

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

Nicole Galloway, CPA

Missouri State Auditor

City of Orrick

Report No. 2022-118

December 2022

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Orrick

Economic Development	The city may have violated Article VI, Sections 23 and 25 of the Missouri Constitution as a result of a property conveyed for little consideration to a private individual and another property conveyed for no consideration to a corporation.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews over various financial accounting functions are performed. Receipt slips are not issued for all money received and a deposit summary or receipt ledger to document all payments received is not prepared.
Contracts and Disbursements	The city does not have a written contract to define job responsibilities for the City Attorney. In addition, the Board violated the Missouri Constitution when it approved and made a bonus payment of \$1,000 to the attorney in February 2022 that is not in compliance with the city's verbal agreement to pay the attorney \$600 per month for his services. The Mayor did not document his approval, as required, for 3 emergency purchases for sewer line repairs made by the Public Works Supervisor during the year ended December 31, 2021, totaling \$3,822, and full explanations of the emergency purchases were not documented in the minutes as required.
Payroll Controls and Procedures	The Board approves year-end bonus payments to all employees in violation of the Missouri Constitution. The Board has not amended its employee health insurance ordinance to reflect approved changes.
Sunshine Law	The Board did not document in the open meeting minutes the specific reasons or sections of law allowing the meeting to be closed for 12 of the 17 closed meetings held between January 1, 2021, and August 31, 2022. Some meeting notices and agendas included a statement that a closed meeting would be held, but the statement did not include the specific section of law allowing the closed meeting. The Board discussed and voted on some topics in closed meetings that were not allowable under the Sunshine Law. The Board does not review and approve minutes of closed meetings and the closed meeting minutes are not signed by the preparer to ensure accuracy of the minutes.
Budgeting Procedures	The city's budgets for the years ended December 31, 2020, 2021, and 2022, did not include all statutorily-required information, and the budget for the year ended December 31, 2022, did not include the actual beginning and estimated ending cash balances. The Board does not monitor budget-to-actual receipts and disbursements because year-to-date budget-to-actual reports of financial activity are not presented to the Board and a final budget-to-actual report was not prepared for the year ended December 31, 2021.
User Identification and Passwords	The city has not established adequate user identification and password controls to reduce the risk of unauthorized access to city computers.

**Electronic Communication
Policy**

The city has not developed a records management and retention policy in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Orrick

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NICOLE GALLOWAY, CPA

Missouri State Auditor

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

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Orrick. We have audited certain operations of the city in fulfillment of our duties. The city engaged Kenney D. Hales, Certified Public Accountant (CPA), PC, to audit the city's financial statements for the year ended December 31, 2021. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2021. The objectives of our audit were to:

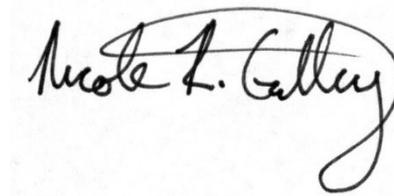
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Orrick.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the word "Galloway".

Nicole R. Galloway, CPA
State Auditor

City of Orrick

Management Advisory Report

State Auditor's Findings

1. Economic Development

The city may have violated Article VI, Sections 23 and 25 of the Missouri Constitution as a result of a property conveyed for little consideration to a private individual and another property conveyed for no consideration to a corporation.

The city sold a property to a private individual for \$2,500 in August 2018 with the understanding that the property would be redeveloped into multi-family housing within one year of the sale. The city did not monitor the grantee to ensure redevelopment occurred as agreed. The city did not exercise its right, as stated in the quit claim deed, to refund the bid price of \$2,500 and reclaim the property when the purchaser did not develop the property as promised. This property has since been sold to another party and it is unclear if the property will be used for a public purpose, as the city intended. The City Clerk indicated the city chose not to pursue its right to reclaim the property.

In addition, the city granted a property for no consideration to a corporation in January 2022 with the understanding the property would be redeveloped to benefit the city within 18 months of the grant. The property was valued at \$59,500 in the quit claim deed. The city has not monitored the grantee, and the grantee's plan submitted with the bid did not include a timeline for the project. As a result, the property might not be used for a public purpose, as the city intends. The City Clerk indicated the city has not asked the grantee about the property because the city no longer owns the property.

Article VI, Sections 23 and 25, Missouri Constitution prohibit the use of public money or property to benefit any private individual, association, or corporation except as provided in the constitution. The City Clerk indicated the city was not aware these property conveyances may have violated the Missouri Constitution.

Recommendation

The Board of Aldermen implement procedures to ensure properties conveyed for little or no consideration to private individuals and corporations are used for a public purpose in compliance with the Missouri Constitution.

Auditee's Response

The Board will implement procedures by January 2023 to ensure properties conveyed for little to no consideration to private individuals and corporations are used for a public purpose in compliance with the Missouri Constitution.

2. Accounting Controls and Procedures

Accounting controls and procedures need improvement. The city collected approximately \$868,000 from taxes, utility payments, and other receipts during the year ended December 31, 2021.

2.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews over various financial



City of Orrick
Management Advisory Report - State Auditor's Findings

accounting functions are performed. The City Clerk is responsible for receipting and depositing payments, posting transactions to the accounting system, processing payroll, purchasing, preparing disbursements, preparing monthly bank reconciliations, transferring money between bank accounts, and preparing financial reports for Board meetings. No independent reviews are performed to ensure all money collected was properly recorded, deposited timely, and properly disbursed. A member of the Board indicated he did not realize it was the Board's responsibility to oversee the City Clerk.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

2.2 Receipting and depositing

Receipt slips are not issued for all money received and a deposit summary or receipt ledger to document all payments received is not prepared. The City Clerk's procedure is to issue receipt slips for cash payments, with receipt slips for checks issued upon request. The City Clerk indicated she considered the check to be the customer's receipt slip.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of money will occur and increases the likelihood that errors will go undetected.

Recommendations

The Board of Aldermen:

- 2.1 Segregate the accounting duties to the extent possible and ensure documented independent supervisory reviews of detailed accounting and bank records are performed.
- 2.2 Ensure receipt slips are issued for all money received.

Auditee's Response

- 2.1 *The city realizes how important it is to have and maintain 2 people in city hall for segregation of duties and checks and balances. The Board and Mayor will be an extra independent reviewer of accounting and bank records.*
- 2.2 *The city has always issued a handwritten receipt slip when cash money was received; however, the city has now added issuing a handwritten receipt slip when money is received in the form of a check, money order or cashier's check. This was implemented in September 2022.*

3. Contracts and Disbursements

City procedures for contracts and disbursements need improvement. We reviewed 17 payment transactions totaling \$53,673 using judgmental



City of Orrick
Management Advisory Report - State Auditor's Findings

selection from a population of payment transactions totaling \$642,985 for the year ended December 31, 2021.

3.1 Written contract

The city does not have a written contract to define job responsibilities for the City Attorney. In addition, the Board violated the Missouri Constitution when it approved and made a bonus payment of \$1,000 to the attorney in February 2022 that is not in compliance with the city's verbal agreement to pay the attorney \$600 per month for his services. The City Clerk indicated the attorney had performed a significant amount of extra work assisting the city with the sale of the water and sewer system and the Board felt the bonus was appropriate.

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city money is used appropriately and effectively. Compliance with contract terms is important to ensure limited city resources and assets are used wisely and that expectations of the Board and the public are met. Section 432.070, RSMo, requires contracts for political subdivisions be in writing. Formal written contract amendments are necessary when terms change substantially. In addition, Article III, Section 39(3), Missouri Constitution prohibits the city from granting any extra compensation, fee or allowance to a contractor after service has been rendered or a contract has been entered into and performed in whole or in part.

3.2 Emergency purchase approval

The Mayor did not document his approval, as required, for 3 emergency purchases for sewer line repairs made by the Public Works Supervisor during the year ended December 31, 2021, totaling \$3,822. Each of these purchases totaled more than \$1,000 and, under non-emergency circumstances, would have required 3 verbal proposals and approval of the Board. In addition, full explanations of the emergency purchases were not documented in the minutes as required. The City Clerk indicated the Mayor approved the purchases verbally and that the city had not considered the need for written documentation of the Mayor's approval.

City code 25.060 states that 3 verbal proposals and approval of the Board is required when the estimated cost of supplies and equipment shall be \$1,000 to \$2,500. In addition, City code 25.140 states "in case of an apparent emergency which requires immediate purchase of supplies or contractual services, the mayor may authorize the purchase at the lowest obtainable price, any supplies or contractual services regardless of the amount of the expenditure. A full explanation of the circumstances of an emergency purchase shall be recorded in the journal of the board of aldermen." Documentation of the various bids and proposals received, the selection process, and criteria, including emergency purchase justifications, is



City of Orrick
Management Advisory Report - State Auditor's Findings

necessary to demonstrate compliance with city code and support decisions made.

Recommendations

The Board of Aldermen:

- 3.1 Enter into written contracts defining services provided and benefits received, ensure compliance with contract terms, and update or amend contracts, as necessary, when terms change. In addition, discontinue granting extra compensation to contractors after services have been rendered.
- 3.2 Ensure city personnel procure goods and services in accordance with city code and maintain documentation of decisions made.

Auditee's Response

- 3.1 *The City Attorney will draft a contract for his services and the Board will approve it by January 2023.*
- 3.2 *An Emergency Purchase Requisition form, that includes the Mayor's signature, was created and implemented in September 2022.*

4. Payroll Controls and Procedures

Payroll controls and procedures need improvement. The city disbursed approximately \$209,000 in salaries and wages during the year ended December 31, 2021.

4.1 Bonuses

The Board approves year-end bonus payments to all employees in violation of the Missouri Constitution. The city paid \$625 in year-end bonus payments in December 2021. The December 2021 meeting minutes indicated each full-time employee received \$175 and each part-time employee received \$100. The city paid \$3,425 in year-end bonus payments from December 2018 through December 2021. These payments represent bonus compensation for services previously rendered. The City Clerk indicated the Board was unaware of the law prohibiting bonus payments.

Payments for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

4.2 Health insurance ordinance

The Board has not amended its employee health insurance ordinance to reflect approved changes. The city is reimbursing the City Clerk for health insurance premiums she is paying instead of providing her with health insurance directly. During the year ending December 31, 2021, the City Clerk was reimbursed \$3,174 for health insurance premiums.



City of Orrick
Management Advisory Report - State Auditor's Findings

In April 2014, the Board approved reimbursing the City Clerk for her health insurance premiums because this was cheaper than having her on the city's insurance plan; however, the health insurance ordinance was not updated. As a result, other full-time employees may not be aware health insurance premium reimbursement is available as an alternative to city-provided health insurance. The City Clerk indicated that the option to be reimbursed for health insurance rather than being on the city's plan has not been offered to other employees because all other full-time employees are on the city's plan.

Ordinances should be updated to document approved benefits to help ensure equitable treatment of employees and prevent misunderstandings.

Recommendations

The Board of Aldermen:

- 4.1 Discontinue paying employee bonuses.
- 4.2 Update the health insurance ordinance to include the benefit of reimbursing health insurance premiums.

Auditee's Response

- 4.1 *The city is discontinuing bonuses.*
- 4.2 *The City Attorney will update the ordinance for the health insurance reimbursement of city employees, and the Board will approve it by January 2023.*

5. Sunshine Law

The Board did not always ensure compliance with the Sunshine Law for closed meetings. The Board generally entered into closed meetings during every monthly Board meeting held during the year ended December 31, 2021, and from January through August 2022.

Reasons for closed meetings

The Board did not document in the open meeting minutes the specific reasons or sections of law allowing the meeting to be closed for 12 of the 17 closed meetings held between January 1, 2021, and August 31, 2022. In addition, some meeting notices and agendas included a statement that a closed meeting would be held, but the statement did not include the specific section of law allowing the closed meeting, although it generally indicated the same list of potential discussion matters. The City Clerk indicated that she did not know which sections of the Sunshine Law to cite.

Section 610.022.1, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed meeting and to enter the vote and reason into the minutes. The subsection also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure. Section 610.020.1, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of matters to be considered.



City of Orrick
Management Advisory Report - State Auditor's Findings

Allowable topics

The Board discussed and voted on some topics in closed meetings that were not allowable under the Sunshine Law. For example, the Board discussed increasing the Board's compensation, changing the sick leave policy, options for investing the water and sewer system sale proceeds, and the resignation of Board members. The City Clerk indicated the city was unaware some of the topics discussed were not allowed in a closed meeting.

Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

Closed minutes

The Board does not review and approve minutes of closed meetings and the closed meeting minutes are not signed by the preparer to ensure accuracy of the minutes. During our review of the minutes for 10 closed meetings held during the year ended December 31, 2021, and 7 closed meetings held between January 1, 2022, and August 31, 2022, we noted the City Clerk did not sign the meeting minutes and the Board did not review or approve the meeting minutes at the subsequent closed meeting. The City Clerk indicated that she handwrites and seals the minutes directly after the meeting so that they can be stored in the safe and was not aware they needed to be reviewed and approved.

Section 610.020.7, RSMo, requires minutes of closed meetings be maintained as a record of business conducted and to provide an official record of actions and decisions. Having the meeting minutes signed by the preparer and subsequently approved by the Board provides an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

Recommendation

The Board of Aldermen ensure specific reasons for closing a meeting are documented in the open minutes, meeting notices, and agendas; and only topics allowed by state law are discussed in closed meetings. In addition, the Board should ensure meeting minutes are reviewed and approved for all closed meetings and signed by the preparer.

Auditee's Response

The city implemented this in August 2022. The city now ensures the correct section of the Sunshine Law is cited for all closed sessions in the open minutes, agendas, and notices. In addition, discussions in closed session are limited to those allowed by the Sunshine Law and closed meeting minutes are reviewed and approved by the Board and signed by the City Clerk and a member of the Board.

**6. Budgeting
Procedures**

The Board did not prepare complete budgets or monitor budgets in compliance with state law.



6.1 Budgets

The city's budgets for the years ended December 31, 2020, 2021, and 2022, did not include all statutorily-required information. The budgets did not include a budget message, actual or estimated amounts for the 2 preceding years, or a budget summary. In addition, the budget for the year ended December 31, 2022, did not include the actual beginning and estimated ending cash balances. The City Clerk indicated she was not aware of these requirements.

Section 67.010, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year and sets specific guidelines for the format. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and informing the public about city operations and current finances.

6.2 Monitoring

The Board does not monitor budget-to-actual receipts and disbursements because year-to-date budget-to-actual reports of financial activity are not presented to the Board and a final budget-to-actual report was not prepared for the year ended December 31, 2021. The City Clerk indicated the monthly financial report was presented to the Board in the format the Board requested, which did not include a comparison to the budget.

As a result, the Board does not have all available information to assist in effectively managing the city, and the public is not provided a complete overview of the city finances. Proper monitoring is necessary for the budget to be an effective management tool.

Recommendations

The Board of Aldermen:

- 6.1 Prepare annual budgets that contain all information required by state law.
- 6.2 Ensure budgets are adequately monitored.

Auditee's Response

- 6.1 *The City Clerk will ensure the budget for 2023 will include all information required by state law.*
- 6.2 *The Board will be more involved and monitor the budget on a monthly basis.*

7. User Identification and Passwords

The city has not established adequate user identification and password controls to reduce the risk of unauthorized access to city computers. The City Clerk and Deputy City Clerk share the same user identification and password to access the accounting system. As a result, there is no assurance that the user listed in the system for posting a transaction is the person who did it. In addition, these employees are not required to change passwords periodically.



City of Orrick
Management Advisory Report - State Auditor's Findings

The City Clerk indicated she was unaware separate user identifications and passwords could be set up in the accounting system, and had not considered the need to change passwords periodically.

While a user identification and password are required to authenticate access, the security of these logon credentials is dependent on keeping them confidential and requiring users to enter their unique user identification and password when switching users. Allowing certain users to share the computerized accounting system without logging off and back on with their unique user identification and password, and not requiring passwords to be periodically changed, increases the risk of unauthorized access and/or changes to the system and records, and reduces assurance that access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of the accounting system and data.

Recommendation

The Board of Aldermen require confidential user identification and passwords for each employee that are periodically changed.

Auditee's Response

The city implemented procedures to require confidential user identification and passwords that are periodically changed in June 2022.

8. Electronic Communication Policy

The city has not developed a records management and retention policy in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.¹

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the city is retained as required by state law. The City Clerk indicated she was unaware of the electronic communications guidelines.

¹ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed November 4, 2022.



City of Orrick
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Aldermen develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

The City Attorney will draft a new ordinance for electronic communications that complies with state law for Board review and approval by January 2023.

City of Orrick

Organization and Statistical Information

The City of Orrick is located in Ray County. The city was incorporated in 1872 and is currently a fourth-class city. The city employed 3 full-time employees and 1 part-time employee on December 31, 2021.

City operations include street maintenance and parks. In addition, the city operated the water and sewer systems until they were sold in February 2022.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2021, are identified below. The Mayor waived his compensation of \$200 per month. Instead, \$200 is put into the Mayor's Discretionary Fund that was created by ordinance for the Mayor to use for the betterment of the city and its residents. Board of Aldermen members are paid \$35 per month. The compensation of the Mayor and Board of Aldermen is established by ordinance.

Robert (Tommy) Schreier, Mayor
Kim McGinnis, Alderwoman
Amy McNary, Alderwoman
James Smith, Alderman
Roger Thomas, Alderman

Water and Sewer Systems Sale

The city established a water system in 1955 and a sewer system in 1965. In October 2015, the results of a water and sewer rate study were presented to the Board. The study recommended approximately \$1.4 to \$2.2 million in improvements and a significant increase in water and sewer rates. Rates were not increased, and as a result the recommended improvements were not made.

Over the last several years, the city regularly received notice from the Department of Natural Resources (DNR) regarding violations with the sewer system. In addition, frequent emergency repairs to the water and sewer lines and systems were also required. According to the City Clerk, the DNR gave Missouri American Water (MAW) the city's information, and the Board discussed selling the water system at the November 2017 meeting; however, no decision was made at that time.

In October 2020, the city met with MAW regarding selling the water and sewer systems. The city considered the estimates on the cost of repairing and improving the lagoon (\$240,000) when evaluating the contract price. The sale of the water and sewer systems was approved by voters during the April 6, 2021, election. The city contracted with MAW in June 2021 to sell the water and sewer systems for \$1.51 million. Selling the water and sewer systems eliminated city costs associated with operating and maintaining the water and sewer systems, along with the associated revenues.



City of Orrick
Organization and Statistical Information

The sale of the water and sewer system was finalized on February 15, 2022, with the city receiving \$1.56 million, including reimbursement of capital expenditures.

Financial Activity

A summary of the city's financial activity for the year ended December 31, 2021, obtained from the city's audited financial statements follows.



City of Orrick
Organization and Statistical Information

CITY OF ORRICK, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Police	Street	Total Governmental Funds
Revenues				
Taxes	\$ 195,717	\$ -	\$ 20,966	\$ 216,683
Franchise fees	55,431	-	-	55,431
Charges for services & fines	13,792	461	150	14,403
ARPA	104,017	-	-	104,017
Interest	58	3	83	144
Total revenues	<u>369,015</u>	<u>464</u>	<u>21,199</u>	<u>390,678</u>
Expenditures				
General government	179,262	-	-	179,262
Public safety	-	93,994	-	93,994
Streets	-	-	30,480	30,480
Total expenditures	<u>179,262</u>	<u>93,994</u>	<u>30,480</u>	<u>303,736</u>
Other financing sources (uses)				
Transfers in	-	93,931	1,105	95,036
Transfers out	(95,036)	-	-	(95,036)
Total other financing sources (uses)	<u>(95,036)</u>	<u>93,931</u>	<u>1,105</u>	<u>-</u>
Net change in fund balances	94,717	401	(8,176)	86,942
Fund balances - beginning	<u>55,900</u>	<u>8,406</u>	<u>123,913</u>	<u>188,219</u>
Fund balances - ending	<u>\$ 150,617</u>	<u>\$ 8,807</u>	<u>\$ 115,737</u>	<u>\$ 275,161</u>

The accompanying notes are an integral part of these financial statements



City of Orrick
Organization and Statistical Information

CITY OF ORRICK, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Operating revenues	
Charges for services	\$ 477,199
Total operating revenues	<u>477,199</u>
Operating expenses	
Water purchases	152,466
Personnel	77,487
Trash service	33,160
Repairs and maintenance	29,785
Utilities	16,200
Depreciation	13,045
General & administrative	2,178
Supplies	2,934
Insurance	4,301
Lab fees	115
Total operating expenses	<u>331,671</u>
Operating income	145,528
Nonoperating revenues (expenses)	
Interest paid	(2,328)
Interest revenue	104
Total nonoperating revenues	<u>(2,224)</u>
Change in net position	143,304
Net position at beginning of year	1,067,691
Net position at end of year	<u><u>\$ 1,210,995</u></u>

The accompanying notes are an integral part of these financial statements