

**CITY OF OSAGE BEACH, MISSOURI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR
JANUARY 1, 2021 - DECEMBER 31, 2021**



CITY OF OSAGE BEACH, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by:

Karri Bell
City Treasurer

CITY OF OSAGE BEACH, MISSOURI
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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INTRODUCTORY SECTION



City of Osage Beach

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June 24, 2022

Honorable Mayor, Board of Aldermen, and the Citizens of the City of Osage Beach:

The Annual Comprehensive Financial Report of the City of Osage Beach, Missouri (the City), for the fiscal year ended December 31, 2021, is herewith submitted. The information presented in the financial report is the responsibility of the City's management. The City Treasurer's Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The financial report conforms to the standards of financial reporting as set forth by the Governmental Accounting Standards Board (GASB) and the guidelines as recommended by the Government Finance Officers Association (GFOA). The City Treasurer's Department believes that the financial statements, supporting schedules, and statistical information fairly represent the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs.

Generally accepted accounting principles require that management provide a narrative, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Osage Beach's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity and Its Services

The City of Osage Beach, incorporated May 22, 1959, is a fourth-class city and political subdivision created and existing under the laws of the State of Missouri. The City is approximately 10 square miles in area and is in Camden and Miller Counties, Missouri. The City lies along the shores of Lake of the Ozarks, one of the largest man-made lakes in the world. The City has an estimated permanent population of 4,923; however, it is estimated that there are more than 240,000 visitors and second homeowners annually. The governing body consists of an elected six-member Board of Aldermen and a Mayor who, in turn, appoints a City Administrator, City Clerk, Police Chief, Building Official, City Treasurer, City Planner and City Attorney. Aldermen serve two-year terms, with three members elected every year. The Mayor is elected for a two-year term.

The City provides a full range of municipal services including streets, water, sewer, airports, engineering, public safety, ambulance services, and general administration.

The City offers its residents and visitors two City parks. Peanick Park is a 13-acre park with two ball fields, pavilions, basketball courts, a walking trail and playground facilities. It is located on the northeast side of town on Highway 42. The Osage Beach City Park is a 92-acre park surrounded by Lake of the Ozarks and Lake of the Ozarks State Park; it is located off Hatchery Road adjacent to the outlet mall. The park has lake access, a stocked fishing pond, three soccer fields, sand volleyball courts, three pavilions, a playground and a Sports Complex complete with three 300' baseball/softball fields and concession facilities.

Utility service in the City is mixed between public and private companies. Water and sanitary sewerage utilities are operated by the City of Osage Beach. Water and sewerage rates are established to meet the total revenue requirements of the utilities. Natural gas is supplied by Summit Natural Gas of Missouri, electricity by Ameren Missouri. Both traditional and cellular phone service is provided by numerous companies. Commercial and residential trash service is provided by several local and non-local suppliers.

Media in Osage Beach is split between two television markets. While Camden County is part of the Springfield market, Miller County is part of the Columbia/Jefferson City market. Charter Communication's cable system carries stations from both markets. DirecTV and Dish carry Springfield stations.

Education in the City of Osage is provided by two public schools. Osage Beach Elementary (Camdenton R-III) and School of the Osage (Miller County R-II School District). Colleges and universities that serve the City are Columbia College, State Fair Community College and Central Methodist University.

Accounting System

Although legally separate from the City, the financial statements include its component units. The component unit is the Tax Increment Financing Districts responsible for encouraging development of commercial enterprises in the District. The Districts are fiscally dependent upon the City because the City must approve any debt issuances.

The diversity of governmental operations and the necessity for legal compliance preclude recording and summation of all financial transactions in a single accounting entity. The City's accounting system is therefore organized and operated on a fund basis, wherein each fund is a distinct and separate self-balancing entity.

The City's financial records utilize two bases of accounting. The modified accrual basis is followed by the governmental funds. Under this basis, revenues are recognized when measurable and available, and expenditures are recorded when the fund liability is incurred, except for interest on long-term debt. The accrual basis of accounting is utilized by proprietary funds. Consideration is given to the adequacy of internal accounting controls governing the financial transactions and records of the City. Internal controls are designed and developed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded in line with management's policy and generally accepted accounting principles.

Budget Process and Control

Upon the completion of the July Financial Statements in early August, Department Managers begin working on their department's budget requests for the upcoming year along with estimated expenditures for the remainder of the current year. The City Administrator's Office projects and calculates the revenue and beginning balances for the upcoming year. Meetings with Department Managers are held, and adjustments are made based on revenue projections, cash flow calculations, and priorities set by the Mayor and Board of Aldermen, to ensure a balanced budget is presented for adoption. A balanced budget is defined as projected expenditures not exceeding projected revenue sources and cash availability, as required by Missouri State Statute.

Budgetary control is maintained at the fund level.

Local Economy

The City of Osage Beach is recognized as both a retail center and a tourist destination and we pride ourselves in being the heart of Lake of the Ozarks. The Lake of the Ozarks was awarded Best Recreational Lake by USA Today readers. Osage Beach is part of the ever-growing and popular lake community, supporting a vital economy along with growing diversity in its economic base. While both population and local economic

activity continue to peak in the summer season, the increasing number of second homeowners, the expansion in retail goods and the promotion of non-peak activities are smoothing out the sharpness of the peaks.

Long-term Financial Planning and Policies

On December 1, 2016, the Board of Aldermen approved Bill 16-85 – Ordinance of the City establishing Section 135.020.C. Reserves. This section was added to the City’s code of ordinances adopting reserve target levels for most funds. The Reserve Policy outlines fund reserve target levels for the General Fund, Transportation Fund, Water and Sewer Combined Funds, Ambulance Fund, Lee C. Fine Airport Fund, and the Grand Glaize Airport Fund.

Capital expansion projects that are not funded through debt service but are high on the priority list are in the current year’s budget. If the project lacks enough funds, the project will be carried into the next year’s budget with funds added until enough funds are available to complete the project.

Reporting Standards and Formats

The standards used to formulate and present the content of this Annual Comprehensive Financial Report were set forth by the Governmental Accounting Standards Board (GASB), which incorporates the statements and interpretations of the National Council on Governmental Accounting (NCGA) until modification is deemed necessary. The GASB has also promulgated acceptance of certain standards as set by the American Institute of Certified Public Accountants (AICPA) in the guide for “Audits of State and Local Governmental Units.” Guidance for illustrative interpretation was obtained by use of the 2012 “Governmental Accounting, Auditing and Financial Reporting” (GAAFR), published by the Government Finance Officers Association (GFOA).

Major Initiatives

Annually, the Mayor and Board of Aldermen (the Board) meet mid-year for a strategic planning session to outline priorities and initiatives to achieve superior services to our community and City employees. The Board’s priorities include transportation; capital planning; identifying and using financial resources; identifying tools and resources to invest in services and internal development; and maintaining appropriate reserves.

The following summary is being provided so the reader can get a quick overview of initiatives realized from year 2017 and forward.

Economic Development – September 19, 2019, the Board of Aldermen approved Ordinance 19.57 establishing selected fee reimbursement provisions to encourage residential development of projects or property where traditional economic development tools are insufficient or inapplicable to support or encourage the project. To be considered, the project would need a minimum of twenty new single-family or forty multi-family units with limits to the price per unit. Fees that could be considered for reimbursement are water impact, sewer development, building permit, site development and demolition permit. To date, there has been interest but no projects eligible for the reimbursement.

TSG Osage Beach, LLC Tax Increment Financing (TIF) – City Ordinance 17.43 adopted the The Staenberg Group (TSG), TIF Plan as amended with recommendations from the Osage Beach TIF Commission on May 11, 2017. The project will redevelop the 14-acre site previously known as The Golden Door motel, Jake’s Steak and Fish restaurant and two abandoned single-family homes. The financing proposed for this TIF is a “pay as you go” plan. The developer’s investment is proposed to be \$30,500,000. The approved reimbursable project cost is estimated at \$4,550,000 which is 14.9% of the total project costs. This project started July 2021. Due to the COVID-19 pandemic, the deadline for substantial completion of the project was extended. TSG announced the groundbreaking of a 50,000 square foot Hobby Lobby with an estimated opening date of Summer 2022.

Police - On December 19, 2019, the Board of Aldermen authorized the purchase of 911 center radio consoles, mobile radios, and portable radios in an amount not to exceed \$717,409. This cost will be divided between Police, 911 Center, and Ambulance and will be spread over a three-year period, through a lease purchase agreement. The first of three payments were made in January 2020 and the last on January 2022. The service agreement is included in the total cost. This purchase is high priority because existing equipment is becoming obsolete and replacement parts are difficult to locate. The technology associated with this purchase allows for better communication internally as well as with other government agencies.

Transportation – Street improvement projects, including engineering, land purchases, and streetlights, totaling \$2,008,000, are included in the 2022 budget. This includes Industrial Drive Reconstruction (\$1,037,000). In a joint effort with the City, the Osage Beach Special Road District (the District) will reimburse the City \$680,414 for projects that benefit the District (Amy Lane, Autumn Lane, Osage Beach Parkway Sidewalk Improvements, and Executive Drive extension). The City provides the administrative and engineering services, and the S District provides the construction funds for the various projects.

Transportation – January 7, 2021, the Board of Aldermen approved Ordinance 21.01 to execute the Missouri Highway and Transportation Commission Cost Share Agreement for Project Number J5S3508, the extension of Osage Beach Parkway. This project's \$400,000 estimated cost is included in the 2022 budget with funding of \$100,000 by the District, received in December 2020 and currently being held by the City. This cost share program funds 50% of eligible costs for the extension of Osage Beach Parkway from the current terminus at Lazy Days Road to Executive Drive. Total liability for the City under this agreement is not to exceed \$195,395. The project design was completed in 2021 and construction is expected in 2022.

Water - Water projects, including engineering and land purchases totaling \$410,000, are included in the 2022 budget. This includes \$235,000 for connecting a water loop, \$5,000 for new water connections and \$170,000 to pay for unserved area infrastructure.

Sewer - Sewer improvement projects totaling \$845,000 are in the 2022 budget. This includes engineering, various lift station improvements and unserved area infrastructure.

Sewer – The City received a Sceap Grant not to exceed \$50,000. The City utilized the grant to fund a study of sewer issues in the Tan Tar A sewer system. This project included camera work of 10,000 feet of line, inspection of 170 to 200 manholes, smoke testing, checking for damaged lines and an environmental impact study. This assessment is complete, and a presentation was given to the Board of Aldermen on April 7, 2022.

Lee C. Fine Airport – April 2, 2020, the Board of Aldermen authorized the Mayor to execute the Missouri Highways and Transportation Commission State Block Grant Agreement for Lee C. Fine Airport, Apron Project Number AIR20-046B-1, to design and construct terminal apron reconstruction and realignment of taxiway B. This grant reimburses the City for the project through the Federal Aviation Administration passing through the Missouri Department of Transportation Aviation. The City will be reimbursed 95% of the cost of this project. The engineering and project contracts total \$5,532,780; the City's portion is \$276,634. The Project started in 2021 and will be completed in 2022.

Single Audit

The City of Osage Beach is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and related amendments and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, if the City spends \$750,000 or more in federal funding. In 2021, the City spent \$2,370,934 in federal funding; therefore, a single audit was performed. Information related to this audit, including a schedule of federal financial assistance, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

Independent Audit

The City's financial statements have been audited by the contracted licensed public accounting firm of Hood and Associates CPA's. The audit was conducted in such a manner as to enable the accountants to form an opinion on the combined financial statements taken as a whole. Hood and Associates CPA's have issued an unmodified opinion on the City's general-purpose financial statements. An unmodified opinion is the best an organization can receive on its financial statements from an independent certified public accountant. It indicates that the auditor's examination has disclosed no conditions, which cause them to believe that the general-purpose financial statements are not fairly stated in all material respects.

Their audit was made in accordance with U.S. generally accepted auditing standards. The report of the accountants has been included as part of this document.

Awards

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Osage Beach for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the twenty-second year that the City of Osage Beach achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of many City employees. I want to especially express my appreciation to the City Treasurer's staff for assisting and contributing with its preparation.

Finally, I would like to acknowledge the Mayor, Board of Aldermen, and the City Administrator for their support in planning and conducting the financial operations of the City in a professional and progressive manner.

Respectfully submitted,



Karri Bell
City Treasurer



April White
Staff Accountant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Osage Beach
Missouri**

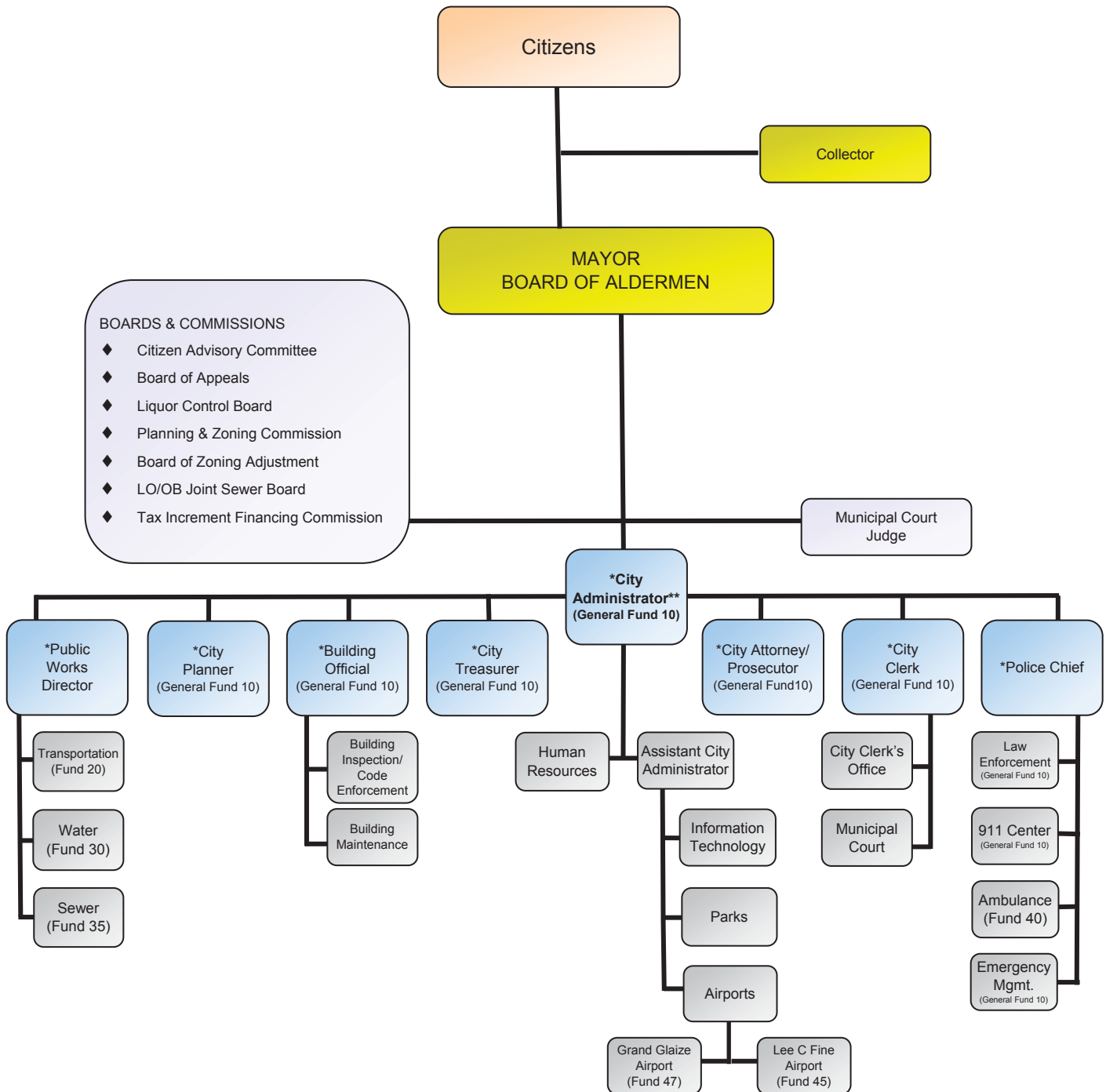
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Osage Beach Organizational Chart



*Appointed Officials of the City; per City code Chapter 115.

**The City Administrator coordinates and supervises the operations of all departments; per City code 115.170 (The specific department's fund as outlined in the annually adopted budget is indicated in parenthesis.)

City of Osage Beach, Missouri

Elected Officials

Mayor.....Michael Harmison
Ward One..... Kevin Rucker
.....Bob O’Steen
Ward Two Phyllis Marose
.....Tyler Becker
Ward Three Richard Ross
.....Kelly Schuman
City Collector..... Brad Smith

Management Team

City Administrator Jeana Woods
City Clerk..... Tara Berreth
Chief of Police Todd Davis
City AttorneyEd Rucker
City Treasurer Karri Bell
Building Official Ron White
City Planner Cary Patterson
Public Works Operations Manager..... Kevin Crooks
Assistant City Administrator Mike Welty
Human Resources Generalist..... Cindy Leigh
Information Technology Specialist Mikeal Bean
Airport Manager Ty Dinsdale
Park Manager.....Eric Gregory

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Hood and Associates CPA’s, P.C.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Board of Aldermen
City of Osage Beach, Missouri

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of the City of Osage Beach, Missouri (the City), as of and for the year ended December 31, 2021, 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, the aggregate discretely presented component unit, and each major fund of the City as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's 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 auditor's 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such 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. 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. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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's internal control over financial reporting and compliance.

Hood and Associates CPAs PC

Kansas City, Missouri
June 24, 2022

**City of Osage Beach, Missouri
Management Discussion and
Analysis December 31, 2021**

This section of the City of Osage Beach's (the City) annual financial report presents a review of the City's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Osage Beach exceeded its entity-wide liabilities and deferred inflows at the close of the fiscal year by \$97,107,707 on the government-wide statements.

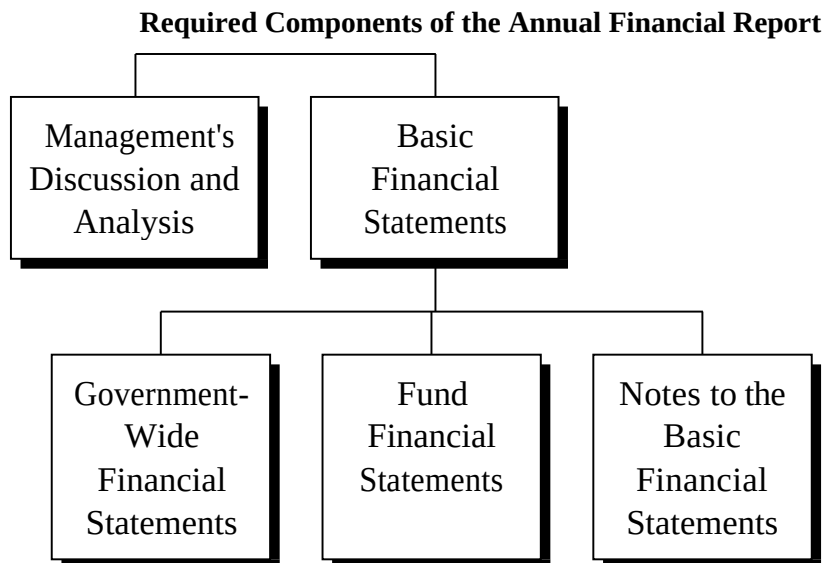
Of this amount, \$76,920,321 represents net investment in capital assets; \$12,859,476 is restricted; and the remaining \$7,327,910 may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by \$4,424,203 from 2020. This is a combined total of an increase of \$1,606,937 from the City's governmental activities and an increase of \$2,817,266 from the business-type activities.
- The increase in governmental activities of \$1,606,937 (4%) is a result of all expense activities decreasing \$970,138 (8%) and total General revenues increased \$1,791,793 (15%). The increase in revenue is primarily due to sales tax activity during 2021.
- The City's gross sales tax (on cash basis) increased 19% from \$4,963,077 in fiscal year 2020 to \$5,891,068 (General Fund) in fiscal year 2021.
- To promote economic development, the City continued its partnership for a seventh year with the Tri-County Lodging Association to promote the City of Osage Beach through an advertising campaign. Some social events such as the Annual Easter Egg Hunt and National Night Out were cancelled due to COVID-19 but the Annual Fall Festival did return in 2021.
- On October 7, 2021, the Board approved Ordinance 21-71 adopted upon the successful completion of the Prewitt's Point Tax Increment Financing (TIF) Project and full payment of all bonds issued; therefore, terminating and dissolving the Prewitt's Point TIF. The TIF project was approved on July 6, 2000 (Ordinance 22-26). The City of Osage Beach and other taxing entities will no longer share 50% of sales tax and 75% of property tax generated in this redevelopment area.
- American Rescue Plan Act of 2021 (ARPA) – On August 9, 2021, the City was awarded \$941,531 in total ARPA funds. In 2021 the City received \$470,766, with the balance expected in 2022. As of December 31, 2021, no eligible ARPA costs were incurred. Eligible costs must be incurred by December 31, 2024 and expensed by December 31, 2026. The City will determine its priorities for the use of these funds during its June 2022 Strategic Planning Session.

OVERVIEW OF FINANCIAL STATEMENTS

The financial reports consist of the management's discussion and analysis, the basic financial statements, required supplementary information and statistical information.

The basic financial statements include two kinds of statements that present different views of the City. The first statements are government-wide financials that provide both long-term and short-term information about the City's overall financial status. These statements are prepared on a full accrual basis of accounting to present information in a more corporate-like presentation on individual parts of the government. The remaining statements are the fund financial statements that focus on individual parts of City government and report more detail.



Basic Financial Statements

The first two statements in the basic financial statements are government-wide financial statements (the Statement of Net Position and the Statement of Activities). The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status.

The next statements are the fund financial statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the fund financial statements: 1) the governmental funds statements and 2) the proprietary funds statements.

The next section of the basic financial statements is the notes to the basic financial statements. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information is provided to show details about the City's performance relative to the budget and schedules of other post-employment benefits.

Government-Wide Financial Statements

The government-wide financial statements present the financial picture of the City from the economic resources' measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities, as well as the City's component unit separately. These statements include certain infrastructure as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement regarding inter fund activity, payables, and receivables.

The statement of net position and the statement of activities report the City's net position and the resulting changes. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, which is one way to measure the City's financial health or financial assets.

Over time, increases or decreases in the City's net position is a useful indicator of whether its financial position is improving or deteriorating. Other non-financial factors to consider when assessing the overall health of the City are changes in the City's sales tax base and the condition of the City's capital assets (roads, buildings, and water and sewer lines).

The statement of activities distinguishes the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

Governmental activities – Most of the City's basic services are reported in this category, including General Administration, Finance, Public Safety, Transportation and Parks. Sales taxes, franchise fees, user fees, interest income, and grants finance these activities.

Business-type activities – The City charges fees to customers to cover most of the cost of services it provides. The Combined Water and Sewer Fund, Ambulance Fund, Lee C. Fine Airport Fund and Grand Glaize Airport Fund are reported in this activity.

Component Unit – The City's component unit activities are reported in this category.

Fund Financial Statements

The City uses two types of funds to manage its resources: governmental funds and proprietary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related current liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental Funds – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the City’s general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon to finance the City’s programs. The relationships or differences of activities reported in the Governmental Fund Financial Statements versus that reported in the Government-Wide Financial Statements are explained in the reconciliation schedules following the Governmental Fund Financial Statements.

Proprietary Funds – When the City charges customers for the services it provides to cover the cost of operations, these activities are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the government-wide statement of net position and the statement of activities. In fact, the City’s enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

Notes to the Basic Financial Statements – The notes provide additional information essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning budgetary comparison schedules for the major governmental funds and schedule of changes in total OPEB liability.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As mentioned earlier, net position may serve as a useful indicator of the City’s financial position. At the close of December 31, 2021, the City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$97,107,707. The largest portion of the City’s net position, \$76,920,321(79%), reflects its net investment in capital assets (i.e., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The net investment in capital assets as a percentage of net position is 2% less than 2020. The City’s uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Osage Beach’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position as of December 31, 2021 and December 31, 2020:

**CITY OF OSAGE BEACH
STATEMENT OF NET
POSITION**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 14,092,160	\$ 10,680,620	\$ 8,384,816	\$ 8,733,134	\$ 22,476,976	\$ 19,413,754
Capital assets	30,958,777	32,363,206	52,149,338	52,081,131	83,108,115	84,444,337
Total assets	<u>45,050,937</u>	<u>43,043,826</u>	<u>60,534,154</u>	<u>60,814,265</u>	<u>105,585,091</u>	<u>103,858,091</u>
Deferred outflow s of resources:						
Deferred charge on refunding	-	-	64,109	174,009	64,109	174,009
Other post employment benefits	79,264	42,494	23,394	26,742	102,658	69,236
Total deferred outflow s of resources	<u>79,264</u>	<u>42,494</u>	<u>87,503</u>	<u>200,751</u>	<u>166,767</u>	<u>243,245</u>
Long-term debt	610,203	789,687	6,041,796	9,307,904	6,651,999	10,097,591
Other liabilities	1,280,479	686,037	599,427	540,092	1,879,906	1,226,129
Total liabilities	<u>1,890,682</u>	<u>1,475,724</u>	<u>6,641,223</u>	<u>9,847,996</u>	<u>8,531,905</u>	<u>11,323,720</u>
Deferred inflow s of resources:						
Other post employment benefits	78,734	56,748	33,512	37,364	112,246	94,112
Total deferred inflow s of resources	<u>78,734</u>	<u>56,748</u>	<u>33,512</u>	<u>37,364</u>	<u>112,246</u>	<u>94,112</u>
Net position:						
Net investment in capital assets	30,744,058	31,935,925	46,176,263	42,824,908	76,920,321	74,760,833
Restricted	8,511,485	6,956,620	4,347,991	3,758,250	12,859,476	10,714,870
Unrestricted	3,905,242	2,661,303	3,422,668	4,546,498	7,327,910	7,207,801
Total net position	<u>\$ 43,160,785</u>	<u>\$ 41,553,848</u>	<u>\$ 53,946,922</u>	<u>\$ 51,129,656</u>	<u>\$ 97,107,707</u>	<u>\$ 92,683,504</u>

For the year ended December 31, 2021, the City's governmental activities net position increased by \$1,606,937 compared to a decrease of \$895,692 in 2020. The overall change is a combination of record-breaking increases in sales tax (19%) and reduction/final payments made to Prewitt's Point TIF. The City's business-type activities net position increased by \$2,817,266 primarily due to long-term debt reduction associated with State Revolving Funds (SRF) water and sewer bonds.

The following table reflects the revenues and expenses from the City's activities for the years ended December 31, 2021 and 2020:

**CITY OF OSAGE BEACH
CHANGE IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 637,612	\$ 460,198	\$ 6,371,475	\$ 5,685,170	\$ 7,009,087	\$ 6,145,368
Operating grants and contributions	141,558	140,274	282,778	406,287	424,336	546,561
Capital grants and contributions	-	-	2,181,638	255,137	2,181,638	255,137
General revenues:						
Sales taxes	11,904,761	10,012,688	-	-	11,904,761	10,012,688
Franchise taxes	908,936	869,076	-	-	908,936	869,076
Other taxes	246,403	243,372	-	-	246,403	243,372
Interest earnings	53,446	131,373	26,960	95,217	80,406	226,590
Administrative charges	672,000	768,000	-	-	672,000	768,000
Other revenues	156,983	126,227	90,167	67,828	247,150	194,055
	<u>14,721,699</u>	<u>12,751,208</u>	<u>8,953,018</u>	<u>6,509,639</u>	<u>23,674,717</u>	<u>19,260,847</u>
Expenses:						
General government	2,840,042	3,260,006	-	-	2,840,042	3,260,006
Public safety	3,107,327	3,135,205	-	-	3,107,327	3,135,205
Parks and recreation	688,281	678,970	-	-	688,281	678,970
Information technology	385,592	414,131	-	-	385,592	414,131
Streets and highways	3,794,342	4,294,964	-	-	3,794,342	4,294,964
Interest on long-term debt	2,178	4,624	-	-	2,178	4,624
Water and sewer	-	-	6,120,253	5,575,081	6,120,253	5,575,081
Ambulance	-	-	643,214	601,478	643,214	601,478
Airports	-	-	1,669,285	1,256,281	1,669,285	1,256,281
Total expenses	<u>10,817,762</u>	<u>11,787,900</u>	<u>8,432,752</u>	<u>7,432,840</u>	<u>19,250,514</u>	<u>19,220,740</u>
Change in net position before transfers	3,903,937	963,308	520,266	(923,201)	4,424,203	40,107
Transfers	(2,297,000)	(1,859,000)	2,297,000	1,859,000	-	-
Change in net position	<u>1,606,937</u>	<u>(895,692)</u>	<u>2,817,266</u>	<u>935,799</u>	<u>4,424,203</u>	<u>40,107</u>
Net position, beginning	41,553,848	42,449,540	51,129,656	50,193,857	92,683,504	92,643,397
Net position, ending	<u>\$ 43,160,785</u>	<u>\$ 41,553,848</u>	<u>\$ 53,946,922</u>	<u>\$ 51,129,656</u>	<u>\$ 97,107,707</u>	<u>\$ 92,683,504</u>

Governmental Activities

Governmental activities increased the City's net position by \$1,606,937.

- Sales taxes increased 19% due to an economic boom, which is the largest annual increase in the last 20 years.
- Charges for services, under the General Government program, nearly doubled primarily due to an increase in building permit revenue for both residential and commercial projects.
- Investment earnings decreased \$77,927 due to lower interest rates; account balances remained steady for the year.
- Administrative charges for services decreased \$96,000. This is primarily a result of outsourcing engineering services and reducing engineering expense in General Fund.
- General government expenses decreased \$419,964 primarily due to the completion of the Prewitt's Point TIF and the reduction of TIF expense. This was \$243,623 less than 2020 for General Fund.
- Streets and highways decreased \$500,622 due to several areas including no chip and seal projects, reduced TIF expense and reduced transfers to Grand Glaize and Lee C. Fine airports in 2021.

The following table shows expenses and net cost of the governmental activities for the year ended December 31, 2021. The purpose of this table is to measure gross expenses against charges for services and grants and other funding.

CITY OF OSAGE BEACH NET COST OF GOVERNMENTAL ACTIVITIES

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 2,840,042	\$ 2,472,094
Public safety	3,107,327	2,923,244
Parks and recreation	688,281	568,607
Information technology	385,592	385,592
Streets and highways	3,794,342	3,686,877
Interest on long-term debt	2,178	2,178
	<u>\$ 10,817,762</u>	<u>\$ 10,038,592</u>

As previously noted, expenses from governmental activities totaled \$10,817,762. However, net costs of these services were \$10,038,592. The difference represents direct revenues received from charges for services of \$637,612 and operating grants of \$141,558. Revenue covered 7% of cost in 2021 compared to 5% in 2020. Operating grants and contributions include overtime reimbursements associated with DWI programs and contributions for the City's events.

Business-Type Activities

Business-type activities net position increased by \$2,817,266. Total revenues increased \$2,443,379 (38%) and total expenses increased \$999,912 (13%) compared to the prior year. Operating grants remained steady, but capital grants and contributions increased from \$255,137 in 2020 to \$2,181,638 in 2021. This increase is a result of the Lee C. Fine Airport apron reconstruction project beginning in 2021. Water and Sewer State Revolving grants (interest subsidy) are less due to the decline in the principal balance; also, interest expense and fiscal charges declined \$169,133. Total charges for services and rental income increased \$686,305 (12%) from \$5,685,170 in 2020 to \$6,371,475 in 2021. The increase is from all Proprietary Funds and reflects increased economic activity in both City and the lake area at large.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Osage Beach's financial requirements.

General Fund – The General Fund is the main operating fund of the City. The General Fund includes legislative expenditures, General Administration, City Attorney, Municipal Court, City Treasurer, City Clerk, Building Official, Police, Communications, Parks, Economic Development, Planning, Engineering and Information Technology activities for the City. All these activities are provided to and benefit all the citizens equally and equitably. This area tends to work on the quality of life and the protection of the citizens and assets of the citizens as a group. At the end of the current fiscal year, total fund balance of the General Fund was \$4,300,196, an increase of \$1,261,933 over the beginning balance of \$3,038,263. General Fund total revenues increased 12%, the two largest increases are from sales tax (19%) and licenses, fines, permit and fees (39%). Permit fees increased as a result of construction projects for both residential and commercial projects. The unassigned General Fund balance at year-end was \$4,097,033.

Transportation Fund – This fund is established pursuant to the Missouri Constitution Article IV, Section 30(a)(2) [State Gas Tax], Revised Missouri Statutes 94.745 (City ½ cent sales tax). It is used for transportation purposes within the City. This fund provides for the maintenance and expansion of transportation needs of our citizens. Included in this fund are repair and maintenance of the existing public road system and upgrades to the local transportation system. At the end of the current fiscal year, total fund balance of the Transportation Fund was \$5,726,236, an increase of \$796,756 from the beginning balance of \$4,929,480. Transportation Fund total revenues increased 20% primarily due to sales tax (19%) and increased intergovernmental revenue from the Special Road District. Expenditures decreased 10% due to reduced capital outlay for the year. The Transportation Fund balance was restricted for highways and streets at year-end other than the nonspendable portion of \$9,098 which related to prepaid items and \$10,493 which is invested in inventory. The restricted fund balance of \$5,706,645 reflects the City's goal to plan, save and complete construction projects and future street/sidewalk projects.

Capital Improvement Sales Tax Fund – This fund is established as required under the Revised Missouri Statutes 94.577. The monies collected here are from a ½ cent general sales tax. The Mayor and Board of Aldermen, by ordinance, have committed these funds to help offset the debt service cost of the water and sewer system. As of the close of the current fiscal year, the City's Capital Improvement Sales Tax Fund reported an ending fund balance of \$2,787,427, an increase of \$755,953 from the beginning balance of \$2,031,474. The Capital Improvement Sales Tax Fund balance was restricted for capital improvements/debt service at year-end. The fund balance increase was primarily due to increases in sales tax (19%); transfers to the Water Fund increased \$275,000; transfers to the Sewer Fund increased \$250,000 during the year.

General Fund Budget Highlights – Each fiscal year, the City formally adopts its budget prior to the beginning of the fiscal year. If necessary, the original budget is amended to appropriate unspent funds before the current fiscal year ends. The total original expenditure budget of \$7,833,974 was amended to \$8,203,419 during the fiscal year. On a budgetary basis, which can be found in the Required Supplementary Information, the revenues and other sources compared to expenditures and other uses, resulted in an increase of \$1,261,933 in fund balance. Actual revenues were greater than budgeted revenue by \$482,892, primarily due to sales tax exceeding budgeted revenues. Actual expenditures were under the budgeted amount by \$1,103,659. The decline in spending was spread throughout most of the departments. Engineering expenses were down \$100,000 as the City outsourced these services and expensed them to the appropriate Fund.

Proprietary Funds

Combined Water and Sewer Fund – The Sewer Fund was created in 1985 to track revenues and expenses associated with the operation of the sewer system. A City water system was started in 1998 and changed the Sewer Fund into a combined fund. This fund was established under the bond ordinances to segment the operations of the combined Water and Sewer Fund from other activities of the City. The combined Water and Sewer Fund is based on a user fee system where the individuals and businesses utilizing the services pay a fee based upon a portion of the estimated cost of operation of the water and sewer utilities. This fee is subsidized by transfers in from the Capital Improvement Sales Tax Fund to offset debt service costs. At the end of the current fiscal year, total net position of the Water and Sewer Fund was \$43,779,559, an increase of \$879,934 over the beginning balance of \$42,899,625. The increase in net position is primarily due to Capital Improvement Sales Tax Fund transfers. Transfers of \$1,925,000 were \$525,000 greater than 2020. The unrestricted net position in the Water and Sewer Fund at year-end was \$2,841,868.

Ambulance Fund – This fund was established by Board directive in order to track the costs of ambulance service to the citizens of Osage Beach. The City began operating an ambulance service in 1984. The fund receives its revenues from user fees. Fees are not enough to cover the cash flow of operation, nor do they cover the non-cash cost (depreciation). The differences in cash payouts are made up by transfers from the General Fund. At the end of the current fiscal year, total net position of the Ambulance Fund was \$251,350. The unrestricted Ambulance Fund net position at year-end was \$220,392 a decrease of \$8,292. Charges for services increased 16% because of an increase in transports. Operating expenses increased 7% mainly due to personnel services and a return to pre-COVID staffing levels. The operating loss increased because no operating grants were received in 2021. Transfers from the General Fund of \$290,000 were necessary to maintain net position. No rate increases were approved during the year.

Lee C. Fine Airport Fund – This fund was established in 1999 by Board directive in order to track the costs of airport service to the public. The fund receives its revenues from user fees. The differences in cash payouts are made up by transfers from the General Fund or the Transportation Sales Tax Fund. At the end of the current fiscal year, the total net position balance of the Lee C. Fine Airport Fund was \$8,874,449, an increase of \$1,942,634 from the beginning balance of \$6,931,815. The net position increase is a result of the apron reconstruction project starting in 2021 and capital grants received (\$2,181,638). The unrestricted net position of the Lee C. Fine Airport Fund at year-end was \$240,140.

Grand Glaize Airport Fund – This fund was established in 1999 by Board directive in order to track the costs of airport services to the public. The fund receives its revenues from user fees. The differences in cash payouts are made up by transfers from the General Fund or the Transportation Fund. At the end of the current fiscal year, total net position of the Grand Glaize Airport Fund was \$1,041,564, an increase of \$2,990 from the beginning balance of \$1,038,574. The unrestricted net position of Grand Glaize Fund at year-end was \$120,268. The Transportation Sales Tax Fund transferred \$82,000 to offset the operating loss of \$79,049.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The amount invested in capital assets for the City as of December 31, 2021, was \$83,108,115, net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2021 and prior years (construction in progress) street infrastructure. Capital assets decreased \$1,336,222 during the year. This change reflects that depreciation expenses exceeded current year additions in both governmental activities and business-type activities. The following chart breaks down the City's capital asset balance into various categories of assets. Additional information regarding the City's capital assets can be found in Note 5.

CITY OF OSAGE BEACH CAPITAL ASSETS

Capital assets, net of accumulated depreciation

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,854,267	\$ 1,835,404	\$ 897,793	\$ 897,793	\$ 2,752,060	\$ 2,733,197
Construction in progress	893,250	221,181	2,550,741	446,030	3,443,991	667,211
Buildings and improvements	8,025,370	7,878,017	4,765,389	4,722,818	12,790,759	12,600,835
Machinery and equipment	4,583,658	4,642,039	2,193,811	2,215,538	6,777,469	6,857,577
Infrastructure	60,512,326	59,972,314	5,426,769	5,426,769	65,939,095	65,399,083
Water system	-	-	36,469,147	36,380,058	36,469,147	36,380,058
Sewer system	-	-	61,415,308	60,591,023	61,415,308	60,591,023
Less accumulated depreciation	(44,910,094)	(42,185,749)	(61,569,620)	(58,598,898)	(106,479,714)	(100,784,647)
Total	\$ 30,958,777	\$ 32,363,206	\$ 52,149,338	\$ 52,081,131	\$ 83,108,115	\$ 84,444,337

Major capital asset transactions during the year included the following:

- The Park Department purchased a towable infield groomer for \$4,839 and outdoor fitness gym for \$17,891.
- The Building Department purchased a 2021 Ford F150 4WD for \$26,383.
- Information Technology purchased a disaster recovery service for public works for \$11,485.
- The City replaced its audio/visual system for the Board meeting room at a cost of \$27,169.
- The Police, 911 Communications and Ambulance Departments purchased new 911 Center radio consoles, mobile radios, and portable radios under a three-year lease to purchase at a principal cost of \$709,909.
- City Hall elevator modernization/rehabilitation totaled \$96,500.

- Police Department purchased two 2021 Ford Interceptors at a total cost of \$73,514.
- For Transportation projects, the City completed construction of Mace Road Phase IIB. Wren Lane, in partnership with the Special Road District was rebuilt to city code and brought into city inventory. Beach Drive intersection project was completed. Total infrastructure projects totaled \$1,053,579.
- Transportation purchased two new trailer mounted LED solar message boards for \$30,559.
- Transportation received a 2011 Ford F550 Bucket Truck from Ameren Missouri for a donation value of \$22,000.
- Water projects included exterior maintenance of the Passover tower for \$8,500. Water meters (377) were purchased and installed. Cost of the meters was \$89,088.
- Sewer projects included completion of three Lift Stations. The Sands Lift Station include replacing chemical odor control with ozone digester. KK-37 Lift Station ozone digester upgrade, 45 sewer pumps and 18 control panels, totaled \$571,663.
- Transportation and the Water and Sewer combined funds purchased trenching and shoring equipment for \$7,145 and Public Works building improvement of HVAC system for \$63,857.
- Lee C. Fine Airport - Engineering for Apron reconstruction was completed during the year and construction is underway. Total construction in progress added for this project was \$2,203,107; 95% of this was reimbursed through grant funding.
- Lee C. Fine Airport purchased a new brush hog mower for \$10,640.

Debt Administration

The gross debt on December 31, 2021, was \$6,106,735, a decrease of \$3,399,357 compared to 2020. The debt consists of Sewerage and Waterworks Revenue Bonds and a capital lease obligation. The final payoff year for the bonds is 2026.

CITY OF OSAGE BEACH OUTSTANDING DEBT

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ -	\$ 5,870,000	\$ 9,035,000	\$ 5,870,000	\$ 9,035,000
Capital lease	214,719	427,281	22,016	43,811	236,735	471,092
Total	\$ 214,719	\$ 427,281	\$ 5,892,016	\$ 9,078,811	\$ 6,106,735	\$ 9,506,092

Missouri statutes limit the amount of general obligation debt that a unit of government can issue to twenty percent of the total assessed value of taxable property located within the City's boundaries. The legal debt limit for the City of Osage Beach was \$61,079,152. Additional information regarding the City's long-term

debt can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's permit activity increased 26% compared to 2020. The Building Inspection Department issued 94 commercial permits and 95 residential permits, representing investment in our community of \$33,853,831. At the end of 2021, the City issued 1328 (up 10% from 2020) business and occupational licenses.

Despite interest rates and inflation rising, the City expects continued investment into the community by new and existing businesses through various expansions as seen during 2021.

The unemployment rate for the City was 4.5% (Camden and Miller County average) on December 31, 2021, which is lower compared to last year's rate of 6.7%. This rate is higher than the State of Missouri and the national average of 3.9%.

The above factors were considered in preparing the City's budget for the 2022 fiscal year.

The City has appropriated \$9,178,086 for spending in the General Fund 2022 budget. Compared to the 2021 actual of \$7,099,760, budgeted expenditures and transfers will increase 29%. Of the total appropriated in General Fund, \$1,202,408 is budgeted for capital expenditures and \$216,897 is the final payment of a three-year lease purchase for 911 communication equipment. The budget includes a 6% decrease in sales tax revenue during the 2022 fiscal year compared to estimated revenue in 2021. Merit increases will be granted to employees in 2022 based on the Matrix Plan and employee job performance, plus a 7% premium. The General Fund's capital expenditures include parking lot additions to both city parks, three new police vehicles with equipment, sidewalk repairs and six new heat pumps for City Hall, and three computer servers.

There are no rate increases in the 2022 Operating Budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Karri Bell, City Treasurer (kbell@osagebeach.org), City of Osage Beach, 1000 City Parkway, Osage Beach, Missouri 65065, or call (573) 302-2000 extension, 1030.

CITY OF OSAGE BEACH, MISSOURI

Statement of Net Position

December 31, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and investments	\$ 11,438,969	\$ 3,231,024	\$ 14,669,993	\$ -
Receivables:				
Taxes	1,717,336	-	1,717,336	240,021
Accounts and other	6,550	465,774	472,324	-
Due from other governments	7,919	70,063	77,982	-
Inventories	10,493	211,176	221,669	-
Prepays, deposits, and other assets	212,261	58,788	271,049	-
Restricted assets:				
Cash and investments	698,632	4,347,991	5,046,623	-
Capital assets:				
Not being depreciated	2,747,517	3,448,534	6,196,051	-
Being depreciated, net of depreciation	28,211,260	48,700,804	76,912,064	-
Total assets	45,050,937	60,534,154	105,585,091	240,021
Deferred Outflows of Resources				
Deferred charges on refunding	-	64,109	64,109	-
Deferred outflows - OPEB	79,264	23,394	102,658	-
Total deferred outflows of resources	79,264	87,503	166,767	-
Liabilities				
Accounts payable	253,634	415,420	669,054	240,021
Accrued liabilities	120,394	43,993	164,387	-
Unearned revenue	874,913	-	874,913	-
Accrued interest	2,178	140,014	142,192	-
Payable from restricted assets:				
Customer deposits	27,501	-	27,501	-
Due to others	1,859	-	1,859	-
Long term debt:				
Due within one year	314,652	2,748,985	3,063,637	-
Due in more than one year	104,392	3,256,062	3,360,454	-
OPEB liability	191,159	36,749	227,908	-
Total liabilities	1,890,682	6,641,223	8,531,905	240,021
Deferred Inflows of Resources				
Deferred inflows - OPEB	78,734	33,512	112,246	-
Total deferred inflows of resources	78,734	33,512	112,246	-
Net Position				
Net investment in capital assets	30,744,058	46,176,263	76,920,321	-
Restricted :				-
Streets and highways	5,726,236	-	5,726,236	-
Debt service	658,285	1,761,831	2,420,116	-
Depreciation and replacement	-	2,586,160	2,586,160	-
Capital improvements	2,126,964	-	2,126,964	-
Unrestricted	3,905,242	3,422,668	7,327,910	-
Total net position	\$ 43,160,785	\$ 53,946,922	\$ 97,107,707	\$ -

See accompanying notes to the basic financial statements

CITY OF OSAGE BEACH, MISSOURI
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities								
General government	\$ 2,840,042	\$ 367,948	\$ -	\$ -	\$ (2,472,094)	\$ -	\$ (2,472,094)	\$ -
Public safety	3,107,327	173,849	10,234	-	(2,923,244)	-	(2,923,244)	-
Parks and recreation	688,281	95,815	23,859	-	(568,607)	-	(568,607)	-
Information and technology	385,592	-	-	-	(385,592)	-	(385,592)	-
Streets and highways	3,794,342	-	107,465	-	(3,686,877)	-	(3,686,877)	-
Interest on long-term debt	2,178	-	-	-	(2,178)	-	(2,178)	-
Total governmental activities	10,817,762	637,612	141,558	-	(10,038,592)	-	(10,038,592)	-
Business-type activities								
Water/Sewer	6,120,253	4,684,582	273,778	-	-	(1,161,893)	(1,161,893)	-
Ambulance	643,214	344,730	-	-	-	(298,484)	(298,484)	-
Airports	1,669,285	1,342,163	9,000	2,181,638	-	1,863,516	1,863,516	-
Total business-type activities	8,432,752	6,371,475	282,778	2,181,638	-	403,139	403,139	-
Total primary government	\$ 19,250,514	\$ 7,009,087	\$ 424,336	\$ 2,181,638	(10,038,592)	403,139	(9,635,453)	-
Component Unit								
Tax Increment Financing District	\$ 1,308,354	\$ -	\$ -	\$ -				(1,308,354)

General revenues:

Taxes:

County road taxes	59,833	-	59,833	-
Sales taxes	11,904,761	-	11,904,761	-
Franchise taxes	908,936	-	908,936	-
Motor vehicle and gas taxes	186,570	-	186,570	-
Intergovernmental activity taxes	-	-	-	2,627,368
Charges for services	672,000	-	672,000	-
Unrestricted investment earnings	53,446	26,960	80,406	115
Other	156,983	90,167	247,150	-
Transfers	(2,297,000)	2,297,000	-	-
Total general revenues	11,645,529	2,414,127	14,059,656	2,627,483
Change in net position	1,606,937	2,817,266	4,424,203	1,319,129
Net position (deficit), beginning of year	41,553,848	51,129,656	92,683,504	(1,319,129)
Net position, end of year	\$ 43,160,785	\$ 53,946,922	\$ 97,107,707	\$ -

See accompanying notes to the basic financial statements

CITY OF OSAGE BEACH, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2021

	General	Transportation Sales Tax	Capital Improvement Sales Tax	Total Governmental Funds
Assets				
Cash and investments	\$ 3,923,987	\$ 5,796,746	\$ 1,718,236	\$ 11,438,969
Receivables:				
Taxes	885,656	415,840	415,840	1,717,336
Intergovernmental	654	7,265	-	7,919
Other	6,550	-	-	6,550
Inventories	-	10,493	-	10,493
Prepaid items	203,163	9,098	-	212,261
Restricted cash and investments	38,169	-	660,463	698,632
Total assets	<u>\$ 5,058,179</u>	<u>\$ 6,239,442</u>	<u>\$ 2,794,539</u>	<u>\$ 14,092,160</u>
Liabilities				
Accounts payable	\$ 148,712	\$ 97,810	\$ 7,112	\$ 253,634
Accrued liabilities	109,145	11,249	-	120,394
Unearned revenue	470,766	404,147	-	874,913
Payable from restricted assets:				
Due to others	1,859	-	-	1,859
Bail bond deposits	5,501	-	-	5,501
Building deposits	22,000	-	-	22,000
Total liabilities	<u>757,983</u>	<u>513,206</u>	<u>7,112</u>	<u>1,278,301</u>
Fund balances:				
Nonspendable:				
Inventories	-	10,493	-	10,493
Prepaid items	203,163	9,098	-	212,261
Restricted:				
Debt service	-	-	660,463	660,463
Streets and highways	-	5,706,645	-	5,706,645
Capital improvements	-	-	2,126,964	2,126,964
Unassigned	4,097,033	-	-	4,097,033
Total fund balance	<u>4,300,196</u>	<u>5,726,236</u>	<u>2,787,427</u>	<u>12,813,859</u>
Total liabilities and fund balances	<u>\$ 5,058,179</u>	<u>\$ 6,239,442</u>	<u>\$ 2,794,539</u>	<u>\$ 14,092,160</u>

CITY OF OSAGE BEACH, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2021

Fund balances of governmental funds	\$	12,813,859
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		30,958,777
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Deferred outflows and inflows related to OPEB activity are not required to be reported in the governmental funds but are required to be reported in the statement of net position		530
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Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(2,178)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Accrued compensated absences		(204,325)
Other post employment benefit obligations		(191,159)
Capital lease		(214,719)
Net position of governmental activities	\$	<u><u>43,160,785</u></u>

CITY OF OSAGE BEACH, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2021

	General	Transportation Sales Tax	Capital Improvement Sales Tax	Total Governmental Funds
Revenues:				
Taxes				
Sales	\$ 5,985,439	\$ 2,959,761	\$ 2,959,561	\$ 11,904,761
Franchise	908,936	-	-	908,936
Motor vehicle fuel and license	-	186,570	-	186,570
County road taxes	-	59,833	-	59,833
Charges for services	672,000	-	-	672,000
Licenses, fines, permits and fees	637,025	588	-	637,613
Intergovernmental	27,234	107,465	-	134,699
Interest	20,833	30,788	1,825	53,446
Contributions	6,859	-	-	6,859
Miscellaneous	103,367	53,615	-	156,982
Total Revenues	<u>8,361,693</u>	<u>3,398,620</u>	<u>2,961,386</u>	<u>14,721,699</u>
Expenditures:				
Current:				
General government	2,613,417	-	-	2,613,417
Public safety	2,895,780	-	-	2,895,780
Parks and recreation	385,047	-	-	385,047
Information and technology	385,214	-	-	385,214
Streets and highways	-	1,110,084	-	1,110,084
Capital improvements	-	-	280,433	280,433
Capital outlay:				
Projects and equipment	313,406	-	-	313,406
Streets and highways	-	1,409,780	-	1,409,780
Debt service:				
Principal	212,562	-	-	212,562
Interest and fiscal charges	4,334	-	-	4,334
Total Expenditures	<u>6,809,760</u>	<u>2,519,864</u>	<u>280,433</u>	<u>9,610,057</u>
Excess of Revenues Over (Under) Expenditures	1,551,933	878,756	2,680,953	5,111,642
Other financing sources (uses):				
Transfers out	(290,000)	(82,000)	(1,925,000)	(2,297,000)
Total Other Financing Sources (Uses)	<u>(290,000)</u>	<u>(82,000)</u>	<u>(1,925,000)</u>	<u>(2,297,000)</u>
Net change in fund balances	1,261,933	796,756	755,953	2,814,642
Fund balances, beginning of year	<u>3,038,263</u>	<u>4,929,480</u>	<u>2,031,474</u>	<u>9,999,217</u>
Fund balances, end of year	<u>\$ 4,300,196</u>	<u>\$ 5,726,236</u>	<u>\$ 2,787,427</u>	<u>\$ 12,813,859</u>

See accompanying notes to the basic financial statements

CITY OF OSAGE BEACH, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 2,814,642
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay costs in excess of capitalization threshold	1,585,447
Depreciation	(2,989,051)
Disposal of capital assets	(825)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Principal payments and adjustments on long-term debt	212,562
Changes in accrued interest expense	2,156
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences and net OPEB obligations	<u>(17,994)</u>
Change in net position of governmental activities	<u><u>\$ 1,606,937</u></u>

See accompanying notes to the basic financial statements

CITY OF OSAGE BEACH, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2021

	Water and Sewer Fund	Ambulance Fund	Lee C. Fine Fund	Grand Glaize Fund	Total
Assets					
Current assets:					
Cash and investments	\$ 2,643,262	\$ 167,579	\$ 305,178	\$ 115,005	\$ 3,231,024
Accounts receivables (net of allowances for uncollectibles)	389,395	75,680	678	21	465,774
Intergovernmental	-	-	70,063	-	70,063
Inventories	152,479	-	47,501	11,196	211,176
Prepaid items	42,658	5,853	6,286	3,991	58,788
Total current assets	<u>3,227,794</u>	<u>249,112</u>	<u>429,706</u>	<u>130,213</u>	<u>4,036,825</u>
Noncurrent assets:					
Restricted cash and investments	4,347,991	-	-	-	4,347,991
Capital assets					
Non-depreciable	552,250	-	2,550,741	345,543	3,448,534
Depreciable, net	41,988,509	52,974	6,083,568	575,753	48,700,804
Total noncurrent assets	<u>46,888,750</u>	<u>52,974</u>	<u>8,634,309</u>	<u>921,296</u>	<u>56,497,329</u>
Total assets	<u>50,116,544</u>	<u>302,086</u>	<u>9,064,015</u>	<u>1,051,509</u>	<u>60,534,154</u>
Deferred Outflow of Resources					
Deferred charges on refunding	64,109	-	-	-	64,109
Deferred outflows - OPEB	16,155	1,359	4,432	1,448	23,394
Total deferred outflows of resources	<u>80,264</u>	<u>1,359</u>	<u>4,432</u>	<u>1,448</u>	<u>87,503</u>
Liabilities					
Current liabilities:					
Accounts payable	244,541	3,553	169,911	(2,585)	415,420
Accrued liabilities	18,820	13,713	5,344	6,116	43,993
Accrued interest payable	139,791	223	-	-	140,014
Compensated absences	17,897	7,138	3,299	3,635	31,969
Bonds payable	2,695,000	-	-	-	2,695,000
Capital lease	-	22,016	-	-	22,016
Total current liabilities:	<u>3,116,049</u>	<u>46,643</u>	<u>178,554</u>	<u>7,166</u>	<u>3,348,412</u>
Non-current liabilities:					
Bonds payable	3,256,059	-	-	-	3,256,059
OPEB liability	24,448	2,316	8,243	1,742	36,749
Arbitrage rebate payable	3	-	-	-	3
Total non-current liabilities	<u>3,280,510</u>	<u>2,316</u>	<u>8,243</u>	<u>1,742</u>	<u>3,292,811</u>
Total liabilities	<u>6,396,559</u>	<u>48,959</u>	<u>186,797</u>	<u>8,908</u>	<u>6,641,223</u>
Deferred Inflows of Resources					
Deferred inflows - OPEB	<u>20,690</u>	<u>3,136</u>	<u>7,201</u>	<u>2,485</u>	<u>33,512</u>
Net position					
Net investment in capital assets	36,589,700	30,958	8,634,309	921,296	46,176,263
Restricted net position for:					
Debt service	1,761,831	-	-	-	1,761,831
Depreciation and replacement	2,586,160	-	-	-	2,586,160
Unrestricted	2,841,868	220,392	240,140	120,268	3,422,668
Total net position	<u>\$ 43,779,559</u>	<u>\$ 251,350</u>	<u>\$ 8,874,449</u>	<u>\$ 1,041,564</u>	<u>\$ 53,946,922</u>

See accompanying notes to the basic financial statements

CITY OF OSAGE BEACH, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Water and Sewer Fund	Ambulance Fund	Lee C. Fine Fund	Grand Glaize Fund	Total
Operating revenues:					
Charges for services	\$ 4,684,582	\$ 344,730	\$ 964,655	\$ 194,100	\$ 6,188,067
Rental income	-	-	115,581	67,827	183,408
Operating grants and contributions	273,778	-	-	9,000	282,778
Total operating revenues	<u>4,958,360</u>	<u>344,730</u>	<u>1,080,236</u>	<u>270,927</u>	<u>6,654,253</u>
Operating expenses:					
Costs of sales and services	1,092,508	33,529	693,032	154,174	1,973,243
Administration	392,908	65,493	39,965	18,094	516,460
Personnel services	938,706	483,858	207,915	134,889	1,765,368
Repairs and maintenance	597,073	7,797	17,884	5,071	627,825
Insurance	95,954	11,457	18,227	10,950	136,588
Depreciation and amortization	2,729,626	40,857	342,286	26,798	3,139,567
Total operating expenses	<u>5,846,775</u>	<u>642,991</u>	<u>1,319,309</u>	<u>349,976</u>	<u>8,159,051</u>
Operating income (loss)	<u>(888,415)</u>	<u>(298,261)</u>	<u>(239,073)</u>	<u>(79,049)</u>	<u>(1,504,798)</u>
Nonoperating revenues (expenses):					
Interest and investment earnings	26,660	192	69	39	26,960
Interest expense and fiscal charges	(273,478)	(223)	-	-	(273,701)
Miscellaneous revenue	90,167	-	-	-	90,167
Total nonoperating revenues (expenses)	<u>(156,651)</u>	<u>(31)</u>	<u>69</u>	<u>39</u>	<u>(156,574)</u>
Loss before capital grants and transfers	(1,045,066)	(298,292)	(239,004)	(79,010)	(1,661,372)
Capital grants	-	-	2,181,638	-	2,181,638
Transfers in	1,925,000	290,000	-	82,000	2,297,000
Change in net position	<u>879,934</u>	<u>(8,292)</u>	<u>1,942,634</u>	<u>2,990</u>	<u>2,817,266</u>
Total net position, beginning of year	42,899,625	259,642	6,931,815	1,038,574	51,129,656
Total net position, end of year	<u>\$ 43,779,559</u>	<u>\$ 251,350</u>	<u>\$ 8,874,449</u>	<u>\$ 1,041,564</u>	<u>\$ 53,946,922</u>

CITY OF OSAGE BEACH, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water and Sewer Fund	Ambulance Fund	Lee C. Fine Fund	Grand Glaize Funds	Total
Cash flows from operating activities:					
Receipts from customers and others	\$ 5,038,545	\$ 348,891	\$ 1,047,494	\$ 271,688	\$ 6,706,618
Payments for goods and services	(1,826,389)	(72,977)	(588,180)	(172,549)	(2,660,095)
Payments on behalf of employees for services	(932,710)	(479,397)	(209,068)	(134,650)	(1,755,825)
Payments for interfund services used	(375,000)	(45,000)	(46,000)	(13,000)	(479,000)
Net cash provided by (used in) operating activities	<u>1,904,446</u>	<u>(248,483)</u>	<u>204,246</u>	<u>(48,511)</u>	<u>1,811,698</u>
Cash flows from noncapital financing activities:					
Transfers in (out)	1,925,000	290,000	-	82,000	2,297,000
Net cash flows provided by (used in) noncapital financing activities	<u>1,925,000</u>	<u>290,000</u>	<u>-</u>	<u>82,000</u>	<u>2,297,000</u>
Cash flows from financing activities:					
Acquisition and construction of capital assets	(729,903)	-	(2,367,971)	-	(3,097,874)
Capital grants	-	-	2,181,638	-	2,181,638
Principal paid on capital debt	(3,237,111)	(21,795)	-	-	(3,258,906)
Interest and fees paid on capital debt	(352,131)	(443)	-	-	-
Net cash flows provided by (used in) investing activities	<u>(4,319,145)</u>	<u>(22,238)</u>	<u>(186,333)</u>	<u>-</u>	<u>(4,175,142)</u>
Cash flows from investing activities					
Interest received	26,660	192	69	39	26,960
Net cash provided by (used in) investing activities	<u>26,660</u>	<u>192</u>	<u>69</u>	<u>39</u>	<u>26,960</u>
Net increase (decrease) in cash and cash equivalents	<u>(463,039)</u>	<u>19,471</u>	<u>17,982</u>	<u>33,528</u>	<u>(39,484)</u>
Cash and equivalents, beginning of year	4,825,622	148,109	287,196	81,477	5,342,404
Cash and equivalents, end of year	4,362,583	167,580	305,178	115,005	5,302,920
Investments	2,628,670	-	-	-	2,628,670
Total cash and investments reported on the Statement of Net Position	<u>\$ 6,991,253</u>	<u>\$ 167,580</u>	<u>\$ 305,178</u>	<u>\$ 115,005</u>	<u>\$ 7,579,016</u>
Cash and investments reported on the Statement of Net Position					
Cash and investments	\$ 2,643,262	\$ 167,579	\$ 305,178	\$ 115,005	\$ 3,231,024
Restricted cash and investments	4,347,991	-	-	-	4,347,991
Total cash and investments	<u>\$ 6,991,253</u>	<u>\$ 167,579</u>	<u>\$ 305,178</u>	<u>\$ 115,005</u>	<u>\$ 7,579,015</u>
	1	1	1	1	1
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (888,415)	\$ (298,261)	\$ (239,073)	\$ (79,049)	\$ (1,504,798)
Adjustments to reconcile operating income to net cash provided by operations:					
Depreciation and amortization	2,729,626	40,857	342,286	26,798	3,139,567
Miscellaneous revenues	90,167	-	-	-	90,167
Change in accounts receivable	(9,982)	4,161	(32,742)	761	(37,802)
Changes in inventory	9,578	-	(14,553)	6,448	1,473
Changes in prepaid items	(5,990)	(248)	(876)	(298)	(7,412)
Changes in accounts payable and accrued liabilities	(23,618)	4,749	148,359	(3,447)	126,043
Changes in OPEB and related deferred outflows and inflows	3,080	259	845	276	4,460
Total adjustments	<u>2,792,861</u>	<u>49,778</u>	<u>443,319</u>	<u>30,538</u>	<u>3,316,496</u>
Net cash provided by (used in) operating activities	<u>\$ 1,904,446</u>	<u>\$ (248,483)</u>	<u>\$ 204,246</u>	<u>\$ (48,511)</u>	<u>\$ 1,811,698</u>

See accompanying notes to the basic financial statements

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

A. Reporting Entity

The City of Osage Beach, Missouri (the City) was incorporated in 1959 and covers an area of approximately ten square miles in Camden and Miller Counties, Missouri. The City is governed by an elected Mayor and an elected six-member Board of Aldermen, who in turn appoint a City Administrator, City Clerk, Police Chief, Building Official, City Treasurer, City Planner, City Engineer and City Attorney. The City provides services to its more than four thousand residents in many areas including: law enforcement, water and sewer services, ambulance, airports, and economic development. These services do not include education, which is provided by separate governmental entities.

The basic financial statements of the City include all of the funds relevant to the operations of the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City that have been determined not to be component units as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

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 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 the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading if excluded.

As required by generally accepted accounting principles, 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 Tax Increment Financing District (the District) is responsible for encouraging development of commercial enterprises in the District. The members of the District's governing board are appointed by various political subdivisions which levy taxes in the District. The City is financially accountable for the District as the City appoints a voting majority to the District's governing board and is able to impose its will on the organization through approval or rejection of plans and projects recommended by the District's governing board.

The District is presented as a discretely presented component unit in the basic financial statements. The District maintains only one fund, a governmental fund type, and does not issue separately prepared financial statements.

B. Fund Accounting

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the City. The effect of interfund activities has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Each individual fund of the City is considered to be a major fund.

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. The City has no fiduciary funds.

The City reports the following major governmental funds:

General Fund – This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Sales Tax Fund – This special revenue fund accounts for funds provided from a one-half of one percent sales tax restricted as to use for ongoing maintenance and construction of streets.

Capital Improvement Sales Tax Fund – This special revenue fund accounts for funds provided by a one-half of one percent sales tax restricted as to use to subsidize debt service for the water and sewer systems. In addition, this fund may be used in the future for other capital projects, as voter approved.

The City reports the following major proprietary funds:

Water and Sewer Fund – This enterprise fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and collection.

Ambulance Fund – This enterprise fund accounts for the operation of the City's ambulance response service.

Lee C. Fine and Grand Glaize Funds – These enterprise funds account for the operation of the City's two airports.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60-days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt are recognized when due.

Sales tax, franchise tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Sometimes the City will fund outlays for a particular purpose from both restricted (i.e. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

D. Budgets

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental fund types on the modified accrual basis. All annual appropriations lapse at year-end.

E. Pooled Cash and Cash Equivalents

The City maintains a cash money-market pool that is used by all funds. Interest income is allocated to each fund in proportion to each fund's ownership of the pool each month. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds under generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

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Investments are stated at fair value, determined by quoted market prices. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, collateralized certificates of deposit and the State Treasurer's Investment Pool.

F. Receivables

Receivables consist primarily of taxes, franchise fees, interest, and water and sewer charges. They are shown net of estimated uncollectible amounts.

G. Inventories

Inventories, which consist of airport fuel and materials and supplies, are recorded on the purchases method and are stated at cost using the first-in, first-out method.

H. Prepaid Items

Prepaid items represent the payment of insurance premiums and other information technology related services for coverage that benefits more than one fiscal period. The premium amount is being amortized over the policy period following the consumption method.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased and capitalized in the proprietary fund statements. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Capital assets are defined by the City as assets with an initial individual cost of \$2,000 or more and an estimated useful life in excess of five years. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly increase the efficiency or capacity of an asset are capitalized. Other costs, such as capital outlays incurred for repairs and maintenance, are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 – 40 years
Office furniture, fixture, and equipment	5 – 10 years
Transportation equipment	5 years
Sewage collection systems	20 – 40 years
Treatment plant	40 years
Water systems	40 years
Infrastructure – streets/roads	20 – 25 years

The cost of assets disposed or sold, and the related amounts of accumulated depreciation, are eliminated from the accounts in the year of disposal or sale and any resulting gain or loss is reflected in the basic financial statements.

Fully depreciated capital assets are included in the capital assets accounts until their disposal or sale.

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J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and personal leave benefits. All unused vacation must be used within one year. Employees that leave the City in good standing after ten (10) years of service and have accrued more than six (6) weeks (240 hours) of personal leave may convert their personal leave hours to 401A retirement dollars based on the following vesting schedule with a maximum payout of \$10,000. Amount not to exceed maximum contribution in the 401A for the calendar year. Personnel employed with the City for ten (10) years through fourteen (14) years (25%), fifteen (15) years through nineteen (19) years (50%), and twenty (20) years or more (75%). All vacation and personal leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation or retirements.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category, which are the deferred charge on refunding and the deferred outflows related to other post-employment benefits (OPEB). Both of these items are reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item results from assumption changes in calculating the City's OPEB liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods 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, which is the deferred inflow related to other post-employment benefit plan contributions reported in the government-wide and proprietary fund statements of net position.

L. Long-Term Obligations

General long-term obligations consist of the non-current portion of bonds payable, other post-employment benefits, and other long-term liabilities. In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, general long-term obligations are not reported as liabilities because they do not require the use of current resources. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance are reported as other financing uses. Principal repayments are reported as debt service expenditures.

M. Equity

In the governmental fund financial statements, equity is displayed in five components as follows:

Nonspendable – This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

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Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed – This consists of amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority (the Board of Aldermen) by the end of the year. The Board of Aldermen can, by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Aldermen can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund. However, in governmental funds other than the General Fund, it may be necessary to report a negative unassigned fund balance in that fund if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to these purposes.

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 improvements of those assets.

Restricted – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of amounts that do not meet the definition of “net investment in capital assets” or “restricted”.

N. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. LEGAL COMPLIANCE - BUDGET

The City’s policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2021. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to January 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) The City utilizes multiple public budget workshops that the public is invited to attend and make comments. The proposed budget is available for public inspection prior to the budget workshops.
- 3) Prior to December 31, the budget is legally enacted through passage of an ordinance.

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- 4) The City Administrator is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
- 5) All appropriations lapse at year-end.

The reported budgetary data represents the final approved budget after amendments as adopted by the Board of Aldermen. The budget was amended during the year.

3. CASH AND INVESTMENTS

Deposits

Missouri State Statutes authorize the City to deposit funds in obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit; and repurchase agreements. Custodial credit risk for deposits is the risk that, in event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy for custodial credit risk is set by statutes. Statutes require that collateral pledged must have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities, which are the same type as authorized for investment by the City, are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.
- Other short-term obligations of the United States.

The City maintains a cash and investment pool which is available for use by all funds for the purpose of increasing income through investment activities. Interest is allocated to the various funds based on average cash or investment balances. The pool includes money market funds and certificates of deposit. Each fund type's portion of this pool is displayed on the statement of financial position as "Cash and investments" under each fund's caption.

A reconciliation of cash and investments as shown on the government-wide statement of net position is as follows:

Cash on hand	\$ 2,075
Demand deposits	16,292,246
Certificates of deposits	1,000,000
Restricted cash and investments held in trust	2,422,295
Total cash and investments	<u>\$ 19,716,616</u>

Government-wide Statement of Net Position

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Cash and investments	\$ 11,438,969	\$ 3,231,024	\$ 14,669,993
Restricted cash and investments	698,632	4,347,991	5,046,623
Total cash and investments	<u>\$ 12,137,601</u>	<u>\$ 7,579,015</u>	<u>\$ 19,716,616</u>

City of Osage Beach, Missouri
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Investments

The City had the following investments as of December 31:

	Investment Maturities (in years)			Fair/Carrying Value
	Less than 1	1-5	Over 5	
Restricted assets:				
Money market mutual funds	\$ 2,277,510	\$ -	\$ -	\$ 2,277,510
Guaranteed investment contracts	-	2,798	-	2,798
Total investments	<u>\$2,277,510</u>	<u>\$ 2,798</u>	<u>\$ -</u>	<u>\$ 2,280,308</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize all deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name but does not limit the holdings of any one counterparty.

Credit Risk

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. State statutes authorize the City to invest in obligations of the U.S. Treasury, and federal agencies and instrumentalities; certificates of deposit issued by Missouri banks; and repurchase agreements. The City has no investment policy that would further limit its investment choice. The total guaranteed investment contract balance of \$2,798 is rated A2 by Moody's.

Interest Rate Risk

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The City does not have a formal interest rate risk policy.

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Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2021:

Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Money market mutual funds	\$ 2,277,510	\$ 2,277,510	\$ -	\$ -
Guaranteed investment contracts	2,798	-	2,798	-
Total investments	<u>\$ 2,280,308</u>	<u>\$ 2,277,510</u>	<u>\$ 2,798</u>	<u>\$ -</u>

4. RECEIVABLES

Receivables, net are composed of the following at December 31, 2021:

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
Taxes receivable	\$ 1,717,336	\$ -	\$ 1,717,336	\$ 240,021
Accounts receivable	6,550	586,522	593,072	-
	1,723,886	586,522	2,310,408	240,021
Allowance for uncollectible	-	(120,748)	(120,748)	-
Receivables, net	<u>\$ 1,723,886</u>	<u>\$ 465,774</u>	<u>\$ 2,189,660</u>	<u>\$ 240,021</u>

City of Osage Beach, Missouri
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5. CAPITAL ASSETS

	December 31, 2020	Additions	Retirements	December 31, 2021
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,835,404	\$ 18,863	\$ -	\$ 1,854,267
Construction in progress	221,181	893,250	221,181	893,250
Total capital assets, not being depreciated	2,056,585	912,113	221,181	2,747,517
Capital assets, being depreciated				
Buildings and improvements	7,878,017	147,353	-	8,025,370
Machinery and equipment	4,642,039	207,150	265,531	4,583,658
Infrastructure	59,972,314	540,012	-	60,512,326
Total capital assets being depreciated	72,492,370	894,515	265,531	73,121,354
Less accumulated depreciation for:				
Buildings and improvements	4,788,847	229,557	-	5,018,404
Machinery and equipment	3,502,682	350,355	264,706	3,588,331
Infrastructure	33,894,220	2,409,139	-	36,303,359
Total accumulated depreciation	42,185,749	2,989,051	264,706	44,910,094
Total capital assets being depreciated, net	30,306,621			28,211,260
Governmental activities capital assets, net	<u>\$ 32,363,206</u>			<u>\$ 30,958,777</u>

	December 31, 2020	Additions	Retirements	December 31, 2021
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 897,793	\$ -	\$ -	\$ 897,793
Construction in progress	446,030	2,357,330	252,619	2,550,741
Total capital assets, not being depreciated	1,343,823	2,357,330	252,619	3,448,534
Capital assets, being depreciated				
Buildings and improvements	4,722,818	42,571	-	4,765,389
Equipment	2,215,538	37,218	58,945	2,193,811
Airport infrastructure	5,426,769	-	-	5,426,769
Water system, tower and lines	36,380,058	89,089	-	36,469,147
Sewage collection system and treatment plant	60,591,023	824,285	-	61,415,308
Total capital assets being depreciated	109,336,206	993,163	58,945	110,270,424
Less accumulated depreciation for:				
Buildings and improvements	2,031,470	110,143	-	2,141,613
Equipment	1,614,303	133,069	58,945	1,688,427
Airport infrastructure	821,293	265,259	-	1,086,552
Water system, tower and lines	15,936,382	943,212	-	16,879,594
Sewage collection system and treatment plant	38,195,450	1,577,984	-	39,773,434
Total accumulated depreciation	58,598,898	3,029,667	58,945	61,569,620
Total capital assets being depreciated, net	50,737,308			48,700,804
Business-type activities capital assets, net	<u>\$ 52,081,131</u>			<u>\$ 52,149,338</u>

City of Osage Beach, Missouri
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Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental Activities:

General government	\$ 218,811
Public safety	201,637
Parks and recreation	302,517
Streets and highways	2,266,086
Total depreciation expense for Governmental activities	<u>\$ 2,989,051</u>

Business-type Activities:

Water/Sewer	\$ 2,619,726
Ambulance	40,857
Airports	369,084
Total depreciation expense for Business-type activities:	<u>\$ 3,029,667</u>

6. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due in One Year
Primary Government:					
Governmental activities					
Compensated absences **	\$ 201,442	\$ 33,168	\$ 30,285	\$ 204,325	\$ 99,933
Capital lease	427,281	-	212,562	214,719	214,719
Total governmental activities	<u>628,723</u>	<u>33,168</u>	<u>242,847</u>	<u>419,044</u>	<u>314,652</u>
Business-type activities					
Bonds payable	9,035,000	-	3,165,000	5,870,000	2,695,000
Bond premium	153,170	-	72,111	81,059	-
Compensated absences	22,922	15,458	6,411	31,969	31,969
Capital lease	43,811	-	21,795	22,016	22,016
Total business-type activities	<u>9,254,903</u>	<u>15,458</u>	<u>3,265,317</u>	<u>6,005,044</u>	<u>2,748,985</u>
Total Primary Government	<u>\$ 9,883,626</u>	<u>\$ 48,626</u>	<u>\$ 3,508,164</u>	<u>\$ 6,424,088</u>	<u>\$ 3,063,637</u>
Component Unit:					
Bonds payable	<u>\$ 2,330,000</u>	<u>\$ -</u>	<u>\$ 2,330,000</u>	<u>\$ -</u>	<u>\$ -</u>

** Compensated absences are generally liquidated by the General Fund.

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm wastewater systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

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Based on the assessed valuation as of January 1, 2021, of \$305,395,152, the constitutional total general obligation debt limit was \$58,882,312, which provides a general obligation debt margin of \$60,079,152.

Capital Lease Obligation

The City has entered into capital lease agreement for the acquisition of radio equipment. The lease agreement requires three annual payments of \$239,136 including interest at 1.014% maturing January 15, 2022.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2021 were as follows:

For the years Ending December 31	Total
2022	\$ 239,136
Less imputed interest	(2,401)
Present value of minimum lease payments	<u>\$ 236,735</u>

Bonds Payable – State Revolving Loans

In 2001, 2002, 2003, 2005, and 2007, the City issued \$5,000,000 (Series 2001A), \$24,585,000 (Series 2002B), \$6,075,000 (Series 2003B), \$4,950,000 (Series 2005C), and \$2,550,000 (Series 2007A) in State Environmental Improvement and Energy Resources Authority Water Pollution Revenue Bonds and Public Drinking Water Bonds for the purpose of financing construction of certain wastewater treatment, sanitary sewerage or water facilities and costs associated with the issuance of the bonds. In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurs approved expenditures, DNR reimburses the City for the expenditures from the construction escrow fund. Additionally, an amount (83.33% of which is federal funding) representing 70% of the construction costs is deposited into a bond reserve fund in the City's name and is held as a guarantee against the outstanding bond obligation. Interest earned from this reserve fund can be used by the City to fund interest payments on the revenue bonds. A portion of the reserve fund is transferred back to the State as principal payments are made on the revenue bonds. The costs of operation and maintenance of the wastewater treatment and sewerage facilities and the debt service is payable from operating revenues.

The City has pledged future utility customer revenues and capital improvement sales tax collections, net of current specified operating expenses, to repay \$21.6 million in revenue bonds. Proceeds from the bonds provided financing for the construction of a new water system and expansion of sewerage facilities. The bonds are payable from utility customer net revenues and capital improvement sales tax net collections and are payable through 2026. Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues including transfers in for 2021 are over 115% of the annual principal and interest payments made in 2021. The total principal and interest remaining to be paid on the bonds is \$6,382,309. Principal and interest paid for the current year and total net revenues were \$3,405,758 and \$3,892,211, respectively.

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Bonds payable are comprised of the following individual issues:

	Original Amount	Interest Rate	Final Maturity Date	Balance December 31, 2021
2002B, Drinking Water	\$ 24,585,000	2%-5.5%	7/1/2022	\$ 1,705,000
2003B, Drinking Water	6,075,000	2%-5.25%	1/1/2024	2,120,000
2005C, Clean Water	4,950,000	3%-5.25%	7/1/2025	1,175,000
2007A, Drinking Water	2,550,000	4%-4.755	1/1/2026	870,000
				<u>\$ 5,870,000</u>

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2022	\$ 2,695,000	\$ 263,550	\$ 2,958,550
2023	1,090,000	129,896	1,219,896
2024	1,330,000	73,290	1,403,290
2025	450,000	31,838	481,838
2026	305,000	13,735	318,735
Total	<u>\$ 5,870,000</u>	<u>\$ 512,309</u>	<u>\$ 6,382,309</u>

Bonds Payable – Tax Increment Financing

In November 2020, the City issued \$2,330,000 Series 2020 Tax Increment Refunding Revenue Bonds (Prewitt's Point Project) (2020 bonds). Net proceeds of the bonds along with available Series 2006 bond trust funds of \$3,160,971 were used to refund the outstanding Series 2006 Bonds. Funds totaling \$5,432,465 were deposited in trust with an escrow agent to pay accrued interest and the outstanding balance of the Series 2006 Bonds of \$5,395,000. The bond issue are structured so that bonds are redeemed as funds become available; accordingly, debt coverage will not exceed 100% over the life of the bonds. The beginning outstanding balance of \$2,330,000 was fully redeemed during the year ended December 31, 2021.

7. INTERFUND TRANSACTIONS

Interfund balances and transfers between governmental funds are not included in the government-wide statement of net position or the government-wide statement of activities. A summary of interfund transfers for the year ended December 31, 2021, follows:

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Transfers Out:				
	<u>Water/Sewer Fund</u>	<u>Ambulance Fund</u>	<u>Grand Glaize Airport Fund</u>	<u>Total</u>
Transfers In:				
General fund	\$ -	\$ 290,000	\$ -	\$ 290,000
Transportation fund	-	-	82,000	82,000
Capital improvement sales tax fund	1,925,000	-	-	1,925,000
	<u>\$ 1,925,000</u>	<u>\$ 290,000</u>	<u>\$ 82,000</u>	<u>\$ 2,297,000</u>

The purpose of the transfer from the General Fund to the Ambulance Fund is to subsidize the operations of this fund. The purpose of the transfer from the Transportation Fund to the Lee C. Fine Airport Fund and the Grand Glaize Airport Fund is to subsidize the operations of these funds. The purpose of the transfer from the Capital Improvement Sales Tax Fund to the Water/Sewer Fund is to subsidize the payment of this fund's bonds. The purpose of the transfer from the Capital Improvement Sales Tax Fund to the General Fund is to subsidize the payments of various City improvements.

Interfund Charges for Support Services

Interfund charges for support services paid to the General Fund for the year ended December 31, 2021 were as follows:

Transportation Fund	\$ 284,000
Water/Sewer Fund	298,000
Ambulance Fund	37,000
Lee C. Fine Airport Fund	38,000
Grand Glaize Airport Fund	15,000
	<u>\$ 672,000</u>

8. COMMITMENTS AND CONTINGENCIES

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workman's compensation; liability, crime, and employee errors and omissions; and natural disasters. The City purchases commercial insurance to provide coverage for general liability, property damage, and workers' compensation. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

B. Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

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Notes to the Basic Financial Statements
December 31, 2021

C. Contract Commitments

The City has entered into contractual commitments related to various projects and improvements. Outstanding commitments totaled approximately \$3,304,500 as of December 31, 2021.

D. Tax Increment Financing

On November 1, 2007, the Board of Aldermen approved the Marina View Tax Increment Financing (TIF) Plan. This plan consists of the construction of a hotel on approximately 28 acres and includes a future bond issuance of approximately \$3.7 million plus interest and other miscellaneous costs. No activity occurred on this project during 2021.

On December 16, 2010, the Board of Aldermen approved the Dierbergs Osage Beach Tax Increment Financing Plan for a shopping center. This center consists of a Dierbergs Market, Dicks Sporting Goods, Bed Bath & Beyond and miscellaneous stores. The 2011 notes payable represent special, limited obligations of the City, payable solely from the incremental sales and real estate taxes generated by Dierbergs redevelopment area. The City functions as a collecting agent for the taxes, which are then passed through to the bond trustee. As the City is not liable for this debt beyond remitting all collected taxes, it is not recorded on the statement of net position as of December 31, 2021. The notes bear interest at 6.5% with final maturity on December 15, 2033. The balance at December 31, 2021, was \$3,254,954. The annual debt service repayments of the 2011 TIF notes are the combined amounts of economic activity taxes and payments in lieu of taxes collected by the special allocation fund. The notes terminate December 15, 2033, whether or not the principal and interest have been paid in full.

On February 18, 2016, the City entered into a TIF agreement with Arrowhead Development Group, LLC. Under this agreement, the City will reimburse the developer on a pay-as-you-go method with funds generated by the TIF project. The Agreement will redevelop the 226-acre site of the former Dogwood Hills Golf Course. It provides flexibility for the developer with eight separate project areas for a mixed-use development to be built over the next several years. The agreement provides for a TIF incentive to the developer to promote a \$386,731,340 project when all 8 projects are completed. The total amount of the TIF reimbursement request is \$55,835,595, which is 14.5% of the total project costs. One half (50%) of the new real estate and sales taxes generated by the development shall be passed through to the taxing districts. To date, the Arrowhead Senior Living Community is complete and open for business. This facility provides skilled nursing home and assisted living options. As of December 31, 2021, approved project costs total \$4,713,428 and accrued interest is \$1,376,232. Economic activity taxes and payments in lieu of taxes collected for the year ended December 31, 2021 were \$205,436.

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

On September 21, 2017, the City entered into a TIF agreement with TSG Osage Beach, LLC. Under this agreement, the City will reimburse the developer on a pay-as-you-go method with funds generated by the TIF project. The Osage Beach Commons TIF Plan will redevelop the 13.71-acre site consisting of the Golden Door motel, the closed Jake's Steak and Fish restaurant and two abandoned single-family homes. The Plan proposes a \$30,500,000 project. The approved reimbursement is \$4,550,000, which is 14.9% of the total project costs. One half (50%) of the new real estate and sales taxes generated by the development shall be passed through to the taxing districts. To date, the site is being cleared for the development. No economic activity taxes or payments in lieu of taxes have been collected to date.

9. INTERGOVERNMENTAL REVENUE

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the City as of December 31, 2021.

10. PENSION PLAN

Plan Description

The City, by a resolution of the Board of Aldermen, created a defined contribution, single employer, retirement plan under Internal Revenue Code Section 401 for the employees of the City. The Board of Aldermen can amend the plan at their discretion. The City appointed ICMA Retirement Corporation to administer the plan. The plan is available to all full-time employees of the City. Employees are fully vested in contributions made on their behalf after 5-years.

Plan Funding

The City contributes 6% of eligible employee wages. Employees are not required to contribute to the plan; however, effective July 1, 2019, the City provides a match of up to an additional 1% when employees contribute up to 1%. The City contributed \$275,941 to the plan for the year ended December 31, 2021.

11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information About the Plan

The following information is presented in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*.

Plan Description and Benefits Provided

In addition to providing the pension benefits described in Note 10 above, the City provides full-time employees that retire after 10-years of service the opportunity for continuation of medical and dental insurance coverage offered through the Mid-America Regional Council Insurance Trust (MARCIT). The City provides retiree healthcare benefits through MARCIT, which is an insurance pool comprised of approximately 59 entity members. MARCIT functions as an agent multiple-employer plan.

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

Retirees who elect to continue coverage in the medical and dental plans offered through MARCIT are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the same premium as active employees each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The implicit rate subsidy is the difference between what the retiree actually pays, and the age adjusted amount he or she would have paid for the full cost of the benefit. The benefits and benefit levels are governed by City policy and the MARCIT trust agreement.

The City maintains a trust arrangement with MARCIT to collect premiums and pay claims and administrative costs. This trust arrangement does not qualify as an “OPEB Plan” and is not treated as holding assets in order to offset GASB 75 liabilities. However, GASB requires that the “Plan” determine the valuation interest rate (or discount rate) based on expected return of the MARCIT Health and Dental Fund since it is used to pay retiree claims. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established. There is no stand-alone financial report for the Plan.

Retirees Covered by Benefit Terms

At July 1, 2019, there were one benefit recipients enrolled in the Plan for the City.

Funding Policy

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

Annual OPEB Costs and Total OPEB Liability

The City’s total OPEB liability was measured as of December 31, 2020, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2019. As of December 31, 2021, the retiree premium was 1.45 times the group plan premiums.

Actuarial Assumptions

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	1.96% as of the measurement date; 3.00% for the prior year
Medical/Rx cost trend (and retiree contribution trend)	8.0% for 2021 fiscal year, decreasing by .05% through 2023 and .25% per year to an ultimate rate of 5.0% for 2029 and later years
Salary scale	4.0% per year

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-202g0 Full Generational Improvement.

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

In order to determine the municipal bond rate, the actuarial valuation uses the average of the published yields from the S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 3.86% and 3.00% as of the beginning and end of the valuation year, respectively.

Change in the Total OPEB Liability

	Total OPEB Liability
Beginning of year	\$ 193,049
Changes for the year:	
Service cost	13,878
Interest	6,170
Difference between actual and expected experience	44,154
Changes in assumptions and other inputs	(26,843)
Benefit payments, net of contributions	(2,500)
Net changes	34,859
End of year	\$ 227,908

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the City, calculated using the discount rate of 1.96%, as well as what the City's Total OPEB Liability would be using a discount rate that is 1 percentage point lower (.096%) or one percentage point higher (2.96%) than the current rate.

	1% Decrease 0.96%	Discount Rate 1.96%	1% Increase 2.96%
Total OPEB Liability	\$ 248,616	\$ 227,908	\$ 208,710

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the City, calculated using a valued based healthcare cost trend assumption, as well as what the City's Total OPEB Liability would be using a healthcare cost rate that is 1 percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 197,973	\$ 227,908	\$ 264,213

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB income of \$19,571. The City reported deferred outflows and (inflows) related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,024	\$ (75,560)
Changes in assumptions	56,634	(36,686)
Total	<u>\$ 102,658</u>	<u>\$ (112,246)</u>

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

Fiscal Year Ending	Amount
2022	\$ (477)
2023	(477)
2024	(477)
2025	(477)
2026	(477)
2027 & Thereafter	(7,203)
Total	<u>\$ (9,588)</u>

The following table summarizes the City's OPEB reporting:

	Total OPEB Liability	Deferred Outflow of Resources	Deferred Inflows of Resources
Governmental activities: **	\$ 191,159	\$ 79,264	\$ 78,734
Business-type activities:	36,749	23,394	33,512
Total	<u>\$ 227,908</u>	<u>\$ 102,658</u>	<u>\$ 112,246</u>

** OPEB liability is generally liquidated by the General Fund.

City of Osage Beach, Missouri
Notes to the Basic Financial Statements
December 31, 2021

12. JONT VENTURE

On August 5, 1981, the City agreed to a joint partnership with City of Lake Ozark of a Sewage Treatment Plant (STP). The Board administering the STP consists of eight members, four from each city. Amounts to be billed to each city are based upon usage billed at identical rate structures. Costs of operation and maintenance are split proportionately between the two cities. For the year ended December 31, 2021, the City paid \$473,325 for its share of STP expenses. A separate audit is performed on this entity, and a copy may be reviewed at the City of Lake Ozark or City of Osage Beach City Hall.

13. ASSESSED VALUE OF PROPERTY

Assessed valuation is established by the County Assessor. The City does not levy property taxes. A property tax is levied by Miller County for property located within the Prewitt's Point Project, part of the component unit. The Tax Increment Financing Fund receives 75% of incremental property tax collected. This revenue is pledged toward the repayment of the Tax Increment Financing revenue bonds pursuant to the bond indenture.

Assessed valuation and tax levy for the property located in the Tax Increment Financing District as of September 10, 2020, was as follows:

14. TAX ABATEMENTS

Pursuant to the Real Property Tax Increment Allocation Act, Sections 99.800 through 99.865, RSMo, as amended (the TIF Act), cities and counties (governments) may adopt a redevelopment plan (TIF plan) that provides for the redevelopment of a "blighted area," "conservation area" or "economic development area" located within the boundaries of the government to encourage increased property valuations. The Osage Beach Tax Increment Financing District (TIF District), a component unit of the City, recommends the designation of blighted areas, the redevelopment plan, and the developer, and the City has final approval. All of the TIF plans approved to date have been for the development of retail centers in blighted areas within the City by approved developers.

In general, once approved, the City enters into a development contract with the developer covering the development project, including ad valorem taxes, property tax abatements, and sales taxes. There are no provisions for recapture since the taxes abated are for property development and used to fund the project and service debt. Under these contracts, the governments in the TIF District grant two types of tax abatements:

- Sales tax abatements of 50 percent of the total additional revenue from taxes, penalties and interest which are imposed by the City or taxing districts and which are generated by economic activities within the areas of the TIF over the amount generated in the year before the TIF plan was adopted. Total sales taxes abated under the agreements totaled \$2,212,157 in 2021.
- Property tax abatements attributable to the increase in assessed value of the property of property in the TIF district over the assessed value of the property before the development. Total property taxes abated under the agreements totaled \$358,334 in 2021.

15. SUBSEQUENT EVENTS

Events that have occurred subsequent to December 31, 2021, have been evaluated through June 24, 2022, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OSAGE BEACH, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes				
Sales	\$ 4,950,000	\$ 4,950,000	\$ 5,985,439	\$ 1,035,439
Franchise	971,000	971,000	908,936	(62,064)
Charges for services	655,000	655,000	672,000	17,000
Licenses, fines, permits and fees	566,015	566,015	637,025	71,010
Intergovernmental	74,000	551,766	27,234	(524,532)
Interest	58,000	58,000	20,833	(37,167)
Contributions	-	6,000	6,859	859
Miscellaneous	107,020	121,020	103,367	(17,653)
Total Revenues	<u>7,381,035</u>	<u>7,878,801</u>	<u>8,361,693</u>	<u>482,892</u>
Expenditures:				
Current:				
General government	2,839,895	2,974,120	2,613,417	360,703
Public safety	3,242,427	3,289,064	2,895,780	393,284
Parks and recreation	474,343	532,843	385,047	147,796
Information and technology	441,888	441,888	385,214	56,674
Capital outlay:				
Projects and equipment	328,513	458,596	313,406	145,190
Debt Service:				
Principal	213,495	213,495	212,562	933
Interest and fiscal charges	3,413	3,413	4,334	(921)
Total Expenditures	<u>7,543,974</u>	<u>7,913,419</u>	<u>6,809,760</u>	<u>1,103,659</u>
Excess of Revenues Over (Under) Expenditures	(162,939)	(34,618)	1,551,933	1,586,551
Other financing sources (uses):				
Transfers out	<u>(290,000)</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(290,000)</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>-</u>
Net change in fund balances	(452,939)	(324,618)	1,261,933	1,586,551
Fund balances, beginning of year	<u>3,038,263</u>	<u>3,038,263</u>	<u>3,038,263</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,585,324</u>	<u>\$ 2,713,645</u>	<u>\$ 4,300,196</u>	<u>\$ 1,586,551</u>

CITY OF OSAGE BEACH, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Transportation Sales Tax Fund
For the Year Ended December 31, 2021

	<u>Original</u>	<u>Final</u>		Variance with
	Budget	Budget	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes				
Sales	\$ 2,475,000	\$ 2,475,000	\$ 2,959,761	\$ 484,761
Motor vehicle fuel and license	176,000	176,000	186,570	10,570
County road taxes	70,000	70,000	59,833	(10,167)
Licenses, fines, permits and fees	-	-	588	588
Intergovernmental	629,375	888,045	107,465	(780,580)
Interest	45,000	45,000	30,788	(14,212)
Miscellaneous	13,800	18,800	53,615	34,815
Total Revenues	<u>3,409,175</u>	<u>3,672,845</u>	<u>3,398,620</u>	<u>(274,225)</u>
Expenditures:				
Current:				
Streets and highways	1,138,188	1,215,188	1,110,084	105,104
Capital outlay:				
Streets and highways	<u>2,425,750</u>	<u>2,802,940</u>	<u>1,409,780</u>	<u>1,393,160</u>
Total Expenditures	<u>3,563,938</u>	<u>4,018,128</u>	<u>2,519,864</u>	<u>1,498,264</u>
Excess of Revenues Over				
(Under) Expenditures	(154,763)	(345,283)	878,756	1,224,039
Other financing sources (uses):				
Transfers out	<u>(257,000)</u>	<u>(257,000)</u>	<u>(82,000)</u>	<u>175,000</u>
Total Other Financing Sources (Uses)	<u>(257,000)</u>	<u>(257,000)</u>	<u>(82,000)</u>	<u>175,000</u>
Net change in fund balances	(411,763)	(602,283)	796,756	1,399,039
Fund balances, beginning of year	<u>4,929,480</u>	<u>4,929,480</u>	<u>4,929,480</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 4,517,717</u></u>	<u><u>\$ 4,327,197</u></u>	<u><u>\$ 5,726,236</u></u>	<u><u>\$ 1,399,039</u></u>

CITY OF OSAGE BEACH, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Capitol Improvement Sales Tax Fund
For the Year Ended December 31, 2021

	Original	Final		Variance with
	Budget	Budget	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes				
Sales	\$ 2,475,000	\$ 2,475,000	\$ 2,959,561	\$ 484,561
Interest	13,000	13,000	1,825	(11,175)
Total Revenues	<u>2,488,000</u>	<u>2,488,000</u>	<u>2,961,386</u>	<u>473,386</u>
Expenditures:				
Current:				
Capital improvements	<u>338,000</u>	<u>338,000</u>	<u>280,433</u>	<u>57,567</u>
Total Expenditures	<u>338,000</u>	<u>338,000</u>	<u>280,433</u>	<u>57,567</u>
Excess of Revenues Over				
(Under) Expenditures	2,150,000	2,150,000	2,680,953	530,953
Other financing sources (uses):				
Transfers out	<u>(1,925,000)</u>	<u>(1,925,000)</u>	<u>(1,925,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,925,000)</u>	<u>(1,925,000)</u>	<u>(1,925,000)</u>	<u>-</u>
Net change in fund balances	225,000	225,000	755,953	530,953
Fund balances, beginning of year	<u>2,031,474</u>	<u>2,031,474</u>	<u>2,031,474</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,256,474</u>	<u>\$ 2,256,474</u>	<u>\$ 2,787,427</u>	<u>\$ 530,953</u>

CITY OF OSAGE BEACH
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2021

Budgetary Information

The City's policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2021.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to January 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) The City utilizes multiple public budget workshops that the public is invited to attend and make comments. The proposed budget is available for public inspection prior to the budget workshops.
- 3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 4) The City Administrator is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
- 5) All appropriations lapse at year-end.

The primary basis of budgetary control is at the fund level. The budget was amended during the year.

CITY OF OSAGE BEACH
Required Supplementary Information
Schedule of Changes in Total OPEB Liability
and Related Ratios*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service costs	\$ 13,878	\$ 21,831	\$ 25,801	\$ 21,414
Interest costs	6,170	10,246	9,637	8,865
Changes in benefit terms	-	(47,896)	(41,089)	-
Difference between actual and expected experience	44,154	(87,184)	6,281	-
Changes of assumptions	(26,843)	40,410	(14,699)	29,473
Contributions - employer	<u>(2,500)</u>	<u>(1,900)</u>	<u>(2,000)</u>	<u>(1,000)</u>
Net changes in total OPEB liability	34,859	(64,493)	(16,069)	58,752
Total OPEB liability - beginning of year	<u>193,049</u>	<u>257,542</u>	<u>273,611</u>	<u>214,859</u>
Total OPEB liability - end of year	<u><u>\$ 227,908</u></u>	<u><u>\$ 193,049</u></u>	<u><u>\$ 257,542</u></u>	<u><u>\$ 273,611</u></u>
 Covered employee payroll**	 \$ 4,162,388	 \$ 4,162,388	 \$ 4,162,388	 \$ 4,162,388
 OPEB liability as a percentage of covered payroll	 4.64%	 4.64%	 6.19%	 6.57%

* GASB 75 requires presentation of ten years. As of December 31, 2021, only four years were available.

** Covered employee payroll is annualized pay based on amounts as of July 1 of the actuarial valuation date

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

STATISTICAL SECTION

(Unaudited)

The statistical data “relate to the physical, economic, social, and political characteristics of the City.” Its design is to provide “a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the Financial Section

Statistical Section

This section of the City of Osage Beach's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends (Tables 1-4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5-6)

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its sales taxes.

Debt Capacity (Tables 7-11)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 12-13)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information (Tables 14-16)

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant fiscal year.

CITY OF OSAGE BEACH, MISSOURI

TABLE 1

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net investment in capital assets	\$ 29,136,972	\$ 40,750,125	\$ 39,307,279	\$ 37,653,615	\$ 37,500,016	\$ 36,556,436	\$ 34,915,470	\$ 33,323,963	\$ 31,935,925	\$ 30,744,058
Restricted	4,824,565	5,499,168	6,010,852	6,931,150	6,502,607	6,927,365	6,476,810	6,468,528	6,956,620	8,511,485
Unrestricted	3,288,366	3,308,811	3,530,536	3,231,106	3,113,136	2,371,532	2,497,536	2,657,049	2,661,303	3,905,242
Total governmental activities net assets	<u>\$ 37,249,903</u>	<u>\$ 49,558,104</u>	<u>\$ 48,848,667</u>	<u>\$ 47,815,871</u>	<u>\$ 47,115,759</u>	<u>\$ 45,855,333</u>	<u>\$ 43,889,816</u>	<u>\$ 42,449,540</u>	<u>\$ 41,553,848</u>	<u>\$ 43,160,785</u>
Business-type activities:										
Net investment in capital assets	\$ 33,596,269	\$ 34,434,359	\$ 35,337,942	\$ 36,016,361	\$ 36,440,536	\$ 38,703,040	\$ 39,492,176	\$ 41,716,841	\$ 42,824,908	\$ 46,176,263
Restricted	2,727,651	2,806,768	2,895,805	2,945,442	3,004,278	3,211,266	3,256,225	4,049,043	3,737,033	4,347,991
Unrestricted	6,667,923	5,537,936	5,791,462	5,448,395	5,415,198	4,989,257	5,493,317	4,427,973	4,567,715	3,422,668
Total business-type activities net assets	<u>\$ 42,991,843</u>	<u>\$ 42,779,063</u>	<u>\$ 44,025,209</u>	<u>\$ 44,410,198</u>	<u>\$ 44,860,012</u>	<u>\$ 46,903,563</u>	<u>\$ 48,241,718</u>	<u>\$ 50,193,857</u>	<u>\$ 51,129,656</u>	<u>\$ 53,946,922</u>
Primary government:										
Net investment in capital assets	\$ 62,733,241	\$ 75,184,484	\$ 74,645,221	\$ 73,669,976	\$ 73,940,552	\$ 75,259,476	\$ 74,407,646	\$ 75,040,804	\$ 74,760,833	\$ 76,920,321
Restricted	7,552,216	8,305,936	8,906,657	9,876,592	9,506,885	10,138,631	9,733,035	10,517,571	10,693,653	12,859,476
Unrestricted	9,956,289	8,846,747	9,321,998	8,679,501	8,528,334	7,360,789	7,990,853	7,085,022	7,229,018	7,327,910
Total primary government net assets	<u>\$ 80,241,746</u>	<u>\$ 92,337,167</u>	<u>\$ 92,873,876</u>	<u>\$ 92,226,069</u>	<u>\$ 91,975,771</u>	<u>\$ 92,758,896</u>	<u>\$ 92,131,534</u>	<u>\$ 92,643,397</u>	<u>\$ 92,683,504</u>	<u>\$ 97,107,707</u>

Note: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, beginning net position for the business-type activities was reduced by \$427,771. However, prior years were not restated.

CITY OF OSAGE BEACH, MISSOURI

TABLE 2

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General government	\$ 2,634,466	\$ 2,795,702	\$ 2,652,546	\$ 2,780,408	\$ 2,908,660	\$ 2,986,937	\$ 2,934,961	\$ 3,046,105	\$ 3,260,006	\$ 2,840,042
Public Safety	3,023,822	3,091,649	2,978,236	3,052,006	3,143,046	3,081,476	3,141,925	3,151,724	3,135,205	3,107,327
Park and Recreation	510,657	458,198	529,212	494,456	610,252	614,335	669,858	703,750	678,970	688,281
Information Technology	379,314	331,982	328,665	429,671	381,851	527,030	492,477	497,578	414,131	385,592
Streets and Highways	2,911,893	2,967,447	3,613,537	3,354,035	3,536,724	3,679,606	4,296,076	4,462,090	4,294,964	3,794,342
Interest on Long-term debt	-	-	-	-	-	-	-	-	4,624	2,178
Total governmental activities expenses	9,460,152	9,644,978	10,102,196	10,110,576	10,580,533	10,889,384	11,535,297	11,861,247	11,787,900	10,817,762
Business-type activities:										
Water/Sewer	6,308,541	6,384,114	6,005,376	6,510,125	6,684,891	6,452,884	6,020,462	6,195,699	5,575,081	6,120,253
Ambulance	502,076	549,256	550,425	559,263	599,568	585,358	584,394	565,495	601,478	643,214
Airports	1,453,944	1,267,451	1,152,138	1,136,262	1,217,135	1,147,180	1,555,938	1,343,250	1,256,281	1,669,285
Total business-type activities expenses	8,264,561	8,200,821	7,707,939	8,205,650	8,501,594	8,185,422	8,160,794	8,104,444	7,432,840	8,432,752
Total primary government expenses	\$ 17,724,713	\$ 17,845,799	\$ 17,810,135	\$ 18,316,226	\$ 19,082,127	\$ 19,074,806	\$ 19,696,091	\$ 19,965,691	\$ 19,220,740	\$ 19,250,514
Program Revenues										
Governmental Activities:										
Charges for services:										
General Government	\$ 177,475	\$ 287,269	\$ 193,175	\$ 196,614	\$ 188,250	\$ 251,529	\$ 272,851	\$ 242,430	\$ 185,868	\$ 367,948
Public Safety	207,181	231,185	243,122	252,439	210,874	203,491	200,900	217,882	193,810	173,849
Parks and recreation	13,969	4,059	7,122	18,650	32,749	33,735	40,009	69,266	80,520	95,815
Streets and highways	6,260	7	-	-	-	-	-	90	-	-
Operating grants and contributions	13,961	80,180	10,588	21,004	25,322	54,362	21,630	40,474	140,274	141,558
Capital grants and contributions	710,078	13,134,610	663,157	177,439	709,092	362,027	297,555	467,738	-	-
Total governmental activities program revenues	1,128,924	13,737,310	1,117,164	666,146	1,166,287	905,144	832,945	1,037,880	600,472	779,170
Business-type activities:										
Charges for services:										
Water/Sewer	3,701,841	3,813,025	4,040,992	3,926,031	4,202,405	4,341,405	4,440,524	4,608,839	4,452,533	4,684,582
Ambulance	169,359	178,696	213,254	221,469	235,158	253,263	278,392	287,692	297,860	344,730
Airports	944,568	916,094	921,421	935,702	899,751	863,039	1,029,284	1,015,032	934,777	1,342,163
Operating grants and contributions	762,814	712,858	661,112	622,627	537,637	487,820	428,331	365,840	406,287	282,778
Capital grants and contributions	739,451	429,451	706,897	372,655	622,107	1,782,273	582,118	1,541,717	255,137	2,181,638
Total business-type activities program revenues	6,318,033	6,050,124	6,543,676	6,078,484	6,497,058	7,727,800	6,758,649	7,819,120	6,346,594	8,835,891
Total primary government program revenues	\$ 7,446,957	\$ 19,787,434	\$ 7,660,840	\$ 6,744,630	\$ 7,663,345	\$ 8,632,944	\$ 7,591,594	\$ 8,857,000	\$ 6,947,066	\$ 9,615,061

CITY OF OSAGE BEACH, MISSOURI

TABLE 2

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense)/revenue										
Governmental activities	\$ (8,331,228)	\$ 4,092,332	\$ (8,985,032)	\$ (9,444,430)	\$ (9,414,246)	\$ (9,984,240)	\$ (10,702,352)	\$ (10,823,367)	\$ (11,187,428)	\$ (10,038,592)
Business-type activities	(1,946,528)	(2,150,697)	(1,164,263)	(2,127,166)	(2,004,536)	(457,622)	(1,402,145)	(285,324)	(1,086,246)	403,139
Total primary government net expenses	<u>\$ (10,277,756)</u>	<u>\$ 1,941,635</u>	<u>\$ (10,149,295)</u>	<u>\$ (11,571,596)</u>	<u>\$ (11,418,782)</u>	<u>\$ (10,441,862)</u>	<u>\$ (12,104,497)</u>	<u>\$ (11,108,691)</u>	<u>\$ (12,273,674)</u>	<u>\$ (9,635,453)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
County road taxes	\$ 67,752	\$ 69,622	\$ 67,902	\$ 69,887	\$ 70,833	\$ 70,477	\$ 70,470	\$ 70,500	\$ 72,584	\$ 59,833
Sales taxes	8,765,944	8,745,521	9,065,925	9,157,986	9,424,674	9,428,003	9,476,784	9,518,981	10,012,688	11,904,761
Franchise taxes	851,346	941,599	952,678	993,059	943,737	938,888	1,063,470	982,803	869,076	908,936
Motor vehicle fuel & license	155,949	157,635	164,069	170,674	172,097	175,551	175,814	177,206	170,788	186,570
Payments from enterprise funds	459,400	479,312	194,600	212,000	271,500	290,000	314,600	300,000	768,000	672,000
Unrestricted investment earnings	52,263	50,401	36,444	22,338	38,010	55,480	112,734	182,526	131,373	53,446
Other income	68,815	79,236	63,338	156,215	118,731	168,335	99,593	162,075	126,227	156,983
Gain (loss) on sale of capital assets	11,218	543	85,639	14,475	10,052	28,080	2,861	-		
Transfers	(2,405,000)	(2,308,000)	(2,355,000)	(2,385,000)	(2,335,500)	(2,431,000)	(2,602,000)	(2,011,000)	(1,859,000)	(2,297,000)
Total governmental activities	<u>8,027,687</u>	<u>8,215,869</u>	<u>8,275,595</u>	<u>8,411,634</u>	<u>8,714,134</u>	<u>8,723,814</u>	<u>8,714,326</u>	<u>9,383,091</u>	<u>10,291,736</u>	<u>11,645,529</u>
Business-type activities										
Unrestricted investment earnings	49,697	49,346	32,889	20,061	28,409	55,940	120,127	170,154	95,217	26,960
Other income	130,000	4,460	13,620	51,013	87,415	12,174	27,610	56,309	67,828	90,167
Gain (loss) on sale of capital assets	24,226	3,883	8,900	56,081	3,026	2,059	2,487	-	-	
Transfers	2,405,000	2,308,000	2,355,000	2,385,000	2,335,500	2,431,000	2,602,000	2,011,000	1,859,000	2,297,000
Total business-type activities	<u>2,608,923</u>	<u>2,365,689</u>	<u>2,410,409</u>	<u>2,512,155</u>	<u>2,454,350</u>	<u>2,501,173</u>	<u>2,752,224</u>	<u>2,237,463</u>	<u>2,022,045</u>	<u>2,414,127</u>
Total primary government	<u>\$ 10,636,610</u>	<u>\$ 10,581,558</u>	<u>\$ 10,686,004</u>	<u>\$ 10,923,789</u>	<u>\$ 11,168,484</u>	<u>\$ 11,224,987</u>	<u>\$ 11,466,550</u>	<u>\$ 11,620,554</u>	<u>\$ 12,313,781</u>	<u>\$ 14,059,656</u>
Change in net position										
Governmental activities	\$ (303,541)	\$ 12,308,201	\$ (709,437)	\$ (1,032,796)	\$ (700,112)	\$ (1,260,426)	\$ (1,988,026)	\$ (1,440,276)	\$ (895,692)	\$ 1,606,937
Business-type activities	662,395	214,992	1,246,146	384,989	449,814	2,043,551	1,350,079	1,952,139	935,799	2,817,266
Total primary government	<u>\$ 358,854</u>	<u>\$ 12,523,193</u>	<u>\$ 536,709</u>	<u>\$ (647,807)</u>	<u>\$ (250,298)</u>	<u>\$ 783,125</u>	<u>\$ (637,947)</u>	<u>\$ 511,863</u>	<u>\$ 40,107</u>	<u>\$ 4,424,203</u>

Note: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, no amortization of bond issuance costs was included in 2013 business-type expenses. However, prior years were not restated.

CITY OF OSAGE BEACH, MISSOURI

TABLE 3

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ 71,107	\$ 95,007	\$ 134,056	\$ 140,773	\$ 188,793	\$ 189,502	\$ 189,270	\$ 203,163
Unassigned	3,488,474	3,467,352	3,274,396	3,295,348	3,116,070	2,496,023	2,613,199	2,672,073	2,848,993	4,097,033
Total General Fund	3,488,474	3,467,352	3,345,503	3,390,355	3,250,126	2,636,796	2,801,992	2,861,575	3,038,263	4,300,196
All Other Governmental Funds										
Nonspendable	-	-	5,726	6,548	30,811	18,243	39,691	24,051	22,657	19,591
Restricted	4,824,565	2,499,168	6,010,852	6,931,150	6,502,607	6,927,365	6,488,943	6,468,528	6,938,297	8,494,072
Unassigned	-	-	-	-	-	-	(58,000)	-		
Total all other governmental funds	4,824,565	2,499,168	6,016,578	6,937,698	6,533,418	6,945,608	6,470,634	6,492,579	6,960,954	8,513,663
Total governmental funds	\$ 8,313,039	\$ 5,966,520	\$ 9,362,081	\$ 10,328,053	\$ 9,783,544	\$ 9,582,404	\$ 9,272,626	\$ 9,354,154	\$ 9,999,217	\$ 12,813,859

CITY OF OSAGE BEACH, MISSOURI

TABLE 4

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 9,840,991	\$ 9,914,377	\$ 10,250,574	\$ 10,391,606	\$ 10,611,341	\$ 10,612,919	\$ 10,798,671	\$ 10,749,490	\$ 11,125,136	\$ 13,060,100
Licenses, fines, permits	404,885	522,520	443,419	467,703	431,873	488,755	513,760	529,668	460,199	637,613
Intergovernmental	459,077	209,925	322,940	522,477	690,410	528,690	317,141	440,347	194,590	134,699
Interest	52,263	50,401	36,444	22,338	38,010	55,480	112,734	182,526	131,375	53,446
Contributions							2,044	10,569	2,980	6,859
Charges for services	459,400	479,312	194,600	212,000	271,500	290,000	314,600	300,000	768,000	672,000
Miscellaneous	68,815	79,236	63,338	162,765	133,939	174,545	99,593	162,075	126,224	156,982
Total Revenues	11,285,431	11,255,771	11,311,315	11,778,889	12,177,073	12,150,389	12,158,543	12,374,675	12,808,504	14,721,699
Expenditures										
General Government	2,457,491	2,517,947	2,397,258	2,457,995	2,314,939	2,433,501	2,318,283	2,433,719	2,999,207	2,613,417
Public Safety	2,809,445	2,973,390	2,859,619	2,885,675	2,941,372	2,942,362	3,011,840	3,058,748	2,871,156	2,895,780
Park and Recreation	248,085	250,501	253,983	253,021	300,587	300,815	372,684	388,854	367,461	385,047
Information Technology	264,122	272,124	282,989	333,231	319,004	455,477	443,009	442,920	414,333	385,214
Streets and Highways	1,160,715	919,711	1,152,841	797,661	939,140	1,109,614	1,943,542	1,858,479	1,172,456	1,110,084
Capital outlay	3,026,290	1,364,162	1,707,908	1,716,624	3,581,775	2,710,928	1,781,789	2,087,294	2,906,819	2,003,619
Debt Service										
Interest and fees	-	-	-	-	-	-	-	-	290	4,334
Principal	-	-	-	-	-	-	-	-	216,606	212,562
Total Expenditures	9,966,148	8,297,835	8,654,598	8,444,207	10,396,817	9,952,697	9,871,147	10,270,014	10,948,328	9,610,057
Excess of revenues over(under) expenditures	1,319,283	2,957,936	2,656,717	3,334,682	1,780,256	2,197,692	2,287,396	2,104,661	1,860,176	5,111,642
Other financing sources (uses)										
Transfers in	-	-	150,000	175,000	34,000	-	-	112,566	95,566	-
Transfers out	(2,405,000)	(2,308,000)	(2,505,000)	(2,560,000)	(2,369,500)	(2,431,000)	(2,602,000)	(2,123,566)	(1,954,566)	(2,297,000)
Initiation of capital lease	-	-	-	-	-	-	-	-	643,887	-
Sale of Capital Assets	11,216	3,545	93,844	16,290	10,735	32,168	4,826	-	-	-
Total other financing sources (uses)	(2,393,784)	(2,304,455)	(2,261,156)	(2,368,710)	(2,324,765)	(2,398,832)	(2,597,174)	(2,011,000)	(1,215,113)	(2,297,000)
Net Change in Fund Balance	\$ (1,074,501)	\$ 653,481	\$ 395,561	\$ 965,972	\$ (544,509)	\$ (201,140)	\$ (309,778)	\$ 93,661	\$ 645,063	\$ 2,814,642
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.70%	2.85%

CITY OF OSAGE BEACH, MISSOURI

TABLE 5

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)

FISCAL YEAR	COUNTY ROAD TAX	SALES TAX	FRANCHISE TAX	MOTOR VEHICLE FUEL & LICENSE TAX	TOTAL
2012	\$ 67,752	\$ 8,765,944	\$ 851,346	\$ 155,949	\$ 9,840,991
2013	\$ 69,622	\$ 8,745,521	\$ 941,599	\$ 157,635	\$ 9,914,377
2014	\$ 67,902	\$ 9,065,925	\$ 952,678	\$ 164,069	\$ 10,250,574
2015	\$ 69,887	\$ 9,157,986	\$ 993,059	\$ 170,674	\$ 10,391,606
2016	\$ 70,833	\$ 9,424,674	\$ 943,737	\$ 172,097	\$ 10,611,341
2017	\$ 70,477	\$ 9,428,003	\$ 938,888	\$ 175,551	\$ 10,612,919
2018	\$ 70,470	\$ 9,488,917	\$ 1,063,470	\$ 175,814	\$ 10,798,671
2019	\$ 70,500	\$ 9,518,981	\$ 982,803	\$ 177,206	\$ 10,749,490
2020	\$ 72,584	\$ 10,012,688	\$ 869,076	\$ 170,788	\$ 11,125,136
2021	\$ 59,833	\$ 11,904,761	\$ 908,936	\$ 186,570	\$ 13,060,100

CITY OF OSAGE BEACH, MISSOURI

TABLE 6

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS**

FISCAL YEAR	CITY DIRECT RATE	STATE SALES TAX RATE	CAMDEN COUNTY RATE	MILLER COUNTY RATE	MILLER CO. AMBULANCE RATE	TDD PREWITT RATE	TDD OSAGE STAT. RATE	TDD DIERBERGS RATE	CID ARROWHEAD RATE
2012	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	0%	0%
2013	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	0%
2014	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	0%
2015	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	0%
2016	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	1%
2017	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	1%
2018	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	1%
2019	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	1%
2020	2%	4.225%	1.25%	1%	0.5%	1%	0.75%	1%	1%
2021	2%	4.225%	1.25%	1.375%	0.5%	1%	0.75%	1%	1%

CITY OF OSAGE BEACH, MISSOURI

TABLE 7

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

FISCAL YEAR	BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	POPULATION	PER CAPITA	% OF PER CAPITA INCOME OF OSAGE BEACH RESIDENTS WITHIN CAMDEN CTY	% OF PER CAPITA INCOME OF OSAGE BEACH RESIDENTS WITHIN MILLER CTY
	WATER/SEWER REVENUE BONDS						
2012	\$ 27,626,850	\$	27,626,850	4,528	\$ 6,101	4%	5%
2013	\$ 26,577,951	\$	26,577,951	4,563	\$ 5,825	4%	4%
2014	\$ 24,195,839	\$	24,195,839	4,395	\$ 5,505	4%	4%
2015	\$ 22,123,728	\$	22,123,728	4,477	\$ 4,942	3%	3%
2016	\$ 19,751,616	\$	19,751,616	4,471	\$ 4,418	3%	3%
2017	\$ 17,269,504	\$	17,269,504	4,857	\$ 3,556	2%	2%
2018	\$ 14,692,394	\$	14,692,394	4,909	\$ 2,993	2%	2%
2019	\$ 12,000,281	\$	12,000,281	5,080	\$ 2,362	1%	1%
2020	\$ 9,035,000	\$	9,035,000	4,923	\$ 1,835	1%	1%
2021	\$ 5,870,000	\$	5,870,000	4,923	\$ 1,192	1%	1%

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Schedule of Demographic and Economic Statistics for personal income and population data.

Personal income and per capita personal income not available for the City of Osage Beach; county information was utilized.

Osage Beach population is in both Camden and Miller County but the exact division of population is unknown.

Population data listed is based on estimates from the U.S. Census Bureau.

CITY OF OSAGE BEACH, MISSOURI

TABLE 8

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

<u>FISCAL YEAR</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>PERCENTAGE OF SALES TAX RECEIVED</u>	<u>PER CAPITA</u>
2012	\$ -	0.00%	\$ -
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. See Schedule of Demographic and Economic Statistics for personal income and population data.

Sales tax received for each year is in the schedule Governmental Activities Tax Revenue by source for the City.

CITY OF OSAGE BEACH, MISSOURI

TABLE 9

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of December 31, 2021

NAME OF GOVERNMENTAL UNIT	LONG-TERM DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF OSAGE BEACH ¹	AMOUNT APPLICABLE TO CITY OF OSAGE BEACH
City of Osage Beach	\$ 214,719	100%	\$ 214,719
Camdenton R-III School District	58,220,000	16%	9,315,200
School of the Osage R-II	54,600,000	4%	2,184,000
Osage Beach Fire Protection District	285,000	53%	151,050
Total direct and overlapping debt	<u>\$ 113,105,000</u>		<u>\$ 11,650,250</u>

Sources: Debt outstanding data provided by Camden County, Miller County, Camdenton School District, School of the Osage School District and the Osage Beach Fire Protection District.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Osage Beach. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using student population of both of the school districts and land area located inside or out of the Osage Beach Fire District.

CITY OF OSAGE BEACH, MISSOURI

TABLE 10

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$54,718,090	\$55,091,515	\$57,307,294	\$57,728,809	\$57,258,506	\$57,153,052	\$58,416,054	\$58,575,726	\$58,882,312	\$61,079,152
Total Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$54,718,090	\$55,091,515	\$57,307,294	\$57,728,809	\$57,258,506	\$57,153,052	\$58,416,054	\$58,575,726	\$58,882,312	\$61,079,152
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Total Assessed Value	\$305,395,760
Debt limit (20% of total assessed value)	61,079,152
Debt applicable to limit:	-
Legal debt margin	\$61,079,152

Under Article VI, Sections 26 (b) and 26 © of the Missouri Constitution, the City by a vote of 2/3 of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable intangible property within the City as asserted by the last complete assessment for state or county purposes. Under Section 26 (d) of said Article VI, the city may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation for the purpose of acquiring rights of way, constructing and improving sanitary or storm sewer systems; and under Section 26 (e) of said article VI, additional general obligation indebtedness may be incurred for purchasing or constructing water-works electric or other light plants to be owned exclusively by the City, provided that the general obligation indebtedness of the City shall not exceed 20% of the assessed valuation.

CITY OF OSAGE BEACH, MISSOURI

TABLE 11

WATER/SEWER FUND
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING REVENUE ²	DIRECT OPERATING EXPENSE ³	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIO	CAPT. IMPROV. TRANSFER ¹
				PRINCIPAL ⁴	INTEREST	TOTAL		
2012	\$4,660,931	\$2,449,339	\$2,211,592	\$1,865,000	\$1,341,017	\$3,206,017	0.69	\$1,855,000
2013	\$4,583,572	\$2,615,319	\$1,968,253	\$1,945,000	\$1,243,608	\$3,188,608	0.62	\$1,925,000
2014	\$4,763,887	\$2,312,994	\$2,450,893	\$2,030,000	\$1,134,410	\$3,164,410	0.77	\$1,925,000
2015	\$4,568,719	\$2,698,936	\$1,869,783	\$2,200,000	\$1,049,403	\$3,249,403	0.58	\$1,935,000
2016	\$4,740,042	\$3,003,538	\$1,736,504	\$2,300,000	\$893,275	\$3,193,275	0.54	\$1,935,000
2017	\$4,829,225	\$2,883,252	\$1,945,973	\$2,410,000	\$786,633	\$3,196,633	0.61	\$1,935,000
2018	\$4,868,855	\$2,581,076	\$2,287,779	\$2,505,000	\$656,049	\$3,161,049	0.72	\$2,200,000
2019	\$4,974,679	\$2,909,989	\$2,064,690	\$2,620,000	\$519,658	\$3,139,658	0.66	\$1,400,000
2020	\$4,754,962	\$2,498,868	\$2,256,094	\$2,740,000	\$442,611	\$3,182,611	0.71	\$1,400,000
2021	\$4,958,360	\$3,117,149	\$1,841,211	\$3,165,000	\$273,478	\$3,438,478	0.54	\$1,925,000

¹ The Water/Sewer Fund Deficit is subsidized by Capital Improvement Fund transfers.

² Operating Revenue includes investment income & DNR interest subsidy.

³ Excludes depreciation expense.

⁴ Principal balance found in notes of audit, #6 Long-Term Debt

CITY OF OSAGE BEACH, MISSOURI

TABLE 12

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

FISCAL YEAR	Population ¹	Personal Income ² of Osage Beach Residents within Camden County*	Personal Income ² of Osage Beach Residents within Miller County *	Per Capita Personal Income ² Camden County	Per Capita Personal Income ² Miller County	Unemployment Rate ³ Camden County	Unemployment Rate ³ Miller County
2012	4,528	144,952	135,360	32,012	29,894	9.9%	9.3%
2013	4,563	147,825	139,976	32,396	30,676	9.4%	8.8%
2014	4,395	149,976	141,709	34,124	32,243	8.3%	7.8%
2015	4,477	160,254	150,787	35,795	33,680	6.7%	6.1%
2016	4,471	159,714	149,477	35,722	33,433	5.9%	5.2%
2017	4,857	180,800	165,519	37,225	34,078	4.8%	4.4%
2018	4,909	184,852	174,076	37,656	35,460	4.2%	3.6%
2019	5,080	196,937	183,508	38,767	36,124	4.3%	3.6%
2020	4,923	200,751	193,715	40,778	39,349	7.0%	6.1%
2021	4,923	200,751	193,715	40,778	39,349	5.0%	4.1%

Sources:

¹U.S. Census Bureau (estimates updated July 1st of each year)

² U.S. Bureau of Economic Analysis

³ U.S. Bureau of Labor Statistics (percentage calculated on an annual average)

Reflects revised inputs, estimations, and new statewide controls

Notes:

* Denotes numbers expressed in thousands

Personal income and per capita personal income not available for the City of Osage Beach so county information was utilized.

Osage Beach population is in both Camden and Miller Counties but the exact division of population is unknown.

Population data listed is based on estimates from the U.S. Census Bureau.

CITY OF OSAGE BEACH, MISSOURI

TABLE 13

**PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
¹ Lake Regional Health System	1396	1	28.36%	1300	1	28.71%
² Camdenton R-III School District	715	2	14.52%	620	3	13.69%
Hy-Vee	344	3	6.99%	200	7	4.42%
³ Margaritaville Resort (previously Tan-Tar-A)	330	4	6.70%	560	4	12.37%
² School of the Osage R-II School District	316	5	6.42%	300	6	6.63%
⁴ Osage Beach Outlet Marketplace	240	6	4.88%	800-1200	2	22.08%
Wal-Mart Supercenter	239	7	4.85%	430	5	9.50%
City of Osage Beach	129	8	2.62%	103	9	2.27%
Dierbergs	123	9	2.50%			
⁵ Central Bank of Lake of the Ozarks	118	10	2.40%	102	10	2.25%
Target	107	11	2.17%	150	8	3.31%

Sources:

Lake of the Ozarks Council of Local Governments and employer representatives

Notes:

All numbers include both full time and part time employment.

¹Employee totals represent the hospital and clinics which include some clinics outside Osage Beach city limits.

²Employee totals represent entire School District which includes some schools outside Osage Beach city limits.

³Employer is not located within Osage Beach city limits.

⁴Employee totals are estimates comprised from the various stores within the mall.

⁵Employee totals represent all Central Bank locations of which three locations are within Osage Beach city limits.

CITY OF OSAGE BEACH, MISSOURI

TABLE 14

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
City Administrator	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Clerk ⁴	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00	2.00	1.50
City Treasurer ⁴	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.50
Municipal Court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspection ¹	3.00	3.00	3.00	3.00	2.50	3.50	3.50	3.50	3.50	2.50
Building Maintenance ³	0.00	0.00	0.00	0.00	0.50	0.73	0.73	0.73	0.73	0.73
Parks & Recreation	3.00	3.00	3.00	3.00	4.00	5.96	5.23	5.46	5.73	5.73
Human Resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning Department ¹	2.50	2.25	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.50
Information Technology	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00	1.00	1.00
Engineering Department ²	4.50	4.75	0.00	0.00	0.00	0.00	0.00	0.00	6.25	3.25
Police										
Law Enforcement	29.00	29.00	30.00	30.00	30.00	30.46	28.73	28.00	29.00	28.00
911 Center	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works										
Transportation ¹	10.30	10.30	10.00	10.00	10.00	11.00	10.83	11.80	10.04	8.77
Water ¹	5.30	5.30	7.00	7.00	7.00	8.00	7.83	7.83	7.04	6.08
Sewer ¹	8.40	8.40	10.00	10.00	10.00	10.50	10.33	10.34	9.31	9.08
Ambulance	6.00	6.00	6.00	7.00	8.00	7.95	7.95	7.95	7.95	7.63
Airport										
Lee C. Fine ¹	3.40	3.60	3.60	3.60	3.60	4.33	4.33	4.33	4.33	4.33
Grand Glaize ¹	2.60	2.40	2.40	2.40	2.40	3.13	3.13	3.13	3.13	3.13
Total	103.00	103.00	103.00	104.00	106.00	115.06	112.09	112.57	113.51	104.73

Source: Annual Budget

Note:

¹Some employees' wages are split between different departments.

²In 2014, the City integrated the Engineering Department into Public Works. In 2020, the Engineering Department was separated back out from Public Works

³In 2016, a part-time building maintenance position was added.

⁴In 2018, a full-time position was moved from the City Clerk to the City Treasurer.

CITY OF OSAGE BEACH, MISSOURI

TABLE 15

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Incident Reports	1,644	1,464	1,660	1,832	1,851	1,752	1,554	1,615	1,382	1,462
Traffic Violations	1,290	1,783	1,856	2,145	1,975	1,968	1,748	1,612	996	768
Traffic Warnings	2,169	2,507	2,099	2,307	2,348	2,547	2,349	2,019	1,452	1,104
911 Center										
Number of Calls Answered ¹	23,133	21,160	21,458	20,859	21,463	44,459	42,913	40,640	37,678	36,232
Ambulance										
Calls for service	825	812	777	1,000	995	1,024	1,014	1,102	1,057	1,260
Building										
Permits										
Residential	86	67	77	70	49	75	80	99	100	95
Commercial	92	72	73	71	76	81	86	92	52	94
Licensing										
Business License	641	649	659	635	628	625	631	642	556	550
Contractor License	578	473	514	470	401	419	424	459	583	706
Liquor License	74	78	77	74	69	67	73	85	68	70
Water										
Total Water Sold (thousands of gallons)	329,759	306,699	318,395	314,987	333,138	330,431	340,449	316,777	328,740	344,138
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	1,030	1,006	1,176	1,320	1,304	1,358	1,364	1,381	1,278	1,105
Airports										
Lee C. Fine Airport										
Number of Take Offs & Landings	5,147	4,721	4,522	5,023	4,863	4,971	5,138	5,261	5,633	6,622
Grand Glaize Airport										
Number of Take Offs & Landings	2,587	2,348	2,129	2,431	2,768	3,130	2,726	3,029	2,912	3,483
Recycling										
Waste Oil (gallons)	951	551	634	1,029	2,427	863	1,330	2,618	2,239	2,752
White Goods (pounds) ²	9,420	8,500	5,168	5,620	7,860	9,080	2,740	2,800	-	-

Sources: Various City Government Departments**Notes:**

¹Number of Calls represents both emergency and non-emergency calls. In 2005, the Osage Beach 911 Center was extended to include calls for Lake Ozark Fire & Ambulance. Due to contract expiration in early 2016, Osage Beach 911 ceased taking calls for Lake Ozark Fire & Ambulance.

²Prior to 2011, White Goods were not tracked.

CITY OF OSAGE BEACH, MISSOURI

TABLE 16

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	21	21	21	21	22	22	22	21	21	18
Ambulance Protection:										
Number of Vehicles	2	2	2	2	2	2	2	2	2	2
Highways and Streets										
Miles of Streets Paved	38.08	44.65	44.65	45.45	45.92	45.92	45.92	46.20	46.20	46.32
Miles of Sidewalks	6.87	6.87	7.33	7.33	8.83	9.59	9.59	9.79	10.70	10.70
Number of Street Lights	628	638	638	640	640	671	671	675	689	686
Parks and Recreation										
Park Acreage	106	106	106	106	106	106	106	106	106	106
Number of Parks	2	2	2	2	2	2	2	2	2	2
Water										
Water Mains (miles)	246.84	246.84	246.84	248.15	249.00	249.00	249.00	249.21	249.41	249.41
Fire Hydrants	983	983	983	994	994	994	994	998	999	999
Wells	10	10	10	10	7	7	7	7	8	8
Water Towers	4	4	4	4	4	4	4	4	4	4
Sewer										
Sanitary Sewers (miles)	149.71	149.95	150.95	151.94	152.02	152.39	152.96	153.01	153.01	153.01
Pump Stations	1,218	1,224	1,229	1,239	1,242	1,237	1,240	1,242	1,254	1,262

Sources: Various City Government Departments