 3,766,578</u>	<u>\$ -</u>	<u>\$ -</u>

City of Bolivar

Notes to the Financial Statements

December 31, 2022

8. Employee Pension Plan

General Information about the Pension Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	2022 Valuation
Benefit multiplier	1.50% for life
Final average salary	3 years
Member contributions	2%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2022, which is LAGERS fiscal year end and the latest information available, the following employees were covered by the benefit terms:

	General	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	42	8	2
Inactive employees entitled to but not yet receiving benefits	18	30	19
Active employees	62	17	12
	122	55	33

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 2% to the pension plan. Employer contribution rates are 11.4% (General), 3.3% (Police), and 9.7% (Fire) of annual covered payroll.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

Net Pension Liability (Asset). The employer's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions. The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation for general 2.75% to 6.55% including wage inflation for police 2.75% to 7.15% including wage inflation for fire
Investment rate return	7.00% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study covering the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

City of Bolivar

Notes to the Financial Statements

December 31, 2022

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
General Division			
Balances at beginning of year	\$ 5,848,766	\$ 6,839,281	\$ (990,515)
Changes for the year			
Service cost	199,226	-	199,226
Interest	403,205	-	403,205
Difference between expected and actual experiences	249,251	-	249,251
Contributions - employer	-	242,963	(242,963)
Contributions - employee	-	42,800	(42,800)
Net investment income	-	5,989	(5,989)
Benefits paid, including refunds	(379,676)	(379,676)	-
Administrative expenses	-	(11,381)	11,381
Other (net transfer)	-	59,044	(59,044)
<i>Net Changes</i>	<u>472,006</u>	<u>(40,261)</u>	<u>512,267</u>
Balances at end of year	<u>6,320,772</u>	<u>6,799,020</u>	<u>(478,248)</u>

City of Bolivar

Notes to the Financial Statements

December 31, 2022

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Police Division			
Balances at beginning of year	2,439,573	3,498,236	(1,058,663)
Changes for the year			
Service cost	86,352	-	86,352
Interest	172,413	-	172,413
Difference between expected and actual experiences	(194,955)	-	(194,955)
Contributions - employer	-	28,249	(28,249)
Contributions - employee	-	18,249	(18,249)
Net investment income	-	3,530	(3,530)
Benefits paid, including refunds	(38,619)	(38,619)	-
Administrative expenses	-	(3,537)	3,537
Other (net transfer)	-	(235,291)	235,291
<i>Net Changes</i>	25,191	(227,419)	252,610
Balances at end of year	2,464,764	3,270,817	(806,053)
Fire Division			
Balances at beginning of year	567,833	691,551	(123,718)
Changes for the year			
Service cost	51,346	-	51,346
Interest	41,306	-	41,306
Difference between expected and actual experiences	22,831	-	22,831
Contributions - employer	-	48,048	(48,048)
Contributions - employee	-	10,171	(10,171)
Net investment income	-	933	(933)
Benefits paid, including refunds	(6,076)	(6,076)	-
Administrative expenses	-	(1,990)	1,990
Other (net transfer)	-	(6,881)	6,881
<i>Net Changes</i>	109,407	44,205	65,202
Balances at end of year	677,240	735,756	(58,516)
Total Plan Balances at End of Year	\$ 9,462,776	\$ 10,805,593	\$ (1,342,817)

City of Bolivar

Notes to the Financial Statements

December 31, 2022

The net pension liability (asset) has been allocated as follows:

	Net Pension Liability (Asset)
Governmental Activities	\$ (1,342,817)
Business-Type Activities	-
	\$ (1,342,817)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following present the net pension liability (asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability (asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total Pension Liability	\$ 7,200,129	\$ 6,320,772	\$ 5,599,453
Fiduciary Net Position	6,799,020	6,799,020	6,799,020
Net Pension Liability (Asset)	401,109	(478,248)	(1,199,567)
Police Division			
Total Pension Liability	2,944,960	2,464,764	2,087,111
Fiduciary Net Position	3,270,817	3,270,817	3,270,817
Net Pension Liability (Asset)	(325,857)	(806,053)	(1,183,706)
Fire Division			
Total Pension Liability	831,389	677,240	557,451
Fiduciary Net Position	735,756	735,756	735,756
Net Pension Liability (Asset)	95,633	(58,516)	(178,305)
Total Net Pension Liability (Asset)	\$ 170,885	\$ (1,342,817)	\$ (2,561,578)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized a pension credit of \$18,145 in the general division, and pension expense of \$117,229 and \$38,920 in the police and fire divisions, respectively.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred (Inflows) of Resources
General Division			
Difference between expected and actual experience	\$ 255,537	\$ (30,530)	\$ 225,007
Changes in assumptions	-	(75,046)	(75,046)
Net difference between projected and actual earnings on pension plan investments	-	(131,287)	(131,287)
Contributions subsequent to the measurement date*	122,708	-	122,708
	<u>378,245</u>	<u>(236,863)</u>	<u>141,382</u>
Police Division			
Difference between expected and actual experience	-	(210,593)	(210,593)
Changes in assumptions	2,634	-	2,634
Net difference between projected and actual earnings on pension plan investments	-	(74,188)	(74,188)
Contributions subsequent to the measurement date*	14,531	-	14,531
	<u>17,165</u>	<u>(284,781)</u>	<u>(267,616)</u>
Fire Division			
Difference between expected and actual experience	38,626	(41,622)	(2,996)
Changes in assumptions	9,737	-	9,737
Net difference between projected and actual earnings on pension plan investments	-	(10,544)	(10,544)
Contributions subsequent to the measurement date*	24,219	-	24,219
	<u>72,582</u>	<u>(52,166)</u>	<u>20,416</u>
	<u>\$ 467,992</u>	<u>\$ (573,810)</u>	<u>\$ (105,818)</u>

Deferred outflows and inflows have been allocated as follows:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred (Inflows) of Resources
Governmental Activities	\$ 467,992	\$ (573,810)	\$ (105,818)
Business-Type Activities	-	-	-
	<u>\$ 467,992</u>	<u>\$ (573,810)</u>	<u>\$ (105,818)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized in the net pension liability (asset) for the year ending December 31, 2023.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred (Inflow) of Resources			
	General	Police	Fire	Total
2023	\$ (2,495)	\$ (110,151)	\$ 570	\$ (112,076)
2024	(9,672)	(96,854)	(95)	(106,621)
2025	(93,957)	(109,455)	(5,879)	(209,291)
2026	124,798	34,313	11,484	170,595
2027	-	-	(4,768)	(4,768)
Thereafter	-	-	(5,115)	(5,115)
	<u>\$ 18,674</u>	<u>\$ (282,147)</u>	<u>\$ (3,803)</u>	<u>\$ (267,276)</u>

Payable to the Pension Plan

At December 31, 2022, the City reported \$30,684 in outstanding amounts of contributions payable to the pension plan.

9. Risk Management

The City is exposed to various risks of losses 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 a public self-insured insurance pool. 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.

10. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of December 31, 2022, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, 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.

11. Unearned Revenue

Unearned revenue consists of revenues received but not considered earned until the eligibility requirements have been met. At December 31, 2022, these unearned revenues include unspent grant proceeds and opioid remediation funds in the amounts of \$1,630,453 and \$49,531 respectively, in the General Fund.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

12. Interfund Transfers

Transfers between funds of the City for the year ended December 31, 2022, were as follows:

	Net Transfers In (Out)
General Fund	\$ (485,182)
Street Fund	734,519
1/2 Cent Capital Improvement Fund	(490,308)
Recreation Facility Fund	7,044,170
Fire Fund	1,237,957
Nonmajor Governmental Funds	22,980
Water and Sewer Fund	(8,064,136)
	<u>\$ -</u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them.

13. Related Parties

During the year ended December 31, 2022, the City hired a business that is owned by the Mayor of the City for a ballfield lighting project. The total payments made to this business during the year were \$282,778.

14. Commitments

On September 9, 2022, the City entered into a 5-year contract with Motorola for the use of software. The total amount of the contract is \$177,900, with \$35,580 to be paid annually. The amount remaining to be paid as of December 31, 2022, is \$142,320.

As of December 31, 2022, the City has a remaining contract commitment of \$122,043 for roof repairs.

15. Discontinuance of Operations

On June 2, 2020, the voters of the City approved the sale of the City's existing combined waterworks and sewerage system to Liberty Utilities (Missouri Water), LLC ("Liberty") and to enter into a franchise agreement with Liberty to provide water and sewerage services to the City for a period not to exceed 20 years. As part of the asset purchase agreement, the City agreed to sell and assign, and Liberty agreed to purchase and assume, substantially all of the assets comprising the potable water distribution system and the wastewater collection, treatment, and disposal system of the City. The sale of the system occurred on January 31, 2022, for \$23.5 million in direct proceeds. The net gain from the sale of assets of the system was \$10,606,953. On December 31, 2022, the City disposed all operations of the Water and Sewer Fund, which resulted in a transfer of net position in the amount of \$17,969,205.

City of Bolivar

Notes to the Financial Statements

December 31, 2022

16. Reserved Fund Balances

Due to the discontinuance of operations of the City's combined waterworks and sewerage system, investments in the amount of \$12,933,416 of net direct proceeds from the sale of system assets in the Water and Sewer Fund was transferred from the Water and Sewer Fund to the General Fund. The City passed a resolution directing the net direct proceeds be restricted from spending until such time as the Board of Aldermen approves.

In addition, indirect proceeds consisting of remaining cash in the Water and Sewer Fund was transferred from the Water and Sewer Fund to the General Fund in the amount of \$4,373,162 and reserved until spending is approved. \$1,062,500 of this amount is specifically reserved to reimburse the General Fund \$150,000 per year for eight years for franchise fees waived to Liberty Utilities as per agreement, during that time period. The City was reimbursed \$137,500 for these franchise fees during the year ended December 31, 2022.

Required Supplementary Information

City of Bolivar

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Year Ended December 31, 2022

Missouri Local Government Employees Retirement System (LAGERS)

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Total Pension Liability								
Service cost	\$ 336,924	\$ 334,293	\$ 323,190	\$ 320,915	\$ 308,710	\$ 279,503	\$ 252,054	\$ 228,133
Interest on the total pension liability	616,924	606,425	560,631	533,447	496,388	462,632	432,438	415,228
Change in benefit terms	-	71,494	-	-	-	-	-	-
Difference between expected and actual experience	77,127	(89,484)	55,528	(100,119)	62,626	(21,132)	(214,596)	(108,402)
Changes of assumptions	-	(107,157)	-	-	-	-	216,327	-
Benefit payments, including refunds	(424,371)	(313,814)	(312,557)	(445,927)	(282,055)	(257,895)	(307,702)	(310,906)
<i>Net Change in Total Pension Liability</i>	606,604	501,757	626,792	308,316	585,669	463,108	378,521	224,053
Total Pension Liability, Beginning	8,856,172	8,354,415	7,727,623	7,419,307	6,833,638	6,370,530	5,992,009	5,767,956
Total Pension Liability, Ending	9,462,776	8,856,172	8,354,415	7,727,623	7,419,307	6,833,638	6,370,530	5,992,009
Plan Fiduciary Net Position								
Contributions - employer	319,260	265,053	231,708	206,924	207,658	203,008	177,671	168,419
Contributions - employee	71,220	106,925	139,490	126,792	131,408	129,707	116,774	100,253
Net investment income	10,452	2,343,622	109,260	535,633	874,123	745,870	1,997	122,865
Benefit payments, including refunds	(424,371)	(313,814)	(312,557)	(445,927)	(282,055)	(257,895)	(307,702)	(310,906)
Pension plan administrative expense	(16,908)	(15,619)	(21,113)	(18,356)	(11,866)	(12,138)	(11,695)	(12,117)
Other	(183,128)	25,980	12,155	(4,499)	9,797	(27,288)	(84,785)	8,056
<i>Net Change in Plan Fiduciary Net Position</i>	(223,475)	2,412,147	158,943	400,567	929,065	781,264	(107,740)	76,570
Plan Fiduciary Net Position, Beginning	11,029,068	8,616,921	8,457,978	8,057,411	7,128,346	6,347,082	6,454,822	6,378,252
Plan Fiduciary Net Position, Ending	10,805,593	11,029,068	8,616,921	8,457,978	8,057,411	7,128,346	6,347,082	6,454,822
Employer Net Pension Liability (Asset)	\$ (1,342,817)	\$ (2,172,896)	\$ (262,506)	\$ (730,355)	\$ (638,104)	\$ (294,708)	\$ 23,448	\$ (462,813)
Plan fiduciary net position as a percentage of the total pension liability	114.19%	124.54%	103.14%	109.45%	108.60%	104.31%	99.63%	107.72%
Covered payroll	\$ 3,585,936	\$ 3,192,860	\$ 3,254,869	\$ 3,091,214	\$ 3,239,437	\$ 3,016,021	\$ 2,742,161	\$ 2,524,321
Employer's net pension liability (asset) as a percentage of covered payroll	(37.45)%	(68.05)%	(8.07)%	(23.63)%	(19.70)%	(9.77)%	(.86)%	(18.33)%

This schedule is intended to show information for ten years.
Additional years will be displayed as they become available.

City of Bolivar

Schedule of Contributions Year Ended December 31, 2022

Missouri Local Government Employees Retirement System (LAGERS)

Year Ending December 31,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2013	\$ 140,149	\$ 133,862	\$ (6,287)	\$ 2,058,764	6.50%
2014	189,624	163,049	(26,575)	2,436,598	6.69%
2015	174,702	174,702	-	2,628,954	6.65%
2016	186,658	186,658	-	3,090,762	6.04%
2017	205,857	205,857	-	3,258,850	6.32%
2018	203,595	203,595	-	3,163,788	6.44%
2019	222,925	222,056	(869)	3,295,183	6.74%
2020	241,306	241,306	-	3,316,599	7.28%
2021	300,620	300,620	-	3,486,602	8.62%
2022	322,400	322,400	-	3,544,069	9.10%

See accompanying Notes to the Schedule of Contributions

City of Bolivar

Notes to the Schedule of Contributions

Year Ended December 31, 2022

Valuation Date: February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022, to June 30, 2022, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, the amount is amortized over the greater of the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining Amortization Period: Multiple bases from 7 to 18 years for the general division and 15 to 18 years for the police and fire divisions

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for the general division; 2.75% to 6.55% including wage inflation for the police division; and 2.75% to 7.15% including wage inflation for the fire division

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Tables for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of police, fire and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

City of Bolivar

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales tax	\$ 3,470,000	\$ 3,665,881	\$ 3,665,881	\$ -
Utility franchise tax	224,000	249,106	249,106	-
Surtax	41,000	38,955	38,955	-
	3,735,000	3,953,942	3,953,942	-
Licenses and Permits				
Merchant licenses	21,000	28,043	28,043	-
Building permits	15,000	9,965	9,965	-
Liquor licenses	9,500	10,069	10,069	-
Inspection fees	30,050	47,506	47,506	-
Zoning fees	4,000	9,173	9,173	-
Animal license and fees	2,000	2,256	2,256	-
	81,550	107,012	107,012	-
Intergovernmental				
Grants	36,600	700,445	700,445	-
Fines and Forfeitures				
City court fines	50,425	61,504	61,504	-
Miscellaneous fines and forfeitures	1,000	1,298	1,298	-
	51,425	62,802	62,802	-
Miscellaneous				
Interest	5,060	125,758	125,758	-
Other	121,000	109,269	109,269	-
	126,060	235,027	235,027	-
Total Revenues	4,030,635	5,059,228	5,059,228	-

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
Administrative	165,367	898,179	898,179	-
Public safety	2,501,735	2,776,548	2,776,548	-
Municipal court	103,285	88,181	88,181	-
Community development	497,328	507,774	507,774	-
Animal pound	131,977	133,035	133,035	-
Total Expenditures	3,399,692	4,403,717	4,403,717	-
 <i>Excess of Revenues Over Expenditures</i>	630,943	655,511	655,511	-
 Other Financing Sources (Uses)				
Insurance recoveries	-	152,977	152,977	-
Operating transfers in	6,800	716,133	716,133	-
Operating transfers (out)	(586,500)	(1,201,315)	(1,201,315)	-
Total Other Financing Sources (Uses)	(579,700)	(332,205)	(332,205)	-
 Special Item				
Net fund balance received	-	17,501,872	17,501,872	-
 <i>Net Change in Fund Balance</i>	51,243	17,825,178	17,825,178	-
 Fund Balance, January 1	997,191	997,191	997,191	-
Fund Balance, December 31	\$ 1,048,434	\$ 18,822,369	\$ 18,822,369	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – Street Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales tax	\$ 1,110,000	\$ 1,247,195	\$ 1,247,195	\$ -
Motor vehicle tax	411,000	488,006	488,006	-
	1,521,000	1,735,201	1,735,201	-
Miscellaneous				
Interest	50	53,007	53,007	-
Other	4,700	13,662	13,662	-
	4,750	66,669	66,669	-
Total Revenues	1,525,750	1,801,870	1,801,870	-
Expenditures				
Current				
Transportation	1,637,247	2,632,732	2,632,732	-
Debt service				
Principal, interest, and fees	66,350	98,472	98,472	-
Total Expenditures	1,703,597	2,731,204	2,731,204	-
<i>(Deficit) of Revenues Over Expenditures</i>	(177,847)	(929,334)	(929,334)	-
Other Financing Sources (Uses)				
Insurance recoveries	-	528,531	528,531	-
Operating transfers in	200,000	734,519	734,519	-
Operating transfers (out)	(586,500)	-	-	-
Total Other Financing Sources (Uses)	(386,500)	1,263,050	1,263,050	-
<i>Net Change in Fund Balance</i>	(564,347)	333,716	333,716	-
Fund Balance, January 1	2,303,785	2,303,785	2,303,785	-
Fund Balance, December 31	\$ 1,739,438	\$ 2,637,501	\$ 2,637,501	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule - ½ Cent Capital Improvement Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales tax	\$ 638,000	\$ 734,059	\$ 734,059	\$ -
Interest	-	7,878	7,878	-
Total Revenues	638,000	741,937	741,937	-
Expenditures				
Capital outlay	-	7,143	7,143	-
Total Expenditures	-	7,143	7,143	-
<i>Excess of Revenues Over Expenditures</i>	638,000	734,794	734,794	-
Other Financing (Uses)				
Operating transfers (out)	(623,106)	(490,308)	(490,308)	-
<i>Net Change in Fund Balance</i>	14,894	244,486	244,486	-
Fund Balance, January 1	254,353	254,353	254,353	-
Fund Balance, December 31	\$ 269,247	\$ 498,839	\$ 498,839	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – Recreation Facility Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales tax	\$ 638,000	\$ 698,172	\$ 698,172	\$ -
Charges for services	1,949,550	701,787	701,787	-
Interest	-	65,273	65,273	-
Other	150,962	69,706	69,706	-
Total Revenues	2,738,512	1,534,938	1,534,938	-
Expenditures				
Current				
Recreation and parks	653,277	628,383	628,383	-
Recreation center	1,027,928	1,243,222	1,243,222	-
Child care program	342,706	166,274	166,274	-
Aquatic center	402,655	441,131	441,131	-
Golf course	302,196	281,613	281,613	-
Debt service				
Principal, interest, and fees	432,800	5,547,957	5,547,957	-
Total Expenditures	3,161,562	8,308,580	8,308,580	-
<i>(Deficit) of Revenues Over Expenditures</i>	(423,050)	(6,773,642)	(6,773,642)	-
Other Financing Sources				
Insurance recoveries	-	659,457	659,457	-
Operating transfers in	428,900	7,044,170	7,044,170	-
Total Other Financing Sources	428,900	7,703,627	7,703,627	-
<i>Net Change in Fund Balance</i>	5,850	929,985	929,985	-
Fund (Deficit), January 1	(191,135)	(191,135)	(191,135)	-
Fund Balance, December 31	\$ (185,285)	\$ 738,850	\$ 738,850	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – Fire Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales tax	\$ 638,000	\$ 698,215	\$ 698,215	\$ -
Intergovernmental revenue	30,000	38,940	38,940	-
Other	3,400	5,401	5,401	-
Total Revenues	671,400	742,556	742,556	-
Expenditures				
Current				
Fire	1,305,363	1,626,387	1,626,387	-
Debt service				
Principal, interest, and fees	159,306	593,984	593,984	-
Total Expenditures	1,464,669	2,220,371	2,220,371	-
<i>(Deficit) of Revenues Over Expenditures</i>	(793,269)	(1,477,815)	(1,477,815)	-
Other Financing Sources				
Insurance recoveries	-	156,430	156,430	-
Operating transfers in	793,506	1,237,957	1,237,957	-
Total Other Financing Sources	793,506	1,394,387	1,394,387	-
<i>Net Change in Fund Balance</i>	237	(83,428)	(83,428)	-
Fund Balance, January 1	90,293	90,293	90,293	-
Fund Balance, December 31	\$ 90,530	\$ 6,865	\$ 6,865	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2022

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January, Administration submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the Board of Aldermen in late November or early December to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to January 1, ordinances are passed by the Board, which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the City Administrator level. The City Administrator may direct transfers of appropriations within a department or between departments. Transfers of appropriations between funds require the express approval of the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. The City records capitalized expenditures as capital outlay on the GAAP basis fund statements, however for budget purposes they are included in the associated department's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.
7. Budgeted amounts may be amended during the year by the Board of Aldermen on approved budget adjustment forms.

Supplementary Information

City of Bolivar

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2022

	Special Revenue Funds		Permanent Funds			Total
	Greenwood Cemetery Fund	Airport Fund	Corbett Donation Fund	Bolivar Charitable Trust Fund	Plaza of the Americas Fund	
Assets						
Cash and cash equivalents - unrestricted	\$ 161,169	\$ 733,229	\$ 20,430	\$ -	\$ 22	\$ 914,850
Investments - unrestricted	23,290	-	264,864	-	52,697	340,851
Taxes Receivable	-	26,527	-	-	-	26,527
Other accounts receivable	-	13,907	-	-	-	13,907
Restricted cash and cash equivalents	-	2,495	-	-	-	2,495
Restricted investments	91,874	-	-	-	-	91,874
Total Assets	\$ 276,333	\$ 776,158	\$ 285,294	\$ -	\$ 52,719	\$ 1,390,504
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 3,724	\$ 954	\$ -	\$ -	\$ -	\$ 4,678
Accrued expenses	13	-	-	-	-	13
Customer deposits payable	-	2,495	-	-	-	2,495
Total Liabilities	3,737	3,449	-	-	-	7,186
Fund Balances						
Nonspendable						
Cemetery perpetual care	31,874	-	-	-	-	31,874
Permanent	-	-	285,294	-	52,719	338,013
Restricted for						
Cemetery	60,000	-	-	-	-	60,000
Airport	-	772,709	-	-	-	772,709
Assigned						
Cemetery	155,120	-	-	-	-	155,120
Insurance recovery repairs	25,602	-	-	-	-	25,602
Total Fund Balances	272,596	772,709	285,294	-	52,719	1,383,318
Total Liabilities and Fund Balances	\$ 276,333	\$ 776,158	\$ 285,294	\$ -	\$ 52,719	\$ 1,390,504

City of Bolivar

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended December 31, 2022

	Special Revenue Funds		Permanent Funds			Total
	Greenwood Cemetery Fund	Airport Fund	Corbett Donation Fund	Bolivar Charitable Trust Fund	Plaza of the Americas Fund	
Revenues						
Taxes	\$ -	\$ 149,237	\$ -	\$ -	\$ -	\$ 149,237
Charges for services	57,565	518,798	-	-	-	576,363
Intergovernmental revenues	-	12,074	-	-	-	12,074
Interest	3,569	16,144	521	-	28	20,262
Other	38,595	-	-	36,275	10,000	84,870
Total Revenues	99,729	696,253	521	36,275	10,028	842,806
Expenditures						
Current						
Cemetery	53,845	-	-	-	-	53,845
Airport	-	557,769	-	-	-	557,769
Capital outlay	-	32,232	-	-	-	32,232
Total Expenditures	53,845	590,001	-	-	-	643,846
<i>Excess of Revenues Over Expenditures</i>	45,884	106,252	521	36,275	10,028	198,960
Other Financing Sources (Uses)						
Insurance recoveries	25,603	-	-	-	-	25,603
Operating transfers in (out)	87,820	-	-	(64,840)	-	22,980
Total Other Financing Sources (Uses)	113,423	-	-	(64,840)	-	48,583
<i>Net Change in Fund Balances</i>	159,307	106,252	521	(28,565)	10,028	247,543
Fund Balance, January 1	113,289	666,457	284,773	28,565	42,691	1,135,775
Fund Balance, December 31	\$ 272,596	\$ 772,709	\$ 285,294	\$ -	\$ 52,719	\$ 1,383,318

Other Reporting Requirements



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Board of Alderman
City of Bolivar
Bolivar, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Bolivar, Missouri's basic financial statements, and have issued our report thereon dated June 19, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bolivar, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bolivar, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bolivar, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Bolivar, Missouri's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 19, 2023

City of Bolivar

Schedule of Findings and Responses

Year Ended December 31, 2022

Material Weakness

2022-001 Segregation of Duties

Condition: Because of a limited number of available personnel in the municipal court, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties in the municipal court; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel in the municipal court prohibits segregation of incompatible duties, however the City is in the process of transitioning the municipal court to Polk County at year end.