

City of Bolivar, Missouri

Basic Financial Statements Year Ended December 31, 2023



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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, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of and for the year ended December 31, 2023, 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, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

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 18, 2024, 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 18, 2024

City of Bolivar

Statement of Net Position

December 31, 2023

	<u>Governmental Activities</u>
Assets	
Current	
Cash and cash equivalents	\$ 5,493,710
Investments	16,292,665
Taxes receivable	1,309,944
Intergovernmental receivable	62,207
Other accounts receivable	15,118
Interest receivable	163,673
Prepaid expenses	104,715
Noncurrent	
Restricted cash and cash equivalents	1,560,596
Restricted investments	341,874
Capital assets	
Non-depreciable	1,511,685
Depreciable, net	22,210,543
Total Assets	<u>49,066,730</u>
Deferred Outflow of Resources	
Deferred pension outflows	775,882
Liabilities	
Current	
Accounts payable	526,073
Accrued expenses	147,546
Customer deposits payable	3,395
Police evidence payable	35,994
Unearned revenue	1,228,058
	<u>1,941,066</u>
Noncurrent	
Net pension liability	401,855
Compensated absences	72,013
	<u>473,868</u>
Total Liabilities	<u>2,414,934</u>
Deferred Inflow of Resources	
Deferred pension inflows	<u>328,880</u>
Net Position	
Net investment in capital assets	23,722,228
Restricted	
Non-expendable	336,646
Expendable	3,528,504
Unrestricted	19,511,420
Total Net Position	<u>\$ 47,098,798</u>

See accompanying Notes to the Financial Statements

City of Bolivar

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expenses), Revenues, and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
Administrative	\$ (1,787,949)	\$ 37,074	\$ 23,689	\$ 42,458	\$ (1,684,728)
Public safety	(2,723,175)	27,779	134,478	53,187	(2,507,731)
Municipal court	(19,917)	-	-	-	(19,917)
Community development	(532,929)	70,346	105,853	-	(356,730)
Animal pound	(171,801)	3,488	457	-	(167,856)
Recreation and parks	(718,774)	7,061	7,843	-	(703,870)
Recreation center	(792,747)	244,413	19,262	-	(529,072)
Aquatic center	(384,616)	124,884	-	47,000	(212,732)
Golf course	(330,007)	128,883	-	-	(201,124)
Sports	(443,861)	201,605	-	-	(242,256)
Fire	(1,702,515)	-	37,080	-	(1,665,435)
Cemetery	(57,409)	53,915	10,965	-	7,471
Transportation	(2,103,822)	8,153	-	301,665	(1,794,004)
Airport	(743,536)	530,043	-	68,926	(144,567)
Total Governmental Activities	\$ (12,513,058)	\$ 1,437,644	\$ 339,627	\$ 513,236	(10,222,551)
General Revenues					
Sales taxes					7,233,512
Motor vehicle taxes					545,059
Other taxes					39,763
Franchise fees					250,842
Interest					923,324
Other revenue					210,163
Special Items					
Insurance recoveries					53,151
Gain on disposal of assets					37,013
Total General Revenues and Special Items					9,292,827
<i>Changes in Net Position</i>					(929,724)
Net Position, Beginning of year					48,028,522
Net Position, End of year					\$ 47,098,798

See accompanying Notes to the Financial Statements

City of Bolivar

Balance Sheet – Governmental Funds

December 31, 2023

	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	\$ 1,387,182	\$ 2,062,354	\$ 441,989	\$ 301,678	\$ 157,796	\$ 1,142,711	\$ 5,493,710
Investments - unrestricted	16,146,451	55,363	-	-	-	90,851	16,292,665
Taxes receivable	664,995	227,799	133,041	127,977	127,977	28,155	1,309,944
Intergovernmental receivable	17,765	-	-	-	7,516	36,926	62,207
Other accounts receivable	-	-	-	1,006	-	14,112	15,118
Interest receivable	144,661	2,156	-	-	-	16,856	163,673
Prepaid expenses	27,935	18,121	-	28,562	18,846	11,251	104,715
Due from other funds	182,037	-	-	-	-	-	182,037
Restricted cash and cash equivalents	1,557,201	-	-	-	-	3,395	1,560,596
Restricted investments	-	-	-	-	-	341,874	341,874
Total Assets	<u>\$ 20,128,227</u>	<u>\$ 2,365,793</u>	<u>\$ 575,030</u>	<u>\$ 459,223</u>	<u>\$ 312,135</u>	<u>\$ 1,686,131</u>	<u>\$ 25,526,539</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 387,489	\$ 30,782	\$ 957	\$ 35,696	\$ 32,934	\$ 38,215	\$ 526,073
Accrued expenses	79,829	19,836	-	22,210	25,658	13	147,546
Due to other funds	-	-	-	-	182,037	-	182,037
Customer deposits payable	-	-	-	-	-	3,395	3,395
Police evidence payable	35,994	-	-	-	-	-	35,994
Unearned revenue	1,208,812	-	-	-	-	19,246	1,228,058
Total Liabilities	<u>1,712,124</u>	<u>50,618</u>	<u>957</u>	<u>57,906</u>	<u>240,629</u>	<u>60,869</u>	<u>2,123,103</u>

See accompanying Notes to the Financial Statements

City of Bolivar

Balance Sheet – Governmental Funds

December 31, 2023

	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							
Prepaid items	27,935	18,121	-	28,562	18,846	11,251	104,715
Cemetery perpetual care	-	-	-	-	-	31,874	31,874
Permanent	-	-	-	-	-	304,772	304,772
Restricted for							
Public safety - drug forfeiture	26	-	-	-	-	-	26
Shop with a cop	25,376	-	-	-	-	-	25,376
Dog pound	2,082	-	-	-	-	-	2,082
Transportation	-	1,815,059	-	-	-	-	1,815,059
Capital improvements	-	-	574,073	-	-	-	574,073
Recreation	-	-	-	72,677	-	-	72,677
Fire	-	-	-	-	-	34,529	34,529
Cemetery	-	-	-	-	-	60,000	60,000
Airport	-	-	-	-	-	944,682	944,682
Assigned to							
Cemetery	-	-	-	-	-	219,296	219,296
Indirect proceeds from sale of water and sewer system	2,945,402	-	-	-	-	-	2,945,402
Indirect proceeds from sale of water and sewer system for future franchise fees	912,500	-	-	-	-	-	912,500
Direct proceeds from sale of water and sewer system	13,000,000	-	-	-	-	-	13,000,000
Insurance recovery	75,954	481,995	-	300,078	115,596	18,858	992,481
Unassigned	1,426,828	-	-	-	(62,936)	-	1,363,892
Total Fund Balances	18,416,103	2,315,175	574,073	401,317	71,506	1,625,262	23,403,436
Total Liabilities and Fund Balances	20,128,227	\$ 2,365,793	\$ 575,030	\$ 459,223	\$ 312,135	\$ 1,686,131	\$ 25,526,539

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, 2023

Fund balance - total governmental funds	\$ 23,403,436
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	39,265,298
Less accumulated depreciation	<u>(15,543,070)</u>
	23,722,228
The net pension liability and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	(401,855)
Deferred outflows due to pensions	775,882
Deferred inflows due to pensions	<u>(328,880)</u>
	45,147
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(72,013)</u>
Net Position of Governmental Activities	<u>\$ 47,098,798</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, 2023

	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	\$ 3,976,817	\$ 1,795,125	\$ 738,130	\$ 702,291	\$ 702,293	\$ 154,520	\$ 8,069,176
Licenses and permits	110,910	-	-	-	-	-	110,910
Charges for services	-	-	-	683,234	-	583,958	1,267,192
Intergovernmental revenues	611,080	-	-	-	37,000	68,926	717,006
Fines and forfeitures	27,779	-	-	-	-	-	27,779
Interest	770,907	82,382	10,226	9,167	2,135	48,506	923,323
Other	131,009	43,368	-	113,696	5,093	84,618	377,784
Total Revenues	5,628,502	1,920,875	748,356	1,508,388	746,521	940,528	11,493,170
Expenditures							
Current							
Administration	1,500,172	-	55,180	-	-	-	1,555,352
Public safety	2,208,671	-	29,770	-	-	-	2,238,441
Municipal court	15,521	-	-	-	-	-	15,521
Community development	453,652	-	-	-	-	-	453,652
Animal pound	147,235	-	-	-	-	-	147,235
Recreation and parks	-	-	-	612,237	-	-	612,237
Recreation center	-	-	14,000	528,374	-	-	542,374
Aquatic center	-	-	-	364,058	-	-	364,058
Golf course	-	-	5,992	283,855	-	-	289,847
Sports	-	-	-	405,073	-	-	405,073
Fire	-	-	32,947	-	1,312,020	11,557	1,356,524
Cemetery	-	-	-	-	-	54,382	54,382
Transportation	-	1,489,885	-	-	-	-	1,489,885
Airport	-	-	-	-	-	559,717	559,717
Capital outlay	610,964	803,936	443,728	267,232	26,097	36,926	2,188,883
Total Expenditures	4,936,215	2,293,821	581,617	2,460,829	1,338,117	662,582	12,273,181
<i>Excess (Deficit) of Revenues Over Expenditures</i>	692,287	(372,946)	166,739	(952,441)	(591,596)	277,946	(780,011)
Other Financing Sources (Uses)							
Insurance recoveries	51,553	35,994	-	8,158	-	-	95,705
Operating transfers in (out)	(1,150,106)	14,626	(91,505)	606,750	656,237	(36,002)	-
Total Other Financing Sources (Uses)	(1,098,553)	50,620	(91,505)	614,908	656,237	(36,002)	95,705
<i>Net Change in Fund Balances</i>	(406,266)	(322,326)	75,234	(337,533)	64,641	241,944	(684,306)
Fund Balance, January 1	18,822,369	2,637,501	498,839	738,850	6,865	1,383,318	24,087,742
Fund Balance, December 31	\$ 18,416,103	\$ 2,315,175	\$ 574,073	\$ 401,317	\$ 71,506	\$ 1,625,262	\$ 23,403,436

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, 2023

Net change in fund balances - total governmental funds	\$ (684,306)
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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	2,188,883
Depreciation	(1,235,080)
Disposal of capital assets, net	(5,541)
	<u>948,262</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	(1,191,852)
Change in compensated absences	(1,828)
	<u>(1,193,680)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (929,724)</u></u>

See accompanying Notes to the Financial Statements

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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 City is organized under the laws of the State of Missouri and 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 no other outside entity meets the criteria and therefore, no other entity has been included as a component unit in the financial statements. In addition, the City is not aware of any entity for which the City would be considered as a component unit of that entity.

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.

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

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental 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 funds. The emphasis of fund financial statements is on major governmental 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 government-wide 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

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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 statements and the government-wide statements, 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.

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.

Investments

Investments consist of certificates of deposits carried at cost and United States Treasury securities carried at fair value.

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

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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 governmental activities column 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.

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 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.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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.

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 assets 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 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 assets 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.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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.

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.

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, 2023, 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, 2023:

<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	1/5/2024 - 11/18/2024	\$ 3,520,147	\$ -	\$ 3,520,147
U.S. Treasury STRIPS	5/15/2024 - 11/15/2028	-	5,104,881	5,104,881
U.S. Treasury Notes	5/15/2024 - 5/15/2027	-	7,038,683	7,038,683
U.S. Treasury Bonds	11/15/2027	-	970,828	970,828
		<u>\$ 3,520,147</u>	<u>\$ 13,114,392</u>	<u>\$ 16,634,539</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, 2023, all certificates of deposit are entirely insured or collateralized with securities.

U.S. Treasury Securities

Funds invested in U.S. Treasury STRIPS, 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.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

Interest Rate Risk

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

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		
Drug forfeiture	\$ 26	\$ 26
Shop with a cop	25,376	25,376
Dog pound fund	2,082	2,082
Sales tax to developer	284,911	-
Police evidence	35,994	-
Opioid remediation	75,373	-
Grant proceeds	1,133,439	-
	1,557,201	27,484
Street Fund		
Transportation taxes	-	1,815,059
1/2 Cent Capital Improvement Fund		
Capital improvement taxes	-	574,073
Recreation Facility Fund		
Park taxes	-	72,677
Nonmajor Governmental Funds		
Cemetery perpetual care	31,874	31,874
Cemetery donations	60,000	60,000
Corbett donation	250,000	284,529
Airport hangar deposits	3,395	-
Airport	-	944,682
Plaza of the Americas	-	54,772
	345,269	1,375,857
Total Governmental Activities	\$ 1,902,470	\$ 3,865,150

City of Bolivar

Notes to the Financial Statements

December 31, 2023

5. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2023, was as follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Governmental Activities				
Non-depreciable Capital Assets				
Land	\$ 1,084,547	\$ 98,034	\$ -	\$ 1,182,581
Construction in progress	57,998	271,106	-	329,104
Total Non-depreciable Capital Assets	1,142,545	\$ 369,140	\$ -	1,511,685
Depreciable Capital Assets				
Buildings and land improvements	12,488,805	\$ 95,408	\$ -	12,584,213
Equipment and furniture	9,116,572	1,173,731	84,753	10,205,550
Infrastructure	14,413,246	550,604	-	14,963,850
Total Depreciable Capital Assets	36,018,623	\$ 1,819,743	\$ 84,753	37,753,613
Less Accumulated Depreciation	(14,387,202)	\$ (1,235,080)	\$ 79,212	(15,543,070)
Total Depreciable Capital Assets, net	21,631,421	\$ -	\$ -	22,210,543
Total Governmental Activities Capital Assets, net	\$ 22,773,966	\$ -	\$ -	\$ 23,722,228

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

Administrative	\$ 72,792
Law and public safety	100,254
Community development	2,930
Recreation and parks	220,248
Golf course	13,784
Fire	183,254
Cemetery	3,027
Transportation	454,972
Airport	183,819
	\$ 1,235,080

City of Bolivar

Notes to the Financial Statements

December 31, 2023

6. Internal Balances

Internal balances as of December 31, 2023, consisted of the following:

	<u>General Fund</u>	<u>Fire Fund</u>
Internal balances	<u>\$ 182,037</u>	<u>\$ (182,037)</u>

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:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 49,335	\$ 3,589	\$ 52,924
2025	50,457	2,467	52,924
2026	51,604	1,320	52,924
2027	30,641	231	30,872
	<u>\$ 182,037</u>	<u>\$ 7,607</u>	<u>\$ 189,644</u>

7. 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.

8. 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, 2023, 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.

9. Unearned Revenue

Unearned revenue consists of revenues received but not considered earned until the eligibility requirements have been met. At December 31, 2023, these unearned revenues include unspent grant proceeds and opioid remediation funds in the amounts of \$1,133,439 and \$75,373 respectively, in the General Fund and hangar rental revenue in the amount of \$19,246 in the Airport Fund.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

10. 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.

	2023 Valuation
Benefit multiplier	2.00% 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, 2023, 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	46	8	2
Inactive employees entitled to but not yet receiving benefits	17	28	19
Active employees	49	17	13
	112	53	34

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 17.2% (General), 9.0% (Police), and 16.0% (Fire) of annual covered payroll.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

Net Pension Liability (Asset). The employer’s net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions. The total pension liability in the February 28, 2023, 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 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%

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

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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	\$ 6,320,772	\$ 6,799,020	\$ (478,248)
Changes for the year			
Service cost	210,863	-	210,863
Interest	437,567	-	437,567
Changes of benefit terms	803,782	-	803,782
Difference between expected and actual experiences	(119,299)	-	(119,299)
Contributions - employer	-	285,249	(285,249)
Contributions - employee	-	40,107	(40,107)
Net investment income	-	247,013	(247,013)
Benefits paid, including refunds	(352,895)	(352,895)	-
Administrative expenses	-	(15,982)	15,982
Other (net transfer)	-	(522)	522
<i>Net Changes</i>	<u>980,018</u>	<u>202,970</u>	<u>777,048</u>
Balances at end of year	7,300,790	7,001,990	298,800
Police Division			
Balances at beginning of year	2,464,764	3,270,817	(806,053)
Changes for the year			
Service cost	79,260	-	79,260
Interest	171,923	-	171,923
Change in benefit terms	499,237	-	499,237
Difference between expected and actual experiences	128,043	-	128,043
Contributions - employer	-	58,666	(58,666)
Contributions - employee	-	18,604	(18,604)
Net investment income	-	115,201	(115,201)
Benefits paid, including refunds	(97,003)	(97,003)	-
Administrative expenses	-	(5,634)	5,634
Other (net transfer)	-	(2,693)	2,693
<i>Net Changes</i>	<u>781,460</u>	<u>87,141</u>	<u>694,319</u>
Balances at end of year	3,246,224	3,357,958	(111,734)

City of Bolivar

Notes to the Financial Statements

December 31, 2023

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Fire Division			
Balances at beginning of year	677,240	735,756	(58,516)
Changes for the year			
Service cost	67,471	-	67,471
Interest	49,520	-	49,520
Change in benefit terms	181,887	-	181,887
Difference between expected and actual	87,043	-	87,043
Changes in assumptions	-	-	-
Contributions - employer	-	76,957	(76,957)
Contributions - employee	-	12,029	(12,029)
Net investment income	-	27,339	(27,339)
Benefits paid, including refunds	(6,046)	(6,046)	-
Administrative expenses	-	(2,437)	2,437
Other (net transfer)	-	(1,272)	1,272
<i>Net Changes</i>	<u>379,875</u>	<u>106,570</u>	<u>273,305</u>
Balances at end of year	<u>1,057,115</u>	<u>842,326</u>	<u>214,789</u>
Total Plan Balances at End of Year	<u>\$ 11,604,129</u>	<u>\$ 11,202,274</u>	<u>\$ 401,855</u>

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	Current Single Discount Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
General Division			
Total Pension Liability	\$ 8,293,369	\$ 7,300,790	\$ 6,484,934
Fiduciary Net Position	<u>7,001,990</u>	<u>7,001,990</u>	<u>7,001,990</u>
Net Pension Liability (Asset)	<u>1,291,379</u>	<u>298,800</u>	<u>(517,056)</u>
Police Division			
Total Pension Liability	3,866,761	3,246,224	2,755,594
Fiduciary Net Position	<u>3,357,958</u>	<u>3,357,958</u>	<u>3,357,958</u>
Net Pension Liability (Asset)	<u>508,803</u>	<u>(111,734)</u>	<u>(602,364)</u>
Fire Division			
Total Pension Liability	1,290,956	1,057,115	873,532
Fiduciary Net Position	<u>842,326</u>	<u>842,326</u>	<u>842,326</u>
Net Pension Liability (Asset)	<u>448,630</u>	<u>214,789</u>	<u>31,206</u>
Total Net Pension Liability (Asset)	<u>\$ 2,248,812</u>	<u>\$ 401,855</u>	<u>\$ (1,088,214)</u>

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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

For the year ended December 31, 2023, the City recognized pension expense of \$972,601, \$460,469, and \$258,780 in the general, police, and fire divisions, respectively.

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	\$ 174,450	\$ (115,961)	\$ 58,489
Changes in assumptions	-	(52,210)	(52,210)
Net difference between projected and actual earnings on pension plan investments	102,091	-	102,091
Contributions subsequent to the measurement date*	163,597	-	163,597
	<u>440,138</u>	<u>(168,171)</u>	<u>271,967</u>
Police Division			
Difference between expected and actual experience	92,132	(125,984)	(33,852)
Changes in assumptions	1,361	-	1,361
Net difference between projected and actual earnings on pension plan investments	42,860	-	42,860
Contributions subsequent to the measurement date*	33,682	-	33,682
	<u>170,035</u>	<u>(125,984)</u>	<u>44,051</u>
Fire Division			
Difference between expected and actual experience	98,815	(34,725)	64,090
Changes in assumptions	8,194	-	8,194
Net difference between projected and actual earnings on pension plan investments	15,395	-	15,395
Contributions subsequent to the measurement date*	43,305	-	43,305
	<u>165,709</u>	<u>(34,725)</u>	<u>130,984</u>
	<u>\$ 775,882</u>	<u>\$ (328,880)</u>	<u>\$ 447,002</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, 2024.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>			
	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
2024	\$ 11,231	\$ (38,385)	\$ 21,786	\$ (5,368)
2025	(73,054)	(50,986)	16,002	(108,038)
2026	145,701	77,181	33,365	256,247
2027	24,492	22,559	17,113	64,164
2028	-	-	149	149
Thereafter	-	-	(736)	(736)
	<u>\$ 108,370</u>	<u>\$ 10,369</u>	<u>\$ 87,679</u>	<u>\$ 206,418</u>

Payable to the Pension Plan

At December 31, 2023, the City reported \$42,443 in outstanding amounts of contributions payable to the pension plan.

11. Compensated Absences Payable

The summary of changes in compensated absences payable of the governmental activities for the year ended December 31, 2023, are as follows:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2023</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated Absences Payable	\$ 70,185	\$ 1,828	\$ -	\$ 72,013	\$ -

12. Interfund Transfers

Transfers between funds of the City for the year ended December 31, 2023, were as follows:

	<u>Net Transfers In (Out)</u>
General Fund	\$ (1,150,106)
Street Fund	14,626
1/2 Cent Capital Improvement Fund	(91,505)
Recreation Facility Fund	606,750
Fire Fund	656,237
Nonmajor Governmental Funds	(36,002)
	<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.

City of Bolivar

Notes to the Financial Statements

December 31, 2023

13. Subsequent Events

In January 2024, the City entered into an agreement with GM Financial for the purchase of four police vehicles in the amount of \$227,848 with interest at 7.177%.

Required Supplementary Information

City of Bolivar

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Year Ended December 31, 2023

Missouri Local Government Employees Retirement System (LAGERS)									
	Year Ended December 31, 2023	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	\$ 357,594	\$ 336,924	\$ 334,293	\$ 323,190	\$ 320,915	\$ 308,710	\$ 279,503	\$ 252,054	\$ 228,133
Interest on the total pension liability	659,010	616,924	606,425	560,631	533,447	496,388	462,632	432,438	415,228
Change in benefit terms	1,484,906	-	71,494	-	-	-	-	-	-
Difference between expected and actual experience	95,787	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	(455,944)	(424,371)	(313,814)	(312,557)	(445,927)	(282,055)	(257,895)	(307,702)	(310,906)
<i>Net Change in Total Pension Liability</i>	2,141,353	606,604	501,757	626,792	308,316	585,669	463,108	378,521	224,053
Total Pension Liability, Beginning	9,462,776	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	11,604,129	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	420,872	319,260	265,053	231,708	206,924	207,658	203,008	177,671	168,419
Contributions - employee	70,740	71,220	106,925	139,490	126,792	131,408	129,707	116,774	100,253
Net investment income	389,553	10,452	2,343,622	109,260	535,633	874,123	745,870	1,997	122,865
Benefit payments, including refunds	(455,944)	(424,371)	(313,814)	(312,557)	(445,927)	(282,055)	(257,895)	(307,702)	(310,906)
Pension plan administrative expense	(24,053)	(16,908)	(15,619)	(21,113)	(18,356)	(11,866)	(12,138)	(11,695)	(12,117)
Other	(4,487)	(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>	396,681	(223,475)	2,412,147	158,943	400,567	929,065	781,264	(107,740)	76,570
Plan Fiduciary Net Position, Beginning	10,805,593	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	11,202,274	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)	\$ 401,855	\$ (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	96.54%	114.19%	124.54%	103.14%	109.45%	108.60%	104.31%	99.63%	107.72%
Covered payroll	\$ 3,430,789	\$ 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	11.71%	(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, 2023

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
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%
2023	499,998	499,999	1	3,414,797	14.64%

See accompanying Notes to the Schedule of Contributions

City of Bolivar

Notes to the Schedule of Contributions

Year Ended December 31, 2023

Valuation Date: February 28, 2023

Notes: The roll-forward of total pension liability from February 28, 2023, to June 30, 2023, 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 6 to 19 years for the general division and 15 to 19 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, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales tax	\$ 3,700,000	\$ 3,686,212	\$ 3,686,212	\$ -
Utility franchise tax	242,000	250,842	250,842	-
Surtax	-	39,763	39,763	-
	3,942,000	3,976,817	3,976,817	-
Licenses and Permits				
Merchant licenses	25,000	26,147	26,147	-
Building permits	5,000	10,984	10,984	-
Liquor licenses	10,000	10,928	10,928	-
Inspection fees	30,000	50,516	50,516	-
Zoning fees	6,000	8,777	8,777	-
Code enforcement fees	-	70	70	-
Animal license and fees	1,500	3,488	3,488	-
	77,500	110,910	110,910	-
Intergovernmental				
Grants	53,900	611,080	611,080	-
Fines and Forfeitures				
City court fines	50,200	26,683	26,683	-
Miscellaneous fines and forfeitures	1,000	1,096	1,096	-
	51,200	27,779	27,779	-
Miscellaneous				
Interest	5,000	770,907	770,907	-
Other	219,500	131,009	131,009	-
	224,500	901,916	901,916	-
Total Revenues	4,349,100	5,628,502	5,628,502	-

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
Administrative	1,259,861	2,087,512	2,087,512	-
Public safety	2,443,438	2,232,295	2,232,295	-
Municipal court	700	15,521	15,521	-
Community development	489,042	453,652	453,652	-
Animal pound	133,963	147,235	147,235	-
Total Expenditures	4,327,004	4,936,215	4,936,215	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	22,096	692,287	692,287	-
Other Financing Sources (Uses)				
Insurance recoveries	-	51,553	51,553	-
Operating transfers in	733,125	920,894	920,894	-
Operating transfers (out)	(1,177,000)	(2,071,000)	(2,071,000)	-
Total Other Financing Sources (Uses)	(443,875)	(1,098,553)	(1,098,553)	-
<i>Net Change in Fund Balance</i>	(421,779)	(406,266)	(406,266)	-
Fund Balance, January 1	18,822,369	18,822,369	18,822,369	-
Fund Balance, December 31	\$ 18,400,590	\$ 18,416,103	\$ 18,416,103	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – Street Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Sales tax	\$ 1,200,000	\$ 1,250,066	\$ 1,250,066	\$ -
Motor vehicle tax	466,000	545,059	545,059	-
	1,666,000	1,795,125	1,795,125	-
Miscellaneous				
Interest	50	82,382	82,382	-
Other	4,000	43,368	43,368	-
	4,050	125,750	125,750	-
Total Revenues	1,670,050	1,920,875	1,920,875	-
Expenditures				
Current				
Transportation	2,485,173	2,293,821	2,293,821	-
Total Expenditures	2,485,173	2,293,821	2,293,821	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(815,123)	(372,946)	(372,946)	-
Other Financing Sources (Uses)				
Insurance recoveries	586,999	35,994	35,994	-
Operating transfers in	233,125	14,626	14,626	-
Total Other Financing Sources (Uses)	820,124	50,620	50,620	-
<i>Net Change in Fund Balance</i>	5,001	(322,326)	(322,326)	-
Fund Balance, January 1	2,637,501	2,637,501	2,637,501	-
Fund Balance, December 31	\$ 2,642,502	\$ 2,315,175	\$ 2,315,175	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule - ½ Cent Capital Improvement Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales tax	\$ 675,000	\$ 738,130	\$ 738,130	\$ -
Interest	-	10,226	10,226	-
Total Revenues	675,000	748,356	748,356	-
Expenditures				
Current				
Administration	106,000	105,798	105,798	-
Public safety	56,000	55,721	55,721	-
Recreation and parks	38,000	38,425	38,425	-
Recreation center	156,000	156,845	156,845	-
Aquatic center	25,000	25,876	25,876	-
Golf course	6,000	5,992	5,992	-
Sports	70,000	70,013	70,013	-
Fire	33,000	32,947	32,947	-
Transportation	90,000	90,000	90,000	-
Total Expenditures	580,000	581,617	581,617	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	95,000	166,739	166,739	-
Other Financing Sources (Uses)				
Operating transfers in (out)	29,000	(91,505)	(91,505)	-
<i>Net Change in Fund Balance</i>	124,000	75,234	75,234	-
Fund Balance, January 1	498,839	498,839	498,839	-
Fund Balance, December 31	\$ 622,839	\$ 574,073	\$ 574,073	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – Recreation Facility Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales tax	\$ 675,000	\$ 702,291	\$ 702,291	\$ -
Charges for services	626,350	683,234	683,234	-
Interest	-	9,167	9,167	-
Other	120,377	113,696	113,696	-
Total Revenues	1,421,727	1,508,388	1,508,388	-
Expenditures				
Current				
Recreation and parks	618,155	657,124	657,124	-
Recreation center	1,272,166	564,024	564,024	-
Aquatic center	436,574	550,753	550,753	-
Golf course	313,353	283,855	283,855	-
Sports	-	405,073	405,073	-
Total Expenditures	2,640,248	2,460,829	2,460,829	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(1,218,521)	(952,441)	(952,441)	-
Other Financing Sources (Uses)				
Insurance recoveries	630,896	8,158	8,158	-
Operating transfers in (out)	588,125	606,750	606,750	-
Total Other Financing Sources (Uses)	1,219,021	614,908	614,908	-
<i>Net Change in Fund Balance</i>	500	(337,533)	(337,533)	-
Fund Balance, January 1	738,850	738,850	738,850	-
Fund Balance, December 31	\$ 739,350	\$ 401,317	\$ 401,317	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Budgetary Comparison Schedule – Fire Fund

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Sales tax	\$ 675,000	\$ 702,293	\$ 702,293	\$ -
Intergovernmental revenue	37,000	37,000	37,000	-
Interest	-	2,135	2,135	-
Other	2,400	5,093	5,093	-
Total Revenues	714,400	746,521	746,521	-
Expenditures				
Current				
Fire	1,498,652	1,338,117	1,338,117	-
Total Expenditures	1,498,652	1,338,117	1,338,117	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(784,252)	(591,596)	(591,596)	-
Other Financing Sources (Uses)				
Operating transfers in (out)	605,125	656,237	656,237	-
<i>Net Change in Fund Balance</i>	(179,127)	64,641	64,641	-
Fund Balance, January 1	179,127	6,865	6,865	-
Fund Balance, December 31	\$ -	\$ 71,506	\$ 71,506	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

City of Bolivar

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2023

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, 2023

	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	\$ 210,675	\$ 922,666	\$ 9,348	\$ -	\$ 22	\$ 1,142,711
Investments - unrestricted	23,290	-	14,864	-	52,697	90,851
Taxes Receivable	-	28,155	-	-	-	28,155
Intergovernmental receivable	-	36,926	-	-	-	36,926
Other accounts receivable	-	14,112	-	-	-	14,112
Interest receivable	4,486	-	10,317	-	2,053	16,856
Prepaid insurance	1,186	10,065	-	-	-	11,251
Restricted cash and cash equivalents	-	3,395	-	-	-	3,395
Restricted investments	91,874	-	250,000	-	-	341,874
Total Assets	\$ 331,511	\$ 1,015,319	\$ 284,529	\$ -	\$ 54,772	\$ 1,686,131
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 284	\$ 37,931	\$ -	\$ -	\$ -	\$ 38,215
Accrued expenses	13	-	-	-	-	13
Customer deposits payable	-	3,395	-	-	-	3,395
Unearned revenue	-	19,246	-	-	-	19,246
Total Liabilities	297	60,572	-	-	-	60,869
Fund Balances						
Nonspendable						
Prepaid items	1,186	10,065	-	-	-	11,251
Cemetery perpetual care	31,874	-	-	-	-	31,874
Permanent	-	-	250,000	-	54,772	304,772
Restricted for						
Cemetery	60,000	-	-	-	-	60,000
Fire	-	-	34,529	-	-	34,529
Airport	-	944,682	-	-	-	944,682
Assigned						
Cemetery	219,296	-	-	-	-	219,296
Insurance recovery repairs	18,858	-	-	-	-	18,858
Total Fund Balances	331,214	954,747	284,529	-	54,772	1,625,262
Total Liabilities and Fund Balances	\$ 331,511	\$ 1,015,319	\$ 284,529	\$ -	\$ 54,772	\$ 1,686,131

City of Bolivar

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

Year Ended December 31, 2023

	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	\$ -	\$ 154,520	\$ -	\$ -	\$ -	\$ 154,520
Charges for services	53,915	530,043	-	-	-	583,958
Intergovernmental revenues	-	68,926	-	-	-	68,926
Interest	10,469	25,192	10,792	-	2,053	48,506
Other	48,616	-	-	36,002	-	84,618
Total Revenues	113,000	778,681	10,792	36,002	2,053	940,528
Expenditures						
Current						
Cemetery	54,382	-	-	-	-	54,382
Airport	-	559,717	-	-	-	559,717
Fire	-	-	11,557	-	-	11,557
Capital outlay	-	36,926	-	-	-	36,926
Total Expenditures	54,382	596,643	11,557	-	-	662,582
<i>Excess (Deficit) of Revenues Over Expenditures</i>	58,618	182,038	(765)	36,002	2,053	277,946
Other Financing Sources (Uses)						
Operating transfers in (out)	-	-	-	(36,002)	-	(36,002)
<i>Net Change in Fund Balances</i>	58,618	182,038	(765)	-	2,053	241,944
Fund Balance, January 1	272,596	772,709	285,294	-	52,719	1,383,318
Fund Balance, December 31	\$ 331,214	\$ 954,747	\$ 284,529	\$ -	\$ 54,772	\$ 1,625,262

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, each major fund, and the aggregate remaining fund information of the City of Bolivar, Missouri, as of and for the year ended December 31, 2023, 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 18, 2024.

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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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 18, 2024