



**SOUTHWEST MISSOURI COUNCIL OF  
GOVERNMENTS  
SPRINGFIELD, MISSOURI**

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ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2022



SIKICH.COM

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS**  
**SPRINGFIELD, MISSOURI**  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Southwest Missouri Council of Governments  
Springfield, Missouri

### ***Opinion***

We have audited the accompanying cash basis financial statements of Southwest Missouri Council of Governments (SMCOG), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise SMCOG'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 cash basis financial statements of Southwest Missouri Council of Governments as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 SMCOG 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.

### ***Basis of Accounting***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

In performing an audit in accordance with GAAS, 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 SMCOG'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 SMCOG'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.

### ***Other Matters***

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinion 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.

*Sikich LLP*

St. Louis, Missouri  
June 8, 2023

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2022

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This section of SMCOG's financial report presents discussion and analysis of SMCOG's financial performance for the fiscal year ended June 30, 2022. It should be read in conjunction with the transmittal letter at the front of this report and SMCOG's financial statements, which immediately follow.

**FINANCIAL HIGHLIGHTS**

- SMCOG is funded as the Federally designated Economic Development District (EDD) through the Economic Development Administration (EDA). This funding supports regional economic development planning and was extended to an additional three years in FY22. FY22 was the second year of the 3-year program.
- SMCOG was awarded a grant through EDA for long term economic recovery planning activities related to the COVID-19 pandemic. SMCOG leveraged this grant to hire a full-time Recovery Coordinator and Grants Administrator. This grant has also funded market studies for the communities of Ozark, Republic, and Buffalo. SMCOG was granted a timeline extension for the program from 6/30/2022 to 12/30/2022.
- SMCOG received a Show Me Zero Safety grant through the Missouri highways and transportation commission for \$8,500 to purchase a speed trailer which will be deployable throughout the region to help enforce speed limits and collect traffic data.
- SMCOG administered a CDBG funded grant for the City of Rockaway Beach in Taney County to repave several blocks of local roadways and provide stormwater drainage.
- SMCOG had various service projects, including residential zoning for City of Ozark, comprehensive planning for Branson and Coney Island, Marshfield Transportation planning, Lockwood Community planning, and Southeast Greene County Sub area and Land use planning.
- SMCOG Net Position increased by \$67 to \$146,666 as of June 30, 2022.
- Revenues and expenses increased over prior year by 53% and 105%, respectively.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended June 30, 2022

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**OVERVIEW OF FINANCIAL STATEMENTS**

The financial statements presented in this report consist of the statement of net position - cash basis and the statement of revenues collected, expenses paid, and change in net position - cash basis. The statement of net position - cash basis provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of SMCOG. This year's revenues and expenses are accounted for in the statement of revenues collected, expenses paid, and change in net position - cash basis. This statement reports the revenues collected and expenses paid during the time periods indicated and can be used to determine whether SMCOG has successfully recovered all of its costs through user fees and other charges.

**BASIS OF ACCOUNTING**

SMCOG has elected to present its financial statements on a cash basis of accounting. This cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under SMCOG's cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**FINANCIAL ANALYSIS**

**Statement of Net Position – Cash Basis.** SMCOG's combined net position was \$146,666 as of June 30, 2022. Of this amount \$49,687 is restricted for grants and \$96,979 is unrestricted. As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. The condensed statement of net position as of June 30, 2022, was as follows:

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended June 30, 2022

**Statement of Net Position**

	<b>June 30</b>		<b>2022 Change</b>	
	<b>2022</b>	<b>2021</b>	<b>Amount</b>	<b>Percent</b>
<b>ASSETS</b>				
Current and other assets	\$ 146,666	146,599	67	- %
<b>NET POSITION</b>				
Restricted	\$ 49,687	108,750	(59,063)	(54) %
Unrestricted	96,979	37,849	59,130	156
Total net position	\$ 146,666	146,599	67	- %

**Statement of Revenues Collected, Expenses Paid, and Change in Net Position – Cash Basis.**  
SMCOG's net position increased by \$67 during the current fiscal year due to operating activities:

**Statement of Revenues Collected, Expenses Paid, and Change in Net Position – Cash Basis**

	<b>For the Years Ended June 30</b>		<b>2022 Change</b>	
	<b>2022</b>	<b>2021</b>	<b>Amount</b>	<b>Percent</b>
<b>REVENUES COLLECTED</b>				
Program revenues:				
Service Revenues	\$ 46,632	-	46,632	100 %
Federal Grants	253,508	190,964	62,544	33
State Grants	17,802	-	17,802	100
Membership Dues	49,356	48,300	1,056	2
Associate Dues	6,964	5,750	1,214	21
Total revenues collected	374,262	245,014	129,248	53
<b>EXPENSES PAID</b>				
Program expenses	374,195	182,464	191,731	105
<b>CHANGE IN NET POSITION</b>	67	62,550	(62,483)	(100)
NET POSITION, JULY 1,	146,599	84,049	62,550	74
<b>NET POSITION, JUNE 30</b>	\$ 146,666	146,599	67	- %



**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended June 30, 2022

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**Services Revenues** increased by \$46,632 from 2021 to 2022. Revenues for the following services made up the total service revenue income for the year: Ozark Special Project, Branson West Comprehensive Plan, Marshfield Transportation Plan, SE Greene Co Land Use, Coney Island Comprehensive Plan, and Lockwood Community Plan.

**Federal Grants** increased by \$62,544 from 2021 to 2022. Federal grants are approximately 68% of the total revenue in 2022. Revenues for the following projects made up the total federal revenue income for the year: Economic Development Administration (EDA) Partnership Planning Assistant Programs, EDA CARES Program, EDA Revolving Loan Fund Program, and Missouri Department of Transportation (MODOT) Safety Grants.

**State Grants** increased by \$17,802 from 2021 to 2022. This is the new standard grant received from Missouri State Office of Administration.

**Membership Dues** increased by \$1,056 from 2021 to 2022. The followings are the new members joined in 2022: Village of Coney Island, City of Emerald Beach, City of Fordland, City of Galena, City of Highlandville, City of Pierce City, City of Seligman, and City of Stotts City.

**Associate Dues** decreased by \$1,214 from 2021 to 2022. The followings are the new associates joined in 2022: Esterly, Schneider & Associates, Flood Proofing, Crawford, Murphy & Tilly, Great River Engineering, and Upper White River Basin.

**Program Expenses** includes scholarships, insurance, food, administrative expenses, membership dues, project, payroll, and fringe benefits reimbursement to MSU. Payroll and Fringe benefits reimbursements were \$194,064 and \$57,652 of the total and 53% and 16% of the total program expenses for the year ended June 30, 2022, compared to 51% and 15% in the prior year.

## **ECONOMIC FACTORS**

SMCOG operates solely in a ten-county area of Southwest Missouri. It is imperative that SMCOG succeed in the implementation of projects in Transportation, Revolving Lending Fund, Economic and Community Development, Comprehensive Planning, Environmental Planning, Hazard Mitigation, Homeland Securities, and other projects not only for the ten-county region and its residents, but also for the longevity of SMCOG. SMCOG has a sustained flow of revenues: the membership and associate dues charged to each community and county based on census count and federal and state grants.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

For the Year Ended June 30, 2022

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**CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide SMCOG's constituents, residents, and funding agencies with a general overview of its finances and to demonstrate the accountability for funding it receives.

If you have questions about this report or need additional financial information, please contact:

Jason Ray  
Executive Director  
Levy-Wolf Building  
110 Park Central Square  
Springfield, MO 65806

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

**STATEMENT OF NET POSITION – CASH BASIS**

June 30, 2022

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**ASSETS**

Current assets:

Cash and cash equivalents	\$ 146,666
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**NET POSITION**

Restricted for:

EDA cares grant	\$ 15,540
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Partnership planning grant	34,147
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Unrestricted	<u>96,979</u>
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<b>TOTAL NET POSITION</b>	<u>\$ 146,666</u>
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See notes to financial statements.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

**STATEMENT OF REVENUES COLLECTED, EXPENSES PAID, AND  
CHANGES IN NET POSITION – CASH BASIS**

For the Year Ended June 30, 2022

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**REVENUES COLLECTED**

Membership dues	\$ 49,356
Associate dues	6,964
Service revenues	46,632
Federal grants	253,508
State grants	17,802
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Total revenues collected	374,262
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**EXPENSES PAID**

Travels	19,929
Supplies	20,494
Insurance	1,584
Contractual	69,517
Memberships	5,357
Food	1,608
Other	3,878
Transfer to Missouri State University	
Project reimbursements	112
Payroll reimbursements	194,064
Fringe Benefits reimbursements	57,652
Total expenses paid	<hr/> 374,195 <hr/>

**CHANGE IN NET POSITION** 67

**TOTAL NET POSITION - BEGINNING OF YEAR** 

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146,599

**TOTAL NET POSITION - END OF YEAR** 

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\$ 146,666

See notes to financial statements.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

**STATEMENT OF CASH FLOWS – CASH BASIS**

For the Year Ended June 30, 2022

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 102,952
Receipts from federal grants	253,508
Receipts from state grants	17,802
Payments for operating expenses	(122,367)
Payments to MSU for reimbursements	<u>(251,716)</u>

**NET INCREASE IN CASH AND  
CASH EQUIVALENTS**

179

**CASH AND CASH EQUIVALENTS,  
BEGINNING OF YEAR**

146,599

**CASH AND CASH EQUIVALENTS,  
END OF YEAR**

\$ 146,778

See notes to financial statements.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS  
SPRINGFIELD, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Southwest Missouri Council of Governments (SMCOG) was established in 1989 in the State of Missouri. SMCOG is an association of local governments and stakeholders and is the federally designated Economic Development District for the ten-county area of Southwest Missouri. SMCOG oversees the growth and development of the region and provides professional services and information to assist cities and counties with development issues. SMCOG strives to accomplish these objectives by 1) providing staff expertise in planning and community development; 2) creating networking opportunities to address issues of common concern; 3) assisting governments in accessing resources; 4) advocating for the Southwest Missouri Region.

The basic financial statements of SMCOG have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)), except as described in Note 1c. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of SMCOG's accounting policies are described below:

(a) Reporting Entity

In evaluating how to define the government, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, and no other entities are appropriate for inclusion as component units of SMCOG in the financial statements of SMCOG, and SMCOG is not a component unit of any other entity. The primary criteria of evaluation of the reporting entity are the degree of oversight maintained by SMCOG. Oversight responsibility includes financial interdependency, selection of governing authority, ability to significantly influence operations, and accountability for fiscal matters.

(b) Fund Accounting and Measurement Focus

SMCOG is accounted for as an enterprise fund within the proprietary fund category. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services.

Proprietary fund financial statements are reported using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined in Note 1c.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS**  
**SPRINGFIELD, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(b) Fund Accounting and Measurement Focus (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The principal operating revenue for proprietary funds is a charge to other governments for local assessments including membership and associate dues and project services as discussed below:

Membership and Associate Dues: All member and associate governments are required to pay assessments to the Council. Assessments are determined annually and are recognized as revenues when they are received.

Services Revenues: Any services provided for planning and development project to the members outside of the grant projects. The revenues are recognized as they are received.

Other Revenues: Other Revenues are composed of any cash received from fundraising events and other reimbursements. The revenues are recognized as they are received.

Federal Grants: Federal grants is composed of any cash received from federal grants. The revenues are recognized as they are received.

State Grants: State grants is composed of any cash received from state grants. The revenues are recognized as they are received.

When both restricted and unrestricted resources are available for use, it is SMCOG's policy to use restricted resources first, then the unrestricted resources as they are needed.

(c) Basis of Accounting

SMCOG's financial statements are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS**  
**SPRINGFIELD, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Basis of Accounting (Continued)

As a result of the use of this cash basis of accounting, certain assets, and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

(d) Accounting Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(e) Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of one year or less.

(f) Compensated Absences

SMCOG does not report accrued vacation or sick leave under the cash basis of accounting. Such amounts are reported as expenses when paid. SMCOG follows MSU policy as the payroll and benefits are processed through MSU. The following policies concern compensated absences for all full-time employees:

Sick Leave

Employees accrue one day sick leave per month of service. Upon resignation or dismissal, compensation for any unused sick leave will be cancelled. Upon retirement, employees may use a maximum of 21 accumulated sick days to Missouri

State Employees’ Retirement System (MOSERS) or a maximum of 48 accumulated sick days to one of the university’s public retirement plans.



**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS**  
**SPRINGFIELD, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(f) Compensated Absences (Continued)

Vacation Leave

The policy permit employees to accumulate earned but unused vacation pay benefits. Employees who retire or whose employment otherwise terminates will be paid for all earned but unused vacation. Exempt full-time employees earn vacation benefits at 20 working days per year. Nonexempt full-time employees earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
Less than 5	10
5 – 10	15
10 or over	20

(g) Net Position

Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. SMCOG does not report “Net Investment in Capital Assets” since they do not record capital assets or long-term debt.

Restricted Net Position – consist of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net assets that do not meet the definition of “restricted” or “Net Investment in Capital Assets”.

(h) Budgets and Budgetary Accounting

In accordance with SMCOG’s bylaws, the Executive Director and the budget committee prepare an annual budget and present it to SMCOG board members for final action by SMCOG board members no later than the June Board meeting. The budget shows the proportionate share of each local governmental unit participating in SMCOG. The operating budget covers all funds and includes proposed revenue and expenditures for the upcoming year.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS**

**SPRINGFIELD, MISSOURI**

NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. CASH AND CASH EQUIVALENTS**

SMCOG complies with various restrictions on deposits which are imposed by state statutes as follows:

All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. At June 30, 2022, the carrying amount of SMCOG's deposits were \$146,666 and the bank balance was \$146,695, which were covered by federal depository insurance.

**3. CONTINGENCY**

SMCOG receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under, or other noncompliance with, the terms of the grants and funding.

There are no claims for lawsuits to which SMCOG is a part as a result of certain injuries and various other matters and complaints arising in the ordinary course of SMCOG's activities. SMCOG's management and legal counsel anticipate that any unknown potential claims, if any, against SMCOG not covered by insurance would not have a material effect on the financial position of SMCOG.

**4. COMMITMENTS**

SMCOG is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; professional liabilities.

Type of Loss	Method Managed	Risk of Loss Retained
Torts, theft, damage to physical property	Purchased commercial insurance	None
Professional liabilities	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to SMCOG.

**SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS**  
**SPRINGFIELD, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. RELATED PARTY TRANSACTIONS**

SMCOG has entered into an operating agreement with Missouri State University (MSU). Related party transactions with MSU are as follows:

Payroll and Fringe Benefits: All SMCOG employees are members of the University's Center for Resource Planning and Management (CRPM). Their payroll and fringe benefits are directly processed through MSU. SMCOG are required to reimburse payroll and fringe benefits spent on SMCOG projects and services to MSU. On June 30, 2022, Payroll and fringe benefits reimbursements to MSU were \$194,064 and \$57,652, respectively. Of these amounts, \$110,589 of payroll and \$36,652 of fringe benefits were spent on EDA CARES project. \$78,984 of payroll and \$19,316 of fringe benefits were spent on EDA Partnership Planning project. \$4,491 of payroll and \$1,684 of fringe benefits were spent on EDA Revolving Loan Fund project.

Project Reimbursements: SMCOG can accept and administer grants, agreements, or contracts with external entities for the conduct of projects to be carried out in whole or in part through MSU. However, SMCOG must have prior written approval before acting on the MSU's behalf for any purpose. On June 30, 2022, SMCOG's project and service reimbursements to MSU was \$112.

**6. ECONOMIC DEPENDENCY**

SMCOG receives a substantial amount of its support from federal, state, and local governments. If a significant reduction in this level of government support were to occur, it may have an effect on SMCOG's programs.

**7. SUBSEQUENT EVENTS**

Management has evaluated events and transactions for subsequent events disclosures occurring after June 30, 2022 through June 8, 2023, the date the financial statements were available to be issued and there are no material events requiring recognition or disclosure.