

***ANNUAL REPORT OF
CITY OF MOBERLY, MISSOURI
YEAR ENDED JUNE 30, 2015***

CITY OF MOBERLY, MISSOURI

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CITY OF MOBERLY, MISSOURI

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GERDING, KORTE & CHITWOOD

Professional Corporation
Certified Public Accountants

723 Main St.
Boonville, MO 65233
(660) 882-7000
Fax: (660) 882-7765

www.gkccpas.com

INDEPENDENT AUDITOR'S REPORT

City Manager and Members
of the City Council
City of Moberly, Missouri

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moberly, Missouri (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

PARTNERS

Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Heidi N. Ross

Management's Responsibility 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 I; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Capital Improvement Trust, Parks & Recreation, City Transportation Trust, and Park Sales Tax Trust Funds thereof for the year then ended in accordance with the cash basis of accounting described in Note I.

Basis of Accounting

We draw attention to Note I 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The management's discussion and analysis, combining and individual non-major fund financial statements, and detailed major fund budgetary schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and detailed major fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and detailed major fund budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, 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, and 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.



November 30, 2015

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

As management of the City of Moberly, Missouri, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. The City implemented Governmental Accounting Standards Board GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, for the first time for fiscal year 2004. As discussed in Note I.B, Statement 34 allows for the optional retroactive reporting of infrastructure. The City elected not to capitalize its infrastructure.

Financial Highlights

- The assets of the City of Moberly exceeded its liabilities at the close of the most recent fiscal year by \$14,041,364 (net position). Of this amount, \$5,683,493 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$40,457.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,722,792. Of this amount \$2,400,561 is unassigned and available for use within the City's designation and policies.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,400,561 or 35.8% of the total general fund expenditures.
- The City's bond payable decreased \$1,535,000 due to scheduled payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with the broad overview of the City's finances, in a manner similar to private-sector business.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator to whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, transportation, cultural, parks and recreation and community development. The business-type activities of the City include Electric, Water, Wastewater and Sanitation operations. The government-wide financial statements can be found on pages 12-14 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

The City maintains 22 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, City Transportation Trust, Parks and Recreation, Capital Improvements Trust, and Park Sales Tax Trust Funds, which are considered to be major funds. Data from the other 17 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 15-22.

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its combined water and sewerage system operations and solid waste operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the combined water and sewerage system and solid waste funds since they are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 23-24 of this report.

Internal Service Fund - This report also includes information for the fiduciary fund which is used to account for the financing of the City's health insurance benefit plan. The activity in this fund is blended into the government-wide Statement of Net Position and Statement of Activities. The internal service fund financial statements can be found on pages 23-24 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-48.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the other information on pensions. Combining and individual statements and schedules can be found on pages 49-52 of this report.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Governmental-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Moberly, assets exceeded liabilities by \$14,041,364 as of June 30, 2015.

2015 Net Position

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,924,184	\$ 3,643,058	\$ 12,567,242
Restricted assets	505,001	969,121	1,474,122
Total Assets	<u>9,429,185</u>	<u>4,612,179</u>	<u>14,041,364</u>
Net Position:			
Restricted	7,028,624	1,329,247	8,357,871
Unrestricted	2,400,561	3,282,932	5,683,493
Total Net Position	<u>\$ 9,429,185</u>	<u>\$ 4,612,179</u>	<u>\$ 14,041,364</u>

2014 Net Position

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,516,171	\$ 4,014,989	\$ 12,531,160
Restricted assets	505,001	964,746	1,469,747
Total Assets	<u>9,021,172</u>	<u>4,979,735</u>	<u>14,000,907</u>
Net Position:			
Restricted	7,544,870	1,109,740	8,654,610
Unrestricted	1,476,302	3,869,995	5,346,297
Total Net Position	<u>\$ 9,021,172</u>	<u>\$ 4,979,735</u>	<u>\$ 14,000,907</u>

As of June 30, 2015, the City is able to report positive balances in both categories of net position for the government as a whole.

Analysis of the City's Operations - Overall the City had an increase in net position of \$40,457.

Governmental Activities: Governmental activities increased the net position by \$408,013.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Business-type Activities: Net Position from business-type activities decreased by \$367,556 from \$4,979,735 to \$4,612,179. This decrease was primarily due to an excess of operating expenditures over operating revenues.

The following tables provide a summary of the City's operations for year ended June 30, 2015 and 2014.

2015 Changes in Net Position

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 1,335,807	\$ 5,478,582	\$ 6,814,389
Operating grants and contributions	457,902	-	457,902
General Revenues:			
Property taxes	1,503,100	-	1,503,100
Sales and use taxes	6,245,545	-	6,245,545
Franchise taxes	2,239,160	-	2,239,160
Motor vehicle and fuel taxes	541,169	-	541,169
911 emergency phone taxes	211,816	-	211,816
Cigarette taxes	119,691	-	119,691
Lodging	117,084	-	117,084
Other taxes	280,100	-	280,100
Unrestricted investment earnings	43,395	449,684	493,079
Miscellaneous	126,267	-	126,267
Principal paid on bond	-	(1,535,000)	(1,535,000)
Transfers	(442,597)	442,597	-
Total Revenues	12,778,439	4,835,863	17,614,302
Expenses:			
General government	2,699,425	-	2,699,425
Public safety	3,877,679	-	3,877,679
Transportation	3,374,215	-	3,374,215
Economic and community development	439,013	-	439,013
Park and recreation	1,980,094	-	1,980,094
Combined waterworks and sewerage	-	4,457,763	4,457,763
Solid waste	-	745,656	745,656
Total Expenses	12,370,426	5,203,419	17,573,845
Increase (Decrease) in net position	408,013	(367,556)	40,457
Net Position - beginning of year	9,021,172	4,979,735	14,000,907
Net Position - end of year	\$ 9,429,185	\$ 4,612,179	\$ 14,041,364

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

2014 Changes in Net Position

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 1,455,736	\$ 5,698,614	\$ 7,154,350
Operating grants and contributions	268,266	-	268,266
General Revenues:			
Property taxes	1,505,474	-	1,505,474
Sales and use taxes	6,185,204	-	6,185,204
Franchise taxes	2,421,272	-	2,421,272
Motor vehicle and fuel taxes	513,454	-	513,454
911 emergency phone taxes	224,401	-	224,401
Cigarette taxes	128,048	-	128,048
Lodging	116,770	-	116,770
Other taxes	382,329	-	382,329
Unrestricted investment earnings	15,444	464,011	479,455
Miscellaneous	460,563	-	460,563
Principal paid on bond	-	(1,240,000)	(1,240,000)
Capital lease proceeds	429,000	-	429,000
Transfers	(614,147)	614,147	-
Total Revenues	13,491,814	5,536,772	19,028,586
Expenses:			
General government	3,087,354	-	3,087,354
Public safety	4,692,089	-	4,692,089
Transportation	2,993,324	-	2,993,324
Economic and community development	430,328	-	430,328
Park and recreation	2,015,165	-	2,015,165
Combined waterworks and sewerage	-	4,730,056	4,730,056
Solid waste	-	738,234	738,234
Total Expenses	13,218,260	5,468,290	18,686,550
Increase (Decrease) in net position	273,554	68,482	342,036
Net Position - beginning of year	8,747,618	4,911,253	13,658,871
Net Position - end of year	<u>\$ 9,021,172</u>	<u>\$ 4,979,735</u>	<u>\$ 14,000,907</u>

Financial Analysis of the Government's Funds

Governmental funds - The focus of the City of Moberly's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,722,792. Of this total amount \$2,400,561 constitutes unassigned fund balance.

In the general fund, the City budgeted for no change in the fund balance. Due to actual revenues being more than budgeted and actual expenses being less than budgeted, the actual fund balance increase for fiscal year 2015 was \$417,849.

Proprietary funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights - The City made one revision to the original appropriations approved by the City Council.

Debt Administration

At the end of the current fiscal year, the City of Moberly had total revenue bonded debt and lease payable debt of \$15,148,341. Of this amount, \$12,265,000 represents bonds secured solely by combined water and sewerage system revenues and \$2,883,341 represents capital lease obligations.

**2015 Outstanding Debt at Year End
Revenue Bonds and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ -	\$ 12,265,000	\$ 12,265,000
Capital lease	2,883,341	-	2,883,341
Total	<u>\$ 2,883,341</u>	<u>\$ 12,265,000</u>	<u>\$ 15,148,341</u>

**2014 Outstanding Debt at Year End
Revenue Bonds, Note Payable Debt and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ -	\$ 13,800,000	\$ 13,800,000
Capital lease	3,424,000	-	3,424,000
Note payable	-	38,098	38,098
Total	<u>\$ 3,424,000</u>	<u>\$ 13,838,098</u>	<u>\$ 17,262,098</u>

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(UNAUDITED)

During the fiscal year, the City's total debt decreased by \$2,083,874 or 11.8%. The decrease was due to retirement of \$2,113,757 of outstanding debt and the increase of \$29,883 in compensated absences during the year.

Additional information on the City of Moberly's long-term debt can be found in Note III-B, III-C, III-D and III-E on pages 36-40 of this report.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Moberly, Missouri, Attn: Greg Hodge, Finance Director, at 101 West Reed Street, Moberly, Missouri 65270, call (660) 269-7637.

CITY OF MOBERLY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2015

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 8,734,705	\$ 3,832,537	\$ 12,567,242
Internal balances	189,479	(189,479)	-
Total Current Assets	<u>8,924,184</u>	<u>3,643,058</u>	<u>12,567,242</u>
Restricted Assets:			
Cash and cash equivalents	<u>505,001</u>	<u>969,121</u>	<u>1,474,122</u>
Total Restricted Assets	<u>505,001</u>	<u>969,121</u>	<u>1,474,122</u>
Total Assets	<u>9,429,185</u>	<u>4,612,179</u>	<u>14,041,364</u>
 <u>NET POSITION</u>			
Restricted but expendable for:			
Debt service	505,001	969,121	1,474,122
Other purposes	6,523,623	360,126	6,883,749
Unrestricted	<u>2,400,561</u>	<u>3,282,932</u>	<u>5,683,493</u>
Total Net Position	<u>\$ 9,429,185</u>	<u>\$ 4,612,179</u>	<u>\$ 14,041,364</u>

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$ 2,699,425	\$ 802,887	\$ 45,803	\$ (1,850,735)	\$ -	\$ (1,850,735)
Total General Government	2,699,425	802,887	45,803	(1,850,735)	-	(1,850,735)
Public Safety:						
Police	2,210,353	-	19,313	(2,191,040)	-	(2,191,040)
Fire and Emergency Management	1,358,332	-	-	(1,358,332)	-	(1,358,332)
911 Emergency Service	185,507	-	-	(185,507)	-	(185,507)
Cemetery	123,487	11,630	-	(111,857)	-	(111,857)
Total Public Safety	3,877,679	11,630	19,313	(3,846,736)	-	(3,846,736)
Transportation:						
Streets and sidewalks	2,903,133	-	129,336	(2,773,797)	-	(2,773,797)
Airport	471,082	230,868	236,600	(3,614)	-	(3,614)
Total Transportation	3,374,215	230,868	365,936	(2,777,411)	-	(2,777,411)
Economic and Community Development:						
Economic and Community Development	439,013	-	-	(439,013)	-	(439,013)
Total Economic and Community Dev	439,013	-	-	(439,013)	-	(439,013)
Park and Recreation:						
Park	1,980,094	290,422	26,850	(1,662,822)	-	(1,662,822)
Total Park and Recreation	1,980,094	290,422	26,850	(1,662,822)	-	(1,662,822)
Total Governmental Activities	12,370,426	1,335,807	457,902	(10,576,717)	-	(10,576,717)
Business-Type Activities:						
Combined Waterworks and Sewerage	4,457,763	4,709,355	-	-	251,592	251,592
Solid Waste	745,656	769,227	-	-	23,571	23,571
Total Business-Type Activities	5,203,419	5,478,582	-	-	275,163	275,163
Total	\$ 17,573,845	\$ 6,814,389	\$ 457,902	\$ (10,576,717)	\$ 275,163	\$ (10,301,554)

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS (CONT'D)
YEAR ENDED JUNE 30, 2015

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,503,100	-	1,503,100
Sales and use taxes	6,245,545	-	6,245,545
Franchise taxes	2,239,160	-	2,239,160
Motor vehicle and fuel taxes	541,169	-	541,169
911 Emergency phone	211,816	-	211,816
Cigarette taxes	119,691	-	119,691
Lodging	117,084	-	117,084
Other	280,100	-	280,100
Unrestricted investment earnings	43,395	449,684	493,079
Miscellaneous	126,267	-	126,267
Total general revenues	<u>11,427,327</u>	<u>449,684</u>	<u>11,877,011</u>
Change in net position before special items	<u>850,610</u>	<u>724,847</u>	<u>1,575,457</u>
Special items			
Principal paid on bonds	-	(1,535,000)	(1,535,000)
Eliminate interfund transfers	(442,597)	442,597	-
Total special items	<u>(442,597)</u>	<u>(1,092,403)</u>	<u>(1,535,000)</u>
Change in net position	408,013	(367,556)	40,457
Net position - beginning	<u>9,021,172</u>	<u>4,979,735</u>	<u>14,000,907</u>
Net position - ending	<u>\$ 9,429,185</u>	<u>\$ 4,612,179</u>	<u>\$ 14,041,364</u>

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS -
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Capital Improvement Trust Fund	Parks and Recreation Fund	City Transportation Trust Fund	Park Sales Tax Trust Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,373,735	\$ 1,355,568	\$ 19,244	\$ 2,141,501	\$ 928,124	\$ 1,210,140	\$ 8,028,312
Due from other funds	253,192	172,459	-	-	-	8,150	433,801
Total Current Assets	<u>\$ 2,626,927</u>	<u>\$ 1,528,027</u>	<u>\$ 19,244</u>	<u>\$ 2,141,501</u>	<u>\$ 928,124</u>	<u>\$ 1,218,290</u>	<u>\$ 8,462,113</u>
Restricted Assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 505,001	\$ -	\$ 505,001
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,001</u>	<u>-</u>	<u>505,001</u>
Total Assets	<u>\$ 2,626,927</u>	<u>\$ 1,528,027</u>	<u>\$ 19,244</u>	<u>\$ 2,141,501</u>	<u>\$ 1,433,125</u>	<u>\$ 1,218,290</u>	<u>\$ 8,967,114</u>
LIABILITIES							
Due to other funds	\$ 226,366	\$ -	\$ 16,496	\$ 37	\$ -	\$ 1,423	\$ 244,322
Total Liabilities	<u>226,366</u>	<u>-</u>	<u>16,496</u>	<u>37</u>	<u>-</u>	<u>1,423</u>	<u>244,322</u>
FUND BALANCES							
Restricted for debt service purposes	-	-	-	-	505,001	-	505,001
Assigned for special revenue purposes	-	1,528,027	2,748	2,141,464	928,124	1,216,867	5,817,230
Unassigned (Deficit)	2,400,561	-	-	-	-	-	2,400,561
Total Fund Balances	<u>\$ 2,400,561</u>	<u>\$ 1,528,027</u>	<u>\$ 2,748</u>	<u>\$ 2,141,464</u>	<u>\$ 1,433,125</u>	<u>\$ 1,216,867</u>	<u>\$ 8,722,792</u>

RECONCILIATION OF THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - CASH BASIS TO THE
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

Amounts reported for governmental activities in the Statement of Net Position are different because:

Cash held for the City's health insurance account is not reported in the funds

706,393

Net position of governmental activities

\$ 9,429,185

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Capital Improvement Trust Fund</u>	<u>Park and Recreation Fund</u>	<u>City Transportation Trust Fund</u>	<u>Park Sales Tax Trust Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES COLLECTED							
Property taxes	\$ 1,029,668	\$ -	\$ 473,432	\$ -	\$ -	\$ -	\$ 1,503,100
Other taxes	5,213,032	1,279,470	4,601	1,279,809	1,279,470	698,183	9,754,565
Licenses, permits and fees	775,142	-	-	-	-	-	775,142
Charges for goods and services	27,745	-	290,422	-	-	242,498	560,665
Intergovernmental	22,978	-	26,850	129,336	-	278,738	457,902
Interest	8,849	7,017	-	9,561	3,754	8,758	37,939
Miscellaneous	64,593	-	26,575	17,418	-	17,681	126,267
Total Revenues Collected	<u>7,142,007</u>	<u>1,286,487</u>	<u>821,880</u>	<u>1,436,124</u>	<u>1,283,224</u>	<u>1,245,858</u>	<u>13,215,580</u>
EXPENDITURES PAID							
General government	1,805,801	759,403	-	-	-	128,832	2,694,036
Public safety	3,645,706	-	-	-	-	208,221	3,853,927
Economic and community development	436,769	-	-	-	-	-	436,769
Transportation	818,951	-	-	1,071,030	-	1,479,519	3,369,500
Parks and recreation	-	-	1,437,889	-	537,710	-	1,975,599
Total Expenditures Paid	<u>6,707,227</u>	<u>759,403</u>	<u>1,437,889</u>	<u>1,071,030</u>	<u>537,710</u>	<u>1,816,572</u>	<u>12,329,831</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>434,780</u>	<u>527,084</u>	<u>(616,009)</u>	<u>365,094</u>	<u>745,514</u>	<u>(570,714)</u>	<u>885,749</u>
Other Financing Sources (Uses)							
Interfund transfers in (out)	(16,931)	(442,597)	618,912	-	(603,762)	1,781	(442,597)
Total Other Financing Sources (Uses)	<u>(16,931)</u>	<u>(442,597)</u>	<u>618,912</u>	<u>-</u>	<u>(603,762)</u>	<u>1,781</u>	<u>(442,597)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	417,849	84,487	2,903	365,094	141,752	(568,933)	<u>\$ 443,152</u>
Fund Balance, beginning of year	1,982,712	1,443,540	(155)	1,776,370	1,291,373	1,785,800	
Fund Balance, end of year	<u>\$ 2,400,561</u>	<u>\$ 1,528,027</u>	<u>\$ 2,748</u>	<u>\$ 2,141,464</u>	<u>\$ 1,433,125</u>	<u>\$ 1,216,867</u>	

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds \$ 443,152

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

Governmental funds do not report the activity of the health insurance account

Premium income	999,520	
Interest income	5,456	
Health premiums, claims and administrative costs	<u>(1,040,115)</u>	<u>(35,139)</u>

Change in Net Position of Governmental Activities \$ 408,013

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance with</u> Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 1,017,000	\$ 1,017,000	\$ 1,029,668	\$ 12,668
Other taxes	5,120,250	5,120,250	5,213,032	92,782
Licenses, permits and fees	802,418	802,418	775,142	(27,276)
Charges for services	34,100	34,100	27,745	(6,355)
Intergovernmental	37,494	37,494	22,978	(14,516)
Interest	5,000	5,000	8,849	3,849
Miscellaneous	66,700	66,700	64,593	(2,107)
Total Revenues Collected	<u>7,082,962</u>	<u>7,082,962</u>	<u>7,142,007</u>	<u>59,045</u>
EXPENDITURES PAID				
General government	1,792,159	1,792,159	1,805,801	(13,642)
Public safety	4,184,298	4,184,298	3,645,706	538,592
Economic and community development	516,570	516,570	436,769	79,801
Transportation	851,001	851,001	818,951	32,050
Total Expenditures Paid	<u>7,344,028</u>	<u>7,344,028</u>	<u>6,707,227</u>	<u>636,801</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(261,066)</u>	<u>(261,066)</u>	<u>434,780</u>	<u>695,846</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	261,066	261,066	(16,931)	(277,997)
Total Other Financing Sources (Uses)	<u>261,066</u>	<u>261,066</u>	<u>(16,931)</u>	<u>(277,997)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	-	-	417,849	<u>\$ 417,849</u>
Fund Balance, beginning of year	<u>2,257,559</u>	<u>2,257,559</u>	<u>1,982,712</u>	
Fund Balance, end of year	<u>\$ 2,257,559</u>	<u>\$ 2,257,559</u>	<u>\$ 2,400,561</u>	

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT TRUST FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,257,875	\$ 1,257,875	\$ 1,279,470	\$ 21,595
Interest income	7,425	7,425	7,017	(408)
Total Revenues	<u>1,265,300</u>	<u>1,265,300</u>	<u>1,286,487</u>	<u>21,187</u>
EXPENDITURES PAID				
General Government	2,159,404	1,475,000	759,403	715,597
Total Expenditures Paid	<u>2,159,404</u>	<u>1,475,000</u>	<u>759,403</u>	<u>715,597</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(894,104)</u>	<u>(209,700)</u>	<u>527,084</u>	<u>736,784</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)		209,700	(442,597)	(652,297)
Total Other Financing Sources (Uses)	<u>-</u>	<u>209,700</u>	<u>(442,597)</u>	<u>(652,297)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	<u>(894,104)</u>	<u>-</u>	<u>84,487</u>	<u>\$ 84,487</u>
Fund Balance, beginning of year	<u>1,871,892</u>	<u>1,676,399</u>	<u>1,443,540</u>	
Fund Balance, end of year	<u>\$ 977,788</u>	<u>\$ 1,676,399</u>	<u>\$ 1,528,027</u>	

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PARKS AND RECREATION FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 463,500	\$ 463,500	\$ 473,432	\$ 9,932
Other taxes	4,600	4,600	4,601	1
Charges for services	278,500	278,500	290,422	11,922
Intergovernmental	-	-	26,850	26,850
Miscellaneous	19,000	19,000	26,575	7,575
Total Revenues Collected	<u>765,600</u>	<u>765,600</u>	<u>821,880</u>	<u>56,280</u>
EXPENDITURES PAID				
Parks and Recreation	1,307,905	1,450,000	1,437,889	12,111
Total Expenditures Paid	<u>1,307,905</u>	<u>1,450,000</u>	<u>1,437,889</u>	<u>12,111</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(542,305)</u>	<u>(684,400)</u>	<u>(616,009)</u>	<u>68,391</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	542,305	684,400	618,912	(65,488)
Total Other Financing Sources (Uses)	<u>542,305</u>	<u>684,400</u>	<u>618,912</u>	<u>(65,488)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,903</u>	<u>\$ 2,903</u>
Fund Balance, beginning of year	<u>(155)</u>	<u>(155)</u>	<u>(155)</u>	
Fund Balance, end of year	<u>\$ (155)</u>	<u>\$ (155)</u>	<u>\$ 2,748</u>	

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CITY TRANSPORTATION TRUST FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,257,875	\$ 1,257,875	\$ 1,279,809	\$ 21,934
Intergovernmental	524,500	524,500	129,336	(395,164)
Interest income	5,000	5,000	9,561	4,561
Miscellaneous	50,000	50,000	17,418	(32,582)
Total Revenues	<u>1,837,375</u>	<u>1,837,375</u>	<u>1,436,124</u>	<u>(401,251)</u>
EXPENDITURES PAID				
Transportation	1,465,516	1,465,516	1,071,030	394,486
Total Expenditures Paid	<u>1,465,516</u>	<u>1,465,516</u>	<u>1,071,030</u>	<u>394,486</u>
 Excess (Deficit) of Revenues Collected over Expenditures Paid	 <u>371,859</u>	 <u>371,859</u>	 <u>365,094</u>	 <u>(6,765)</u>
 OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	(164,362)	(164,362)	-	164,362
Total Other Financing Sources (Uses)	<u>(164,362)</u>	<u>(164,362)</u>	<u>-</u>	<u>164,362</u>
 Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	 <u>207,497</u>	 <u>207,497</u>	 <u>365,094</u>	 <u>\$ 157,597</u>
 Fund Balance, beginning of year	 <u>1,224,374</u>	 <u>1,224,374</u>	 <u>1,776,370</u>	
 Fund Balance, end of year	 <u>\$ 1,431,871</u>	 <u>\$ 1,431,871</u>	 <u>\$ 2,141,464</u>	

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PARK SALES TAX TRUST FUND
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,257,875	\$ 1,300,000	\$ 1,279,470	\$ (20,530)
Interest income	-	-	3,754	3,754
Total Revenues Collected	<u>1,257,875</u>	<u>1,300,000</u>	<u>1,283,224</u>	<u>(16,776)</u>
EXPENDITURES PAID				
Parks and Recreation	539,282	539,282	537,710	1,572
Total Expenditures Paid	<u>539,282</u>	<u>539,282</u>	<u>537,710</u>	<u>1,572</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>718,593</u>	<u>760,718</u>	<u>745,514</u>	<u>(15,204)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	(542,305)	(760,718)	(603,762)	156,956
Total Other Financing Sources (Uses)	<u>(542,305)</u>	<u>(760,718)</u>	<u>(603,762)</u>	<u>156,956</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>176,288</u>	<u>-</u>	<u>141,752</u>	<u>\$ 141,752</u>
Fund Balance, beginning of year	<u>1,126,058</u>	<u>1,112,800</u>	<u>1,291,373</u>	
Fund Balance, end of year	<u>\$ 1,302,346</u>	<u>\$ 1,112,800</u>	<u>\$ 1,433,125</u>	

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUND TYPES
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities
	CWSS	Solid Waste	Total	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,169,159	\$ 458,368	\$ 3,627,527	\$ 911,403
Total Current Assets	<u>3,169,159</u>	<u>458,368</u>	<u>3,627,527</u>	<u>911,403</u>
RESTRICTED ASSETS				
Cash and cash equivalents	969,121	-	969,121	-
Total Restricted Assets	<u>969,121</u>	<u>-</u>	<u>969,121</u>	<u>-</u>
 Total Assets	 <u>4,138,280</u>	 <u>458,368</u>	 <u>4,596,648</u>	 <u>911,403</u>
LIABILITIES				
Due to other funds	189,241	238	189,479	-
Total Liabilities	<u>189,241</u>	<u>238</u>	<u>189,479</u>	<u>-</u>
NET POSITION				
Restricted for debt service - expendable	969,121	-	969,121	-
Restricted for customers deposits - expendable	155,116	-	155,116	-
Unrestricted	2,824,802	458,130	3,282,932	911,403
Total Net Position	<u>\$ 3,949,039</u>	<u>\$ 458,130</u>	<u>\$ 4,407,169</u>	<u>\$ 911,403</u>

**RECONCILIATION OF THE STATEMENT OF NET POSITION - CASH BASIS
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION - CASH BASIS**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Cash held for the City's health insurance account is not reported in the funds	<u>205,010</u>
Net position of business-type activities	<u>\$ 4,612,179</u>

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED, EXPENSES PAID AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	CWWSS	Solid Waste	Total	Internal Service Fund
Operating Revenues Collected				
Charges for services	\$ 4,679,086	\$ 769,227	\$ 5,448,313	\$ 1,297,021
Miscellaneous	30,269	-	30,269	-
Total Operating Revenues Collected	<u>4,709,355</u>	<u>769,227</u>	<u>5,478,582</u>	<u>1,297,021</u>
Operating Expenses Paid				
Salaries and payroll taxes	1,648,508	4,784	1,653,292	-
Supplies and materials	787,865	745	788,610	-
Repairs and maintenance	543,333	13,039	556,372	-
Contractual services	282,951	649,690	932,641	1,349,699
Capital outlay	164,198	-	164,198	-
Miscellaneous	325,717	77,363	403,080	-
Total Operating Expenses Paid	<u>3,752,572</u>	<u>745,621</u>	<u>4,498,193</u>	<u>1,349,699</u>
Operating Income (Loss)	<u>956,783</u>	<u>23,606</u>	<u>980,389</u>	<u>(52,678)</u>
Nonoperating Revenues (Expenses)				
Interest received	446,170	1,890	448,060	7,080
Principal paid	(1,535,000)	-	(1,535,000)	-
Interest and fees paid	(693,143)	-	(693,143)	-
Net Non-Operating Revenues (Expenses)	<u>(1,781,973)</u>	<u>1,890</u>	<u>(1,780,083)</u>	<u>7,080</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid Before Other Financing Sources (Uses)	<u>(825,190)</u>	<u>25,496</u>	<u>(799,694)</u>	<u>(45,598)</u>
Other Financing Sources (Uses)				
Operating Transfer In (Out)	442,597	-	442,597	-
Total Other Financing Sources (Uses)	<u>442,597</u>	<u>-</u>	<u>442,597</u>	<u>-</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid and Other Sources (Uses)	<u>(382,593)</u>	<u>25,496</u>	<u>(357,097)</u>	<u>(45,598)</u>
Net Position, Beginning of Year	<u>4,331,632</u>	<u>432,634</u>	<u>4,764,266</u>	<u>957,001</u>
Net Position, End of Year	<u>\$ 3,949,039</u>	<u>\$ 458,130</u>	<u>\$ 4,407,169</u>	<u>\$ 911,403</u>

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND NET POSITION TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2015

Net change in fund balances - total proprietary funds \$ (357,097)

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

Proprietary funds do not report the activity of the health insurance account

Premium income	297,501	
Interest income	1,624	
Health premiums, claims and administrative costs	<u>(309,584)</u>	<u>(10,459)</u>

Change in Net Position of Business-Type Activities \$ (367,556)

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Moberly, Missouri, is an incorporated city located in Randolph County, Missouri. The City operates under a Mayor-Council form of government, and is exempt from federal and state income taxes as a political subdivision of the State of Missouri.

The City of Moberly, Missouri, is the basic level of government which has financial accountability and control over all activities related to the City. The City receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The City complies with cash basis accounting principles. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- The financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus," and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists. Based on this criteria, there are no related organizations that are considered potential component units.

During 2004, the City adopted GASB Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments*, as amended. The City does not plan to retroactively report infrastructure.

C. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City first utilizes restricted resources to finance qualifying activities. The principal operating revenues and operating expenses of the City's enterprise funds are charges to customers for sales and 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 net position is reported in two parts - restricted net position and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, permits and charges, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, cultural and recreation, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). The City does not allocate indirect costs.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories of governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditure/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Proprietary Fund

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Internal Service Fund

The internal service fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. This fund accounts for the financing of the City's employee health plan.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
Major:	
General	See above for description
Special Revenue Funds:	
Capital Improvement Trust Grant	Accounts for revenues and expenditures of the Capital Improvement Trust Grant
Parks and Recreation	Accounts for revenues and expenditures of the Parks and Recreation Fund
City Transportation Trust	Accounts for revenues and expenditures of the City Transportation Trust Fund
Park Sales Tax Trust	Accounts for revenues and expenditures of the Park Sales Tax Trust Fund
Proprietary Funds:	
Combined Waterworks and Sewerage System	Accounts for activities involved in providing water and wastewater services to the public.
Solid Waste	Accounts for revenues and expenditures of the Solid Waste Fund
Nonmajor:	
Special Revenue Funds:	
Street Improvements	Accounts for revenues and expenditures of the Street Improvements Fund
Perpetual Care Cemetery Principal	Accounts for revenues and expenditures of the Perpetual Care Cemetery Principal Fund
Perpetual Care Cemetery Interest	Accounts for revenues and expenditures of the Perpetual Care Cemetery Interest Fund
MODAG Grant/Loan	Accounts for revenues and expenditures of the MODAG Grant/Loan Fund

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

911 Emergency Telephone	Accounts for revenues and expenditures of the 911 Emergency Telephone Fund
Use Tax Trust	Accounts for revenues and expenditures of the Use Tax Trust Fund
Airport Operating	Accounts for revenues and expenditures of the Airport Operating Fund
Hwy. 63 Waterline Relocation	Accounts for revenues and expenditures of the Hwy. 63 Waterline Relocation Fund
Non-Resident Lodging	Accounts for revenues and expenditures of the Non-Resident Lodging Fund
Cell Franchise	Accounts for revenues and expenditures of the Cell Franchise
Veterans' Flag Project	Accounts for revenues and expenditures of the Veterans' Flag Project
Property Maintenance	Accounts for revenues and expenditures of property maintenance
Inmate Security	Accounts for revenues and expenditures of the inmate security
Railcar Preservation	Accounts for revenues and expenditures of the railcar preservation
Lucille Manor CDBG Grant	Accounts for revenues and expenditures of the Lucille Manor CDBG Grant
Community Betterment	Accounts for revenues and expenditures of the Community Betterment Fund
Police Forfeiture	Accounts for revenues and expenditures of the Police Forfeiture Fund

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid.

All proprietary funds utilize the cash basis of accounting. Revenues are recognized when received and expenses are recognized when paid. Investments are recorded as assets.

Governmental fund financial statements are reported using the cash basis of accounting. Revenues are recognized when received and expenditures are recognized when paid. Investments are recorded as assets.

As a result of the use of this cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses are not recorded in these financial statements. If the City utilized the basis of accounting recognized as generally accepted, the financial statements would be presented on the accrual basis of accounting.

Compensated Absences

Sick pay accumulates at the rate of one day per month. Employees can accumulate up to 90 days. Accumulated, but unused sick pay expires upon termination of employment.

Vacation pay accumulates at varying rates based on length of employment. Employees have one year to use vacation time earned from the previous year of employment. With the approval of supervisors, an employee can accumulate up to eight weeks of vacation in special circumstances. The city manager and department heads are exempt from the eight week maximum accumulation limitation. As of June 30, 2015, accumulated, but unused vacation and other time off for governmental funds and enterprise funds is \$333,174 and \$64,329, respectively.

Use of Estimates

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

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are charged to expenditures as they are paid. Capital outlays report the cost of property, plant and equipment.

Equity Classifications

Government-Wide Statements

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

- a. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net position - All other net position that does not meet the definition of "restricted net position."

Fund Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has determined there are no amounts that should be considered nonspendable.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources because they are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Management has determined the amount detailed in Note III-H should be considered restricted.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City's Council, which is the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed resources as of year-end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the City's City Council, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The City's management assigned funds during the year as detailed in Note III-H.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the City would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer to the use of the other classified funds.

E. Post Employment Benefits

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the month for the actual month covered. This program is offered for duration of 18 months after the termination date. There is no associated cost to the City under this program.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Function

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Missouri or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note III-A, all deposits were fully insured or collateralized.

B. Budgets

The City adopts a budget as required by Missouri Statute. Expenditures in excess of budget must be approved by Council during the year ended June 30, 2015.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Deposits and Investments

The City complies with various restrictions on deposits and investments which are imposed by state statutes as follows:

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Investments - The City may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U. S. government agencies or instrumentalities of any maturity, as provided by law.

The deposits and investments held at June 30, 2015 are shown below:

	Carrying Value
Deposits:	
Demand deposits	\$ 12,567,242
	12,567,242
U.S. Federal Obligations	1,474,122
	1,474,122
Total deposits and investments	\$ 14,041,364

Custodial Credit Risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$11,318,669 at June 30, 2015, which was fully insured or secured with collateral held by the City's agent in its name.

Investment interest rate risk. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2015, are provided in the previous schedule.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

Investment credit risk. The Board has given the Clerk the authority to invest idle funds of the City in low-risk investments such as United States government securities or collateralized certificates of deposit.

Concentration of investment credit risk. The City places no limit on the amount it may invest in any one issuer. At June 30, 2015, the City had no concentration of credit risk.

B. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	Business-Type Activities			Total Business-Type Activities
	Revenue Bonds Payable	Accrued Compensated Absences	Note Payable	
Balance, June 30, 2014	\$ 13,800,000	\$ 68,023	\$ 38,098	\$ 13,906,121
Revenue bond proceeds	-	-	-	-
Revenue bond payments	(1,535,000)	-	-	(1,535,000)
Lease proceeds	-	-	-	-
Lease payments	-	-	-	-
Note payment	-	-	(38,098)	(38,098)
Increase in compensated absences	-	56,755	-	56,755
Decrease in compensated absences	-	(60,449)	-	(60,449)
Balance, June 30, 2015	<u>\$ 12,265,000</u>	<u>\$ 64,329</u>	<u>\$ -</u>	<u>\$ 12,329,329</u>
Amount due within one year	<u>\$ 995,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 1,045,000</u>
	Governmental Activities			
	Capital Lease Payable	Accrued Compensated Absences	Total Governmental Activities	Total
Balance, June 30, 2014	\$ 3,424,000	\$ 299,597	\$ 3,723,597	\$ 17,629,718
Revenue bond proceeds	-	-	-	-
Revenue bond payments	-	-	-	(1,535,000)
Lease proceeds	-	-	-	-
Lease payments	(540,659)	-	(540,659)	(540,659)
Note payment	-	-	-	(38,098)
Increase in compensated absences	-	351,798	351,798	408,553
Decrease in compensated absences	-	(318,221)	(318,221)	(378,670)
Balance, June 30, 2015	<u>\$ 2,883,341</u>	<u>\$ 333,174</u>	<u>\$ 3,216,515</u>	<u>\$ 15,545,844</u>
Amount due within one year	<u>\$ 528,912</u>	<u>\$ 250,000</u>	<u>\$ 778,912</u>	<u>\$ 1,823,912</u>

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

C. Bonds Payable

The following is a summary of bonded debt transactions of the City for the year ended June 30, 2015:

	<u>Business-Type Activities</u>
	<u>Revenue</u>
Debt payable, July 1, 2014	\$ 13,800,000
Debt issued	-
Debt retired	(1,535,000)
Debt payable, June 30, 2015	\$ 12,265,000

Debt payable at June 30, 2015, was comprised of the following individual issues:

Revenue bonds:

\$7,150,000 2004B combined waterworks and sewerage system refunding revenue bonds (state revolving fund program), due in annual installments through January 1, 2024; interest at 2.000% to 5.000%.	\$ 3,760,000
\$5,100,000 2004C Combined waterworks and sewerage system revenue bonds due in annual installments through January 1, 2026; interest at 3.000% to 5.050%.	3,080,000
\$5,460,000 2006A Combined waterworks and sewerage system revenue bonds due in annual installments through July 1, 2026; interest at 4.000% to 5.250%.	3,545,000
\$2,560,000 2008A Combined waterworks and sewerage system revenue bonds due in annual installments through January 1, 2029; interest at 2.010% to 4.410%.	1,880,000
Total	\$ 12,265,000

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

Annual requirements to amortize long-term debt principal and interest at June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 995,000	\$ 612,096	\$ 1,607,096
2017	1,025,000	561,447	1,586,447
2018	1,045,000	508,758	1,553,758
2019	1,080,000	454,572	1,534,572
2020	1,100,000	397,740	1,497,740
2021-2025	5,440,000	1,130,557	6,570,557
2026-2029	1,580,000	131,843	1,711,843
Total	<u>\$ 12,265,000</u>	<u>\$ 3,797,013</u>	<u>\$ 16,062,013</u>

Restricted Funds available to service debt:

Sinking	\$ 735,280
Reserve	233,841
Total	<u>\$ 969,121</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

General obligation bonds represent indebtedness secured by the full faith and credit of the City. Revenue bonds are the obligation of specific Enterprise Funds and are generally payable solely from the revenues of the respective funds.

The Missouri 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 ten percent of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional ten percent 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 sewer systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the assessed valuation of taxable property.

At June 30, 2015, the Constitutional general obligation debt limit, based on the assessed valuation at December 31, 2014, of approximately \$147,475,768 was \$29,495,154 which, after reduction for outstanding general obligation bonds of \$0, provides a general obligation debt margin of \$29,495,154.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

Common provisions in the revenue bond ordinances specify that the City:

- A. establish various restricted cash accounts as summarized in Note 2;
- B. periodically distribute the net revenues of the Enterprise Funds to the restricted accounts using the priorities and amounts indicated in the individual ordinances;
- C. set users' rates at levels which will generate revenues sufficient to pay ordinary operating and maintenance expenses and the revenue bond service;
- D. meet certain minimum revenue requirements before issuing additional revenue bonds serviceable from the respective fund;
- E. maintain reasonable insurance coverage for the respective funds' facilities, and
- F. may retire bonds early, including the payment of premiums, subject to conditions specified in the ordinances.

At June 30, 2015, retained earnings of the Enterprise Funds were reserved for debt service, operations and maintenance, and depreciation and replacement to the extent that assets restricted for these purposes exceeded related liabilities payable from restricted cash.

D. Notes Payable – Business-Type Activities

On June 25, 2012, the City entered into a note agreement with the Bank of Cairo and Moberly to finance the purchase of equipment in the amount of \$184,294. The note is payable on demand, but if demand is not made the note is payable in three annual payments. Interest is at 1.950 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider.

This note was paid in fiscal year 2015.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

E. Leases – Governmental Activities

The City is the lessee under several capital leases. The following is a summary of the future minimum lease payments under the leases as of June 30, 2015 assuming noncancellation:

Year Ended June 30,	Certificates of Participation	Equipment	Total
2016	\$ 584,107	\$ 62,084	\$ 646,191
2017	582,273	62,084	644,357
2018	583,538	62,084	645,622
2019	1,075,594	62,084	1,137,678
2020	-	62,083	62,083
2021	-	62,083	62,083
	<u>2,825,512</u>	<u>372,502</u>	<u>3,198,014</u>
Less - Amount Representing Interest	(285,512)	(29,161)	(314,673)
Net Minimum Lease Payments	<u>\$ 2,540,000</u>	<u>\$ 343,341</u>	<u>\$ 2,883,341</u>

On November 25, 2008, the City entered into a leasing agreement to fund the Project. The Project consists of the acquisition, construction, renovation, furnishing and equipping of an outdoor water park for the City which is to be located on the Site as well as heating and cooling renovations to the City's city hall, renovations to the Moberly Municipal Auditorium, and the demolition and replacement of an outdated meeting and event building known as the John Douglas Building with a new structure for the same purpose. The City is obligated to make rental payments sufficient to pay the \$5,050,000 Series 2009 principal and interest. The lease is cancelable by the City at any time during the lease by exercising a non-appropriation clause. However, the City is not expected to abandon the lease and, accordingly, the lease obligation is regarded as debt.

On February 3, 2014, the City entered into a lease/purchase agreement to finance the purchase of equipment. The agreement requires seven annual payments. The interest rate is 2.380%. Equipment is pledged as collateral. The lease is subject to an annual non-appropriation termination rider.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

F. Interfund Transfers

Interfund transfers during the year ended June 30, 2015 were as follows:

Disbursing Fund	Receiving Fund	Amount
General (Major)	Perpetual Care Interest (Non-Major)	\$ 14,000
General (Major)	Property Maintenance (Non-Major)	3,000
Perpetual Care Principal (Non-Major)	Perpetual Care Interest (Non-Major)	10,000
Capital Improvement Trust (Major)	CWWSS (Major)	615,353
Park Sales Tax Trust (Major)	Parks & Recreation (Major)	603,762
Cell Franchise (Non-Major)	General (Major)	69
Non Resident Lodging (Non-Major)	Parks & Recreation (Major)	15,150
CWWSS (Major)	Capital Improvement Trust (Major)	172,756
		\$ 1,434,090

Disbursing Fund	Receiving Fund	Purpose of Transfer
General (Major)	Perpetual Care Interest (Non-Major)	Operational expenses/fund balance
General (Major)	Property Maintenance (Non-Major)	Operational expenses/fund balance
Perpetual Care Principal (Non-Major)	Perpetual Care Interest (Non-Major)	Investment of lot sales fees & donations to generate operating fund
Capital Improvement Trust (Major)	CWWSS (Major)	Operational expenses/fund balance
Park Sales Tax Trust (Major)	Parks & Recreation (Major)	Operational expenses/fund balance
Cell Franchise (Non-Major)	General (Major)	Operational expenses/fund balance
Non Resident Lodging (Non-Major)	Parks & Recreation (Major)	Operational expenses/fund balance
CWWSS (Major)	Capital Improvement Trust (Major)	Operational expenses/fund balance

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

G. Restricted Net Position

Activity	Restricted by	Amount
Capital Improvement Trust	Law	\$ 1,528,027
City Transportation Trust	Law	2,141,464
Park Sales Tax Trust	Law	1,433,125
Airport Operating	Council action	5,103
Parks and Recreation	Council action	2,748
Street Improvements	Council action	115,084
Perpetual Care Cemetery Principal	Law	4,406
Perpetual Care Cemetery Interest	Law	394,741
MODAG Grant/Loan	Council action	20,737
911 Emergency Telephone Service	Law	180,388
Use Tax Trust	Law	236,766
Hwy 63 Waterline Relocation	Law	8,037
Non-Resident Lodging	Council action	114,170
Veterans Flag Project	Council action	31,069
Property Maintenance	Council action	2,864
Inmate Security	Council action	7,714
Railcar Preservation	Council action	1,100
Lucille Manor CDBG Grant	Council action	86,018
Community Betterment	Council action	490
Police Forfeiture	Council action	8,180
Health Account	Council action	706,393
		<u>\$ 7,028,624</u>

H. Fund Balance

Classifications of fund balances at June 30, 2015 are as follows:

	General Fund	Capital Improvement Trust Fund	Parks & Recreation Fund	City Transportation Fund	Park Sales Tax Trust Fund	Other Governmental Fund	Total
Fund Balances:							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for debt service	-	-	-	-	505,001	-	505,001
Committed	-	-	-	-	-	-	-
Assigned for special revenue purposes	-	1,528,027	2,748	2,141,464	928,124	1,216,867	5,817,230
Unassigned	2,400,561	-	-	-	-	-	2,400,561
	<u>\$ 2,400,561</u>	<u>\$ 1,528,027</u>	<u>\$ 2,748</u>	<u>\$ 2,141,464</u>	<u>\$ 1,433,125</u>	<u>\$ 1,216,867</u>	<u>\$ 8,722,792</u>

The City has not adopted a policy that sets forth a minimum fund balance amount.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION

A. Employee Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

	<u>2015 Valuation</u>
Benefit Multiplier:	1.5% for life and 0.5% to age 65
Final Average Salary:	3 years
Member Contributions:	0%

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

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (Continued)

Employees covered by benefit terms. At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	115
Inactive employees entitled to but not yet receiving benefits	57
Active employees	117
	<hr/>
	289
	<hr/>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 11.6% (General), 8.1% (Police), and 8.9% (Fire) of annual covered payroll.

Net Pension Liability. The employer's net pension liability/asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 28, 2015.

The City's contributions to LAGERS were \$469,284.

The City reports its financial activity on the cash basis of accounting, therefore the City has not recorded a net pension liability/asset (and related expenses), or deferred outflows and inflows of resources related to pensions in the accompanying financial statements. If the City reported on the accrual basis of accounting, the City would have recorded a net pension asset of \$2,685,188, total pension expense related to the asset of \$283,950, deferred outflows of resources of \$1,352,244 and deferred inflows of resources of \$387,549 for the year ended June 30, 2015 as provided for in the LAGERS audit report for the year ended June 30, 2015.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (Continued)

B. Assessed Valuation and Tax Levy

The assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property for 2014 were \$147,475,768.

Tax Rates per \$100 Assessed Valuation

General	\$.7112
Park	<u>.3300</u>
Total	<u>\$ 1.0412</u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by June 30.

C. Special Tax Bills

During the fiscal year ended June 30, 1986, the City issued Special Tax Bills totaling \$308,085 in relation to sewer lines constructed in five sewer districts. There is \$1,594 due from an individual at June 30, 2015.

Ordinance No. 6888 passed May 3, 1993, assessed the costs for the Moberly Downtown Neighborhood Improvement Project. The costs totaled \$159,305.85 and are a special assessment against the property. Property owners may elect to pay the assessment in full or over a period of time at 6.5% interest. As of June 30, 2015, assessments in the amount of \$155,975.85 had been paid, leaving unpaid special assessments of \$3,330.00.

The City of Moberly has a city-wide cleanup program where private contractors demolish dilapidated structures within the city limits with the costs being charged as a special assessment against the property. The balance of the special assessments at June 30, 2015 totaled \$374,215.

The City of Moberly issues special tax bills each year in relation to mowing and debris removal. There is \$41,625 due at June 30, 2015.

During the fiscal year ended June 30, 2008 the City issued special tax bills totaling \$220,897 in relation to Sinnock Avenue sewer lines. There is \$94,772.62 due at June 30, 2015.

The City of Moberly issues special tax bills each year for the sidewalk replacement program. There is \$19,784.02 due at June 30, 2015.

During the year ended June 30, 2015 the City issued special tax bills totaling \$82,022.48 in relation to Kroner Drive sewer lines. There is \$58,916.30 due at June 30, 2015.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (Continued)

D. Post-Employment Health Care Benefits

The City provides health and dental insurance to employees who retire after thirty years of service with the City. The coverage is provided until the employee qualifies for Medicare. At June 30, 2015, there were twelve employees that qualified for benefits and the City contributed \$446.49 to individual employee accounts on a monthly basis. The total contribution for fiscal year 2015 was \$64,294.56

E. 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; and natural disasters for which the City carries commercial insurance.

F. Landfill Closure and Postclosure Costs

State and federal laws and regulations require that the City of Moberly place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Since the City reports on the cash basis of accounting no liability is reported in the financial statements for future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The landfill was filled to capacity and closed in 2006, and the City is awaiting approval of final closure status by the Missouri Department of Natural Resources. The estimated liability for landfill closure and postclosure care costs is \$3,467,401 as of June 30, 2015, which is based on amounts calculated by Missouri Department of Natural Resources. The actual cost of closure and postclosure care is subject to changes resulting from inflation/deflation, changes in technology, or changes in landfill laws and regulations.

The City does not have assets currently restricted for payment of closure and postclosure care costs. The City intends to finance landfill closure and postclosure care costs from revenues generated from billing fees for the City's waste management contractor, Advanced Disposal and/or General Fund reserves.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (Continued)

G. Contingencies

The City has been named as a defendant in lawsuits along with other parties in regards to the 2010A, 2010B and 2010C Annual Appropriation Bonds (Mamtek US, Inc. "Project Sugar") that are in default. The lawsuits have been filed by various bondholders and contractors. The City's management and attorneys have indicated that the City is not liable for the bonds and the lawsuits will have no material effect on the City's financial statements.

The City routinely becomes involved in lawsuits arising in the ordinary course of business. Based on discussions with the City Attorney, management believes there are no outstanding matters which will have a material effect on the financial statements of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

H. Note Receivable

The Moberly Area Economic Development Corporation was indebted to the City in the amount of \$368,647.24. The note was non-interest bearing and was to be paid in full by June 30, 2013. The note was allowed to expire in 2013 pending the announcement of a major economic development project. Ordinance was passed March 16, 2015 to renew at \$58,379.68

I. Pledged Revenues

The combined waterworks and sewerage system (CWW&SS) fund has pledged future revenues, net of specified operating expenses, to repay revenue bonds and notes payable that were issued for system improvements and equipment purchases. The bonds and notes are payable solely from CWW&SS net revenues and are payable through 2029. Annual principal and interest payments in fiscal year 2015 on the bonds and notes required 100% of net revenues. The total principal and interest to be paid on the bonds and notes is \$16,062,013. Principal and interest paid for the current year and total CWW&SS net revenues for the current year were \$2,266,241 and \$1,402,953, respectively.

The general and park sales tax funds have pledged future revenues, net of specified operating expenses, to repay capital leases that were issued for the purchase of equipment and improvements. The capital leases are payable solely from net revenues of the funds listed above and are payable through 2021. Annual principal and interest payments in fiscal year 2015 on the capital leases required 36% of net revenues. The total principal and interest remaining to be paid on the lease is \$3,198,014. Principal and interest paid for the current year and total net revenues for the two funds listed above for the current year were \$679,982 and \$1,860,276, respectively.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (Continued)

J. Fines and Court Costs Revenue

Fines and court costs revenue for the year ended June 30, 2015 was \$76,847, which is 1.1% of total general fund revenues.

K. Consideration of Subsequent Events

Subsequent events have been evaluated through November 30, 2015, which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this review.

COMBINING FINANCIAL STATEMENTS

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Street Improvements	Accounts for revenues and expenditures of the Street Improvements Fund
Perpetual Care Cemetery Principal	Accounts for revenues and expenditures of the Perpetual Care Cemetery Principal Fund
Perpetual Care Cemetery Interest	Accounts for revenues and expenditures of the Perpetual Care Cemetery Interest Fund
MODAG Grant/Loan	Accounts for revenues and expenditures of the MODAG Grant/Loan Fund
911 Emergency Telephone	Accounts for revenues and expenditures of the 911 Emergency Telephone Fund
Use Tax Trust	Accounts for revenues and expenditures of the Use Tax Trust Fund
Airport Operating	Accounts for revenues and expenditures of the Airport Operating Fund
Hwy. 63 Waterline Relocation	Accounts for revenues and expenditures of the Hwy. 63 Waterline Relocation Fund
Non-Resident Lodging	Accounts for revenues and expenditures of the Non-Resident Lodging Fund
Cell Franchise	Accounts for revenues and expenditures of the Cell Franchise Fund
Veterans' Flag Project	Accounts for revenues and expenditures of the Veterans' Flag Project
Property Maintenance	Accounts for revenues and expenditures of property maintenance

Inmate Security	Accounts for revenues and expenditures of the inmate security
Railcar Preservation	Accounts for revenues and expenditures of the railcar preservation
Lucille Manor CDBG Grant	Accounts for revenues and expenditures of the Lucille Manor CDBG Grant
Community Betterment	Accounts for revenues and expenditures of the Community Betterment Fund
Police Forfeiture	Accounts for revenues and expenditures of the Police Forfeiture Fund

CITY OF MOBERLY, MISSOURI
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES ARISING FROM CASH TRANSACTIONS
JUNE 30, 2015

	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 115,084	\$ 4,406	\$ 394,741	\$ 20,737
Due from other funds	-	-	-	-
Total Current Assets	<u>115,084</u>	<u>4,406</u>	<u>394,741</u>	<u>20,737</u>
Restricted Assets				
Cash and cash equivalents	-	-	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 115,084</u></u>	<u><u>\$ 4,406</u></u>	<u><u>\$ 394,741</u></u>	<u><u>\$ 20,737</u></u>
LIABILITIES				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Assigned for debt service purposes	-	-	-	-
Assigned for special revenue purposes	115,084	4,406	394,741	20,737
Unassigned (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u><u>\$ 115,084</u></u>	<u><u>\$ 4,406</u></u>	<u><u>\$ 394,741</u></u>	<u><u>\$ 20,737</u></u>

911 Emergency Telephone Service	Use Tax Trust Fund	Airport Operating Fund	Hwy. 63 Waterline Relocation	Non-Resident Lodging Fund	Cell Franchise	Veterans' Flag Project	Property Maintenance	Inmate Security	Railcar Preservation	Lucille Manor CDBG Grant	Community Betterment	Police Forfeiture	Totals (Memorandum Only)
\$ 180,388	\$ 236,766	\$ 6,413	\$ -	\$ 114,170	\$ -	\$ 31,069	\$ 2,864	\$ 7,714	\$ 1,100	\$ 86,018	\$ 490	\$ 8,180	\$ 1,210,140
-	-	113	8,037	-	-	-	-	-	-	-	-	-	8,150
<u>180,388</u>	<u>236,766</u>	<u>6,526</u>	<u>8,037</u>	<u>114,170</u>	<u>-</u>	<u>31,069</u>	<u>2,864</u>	<u>7,714</u>	<u>1,100</u>	<u>86,018</u>	<u>490</u>	<u>8,180</u>	<u>1,218,290</u>
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ 180,388</u>	<u>\$ 236,766</u>	<u>\$ 6,526</u>	<u>\$ 8,037</u>	<u>\$ 114,170</u>	<u>\$ -</u>	<u>\$ 31,069</u>	<u>\$ 2,864</u>	<u>\$ 7,714</u>	<u>\$ 1,100</u>	<u>\$ 86,018</u>	<u>\$ 490</u>	<u>\$ 8,180</u>	<u>1,218,290</u>
\$ -	\$ -	\$ 1,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,423
-	-	1,423	-	-	-	-	-	-	-	-	-	-	1,423
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>180,388</u>	<u>236,766</u>	<u>5,103</u>	<u>8,037</u>	<u>114,170</u>	<u>-</u>	<u>31,069</u>	<u>2,864</u>	<u>7,714</u>	<u>1,100</u>	<u>86,018</u>	<u>490</u>	<u>8,180</u>	<u>1,216,867</u>
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ 180,388</u>	<u>\$ 236,766</u>	<u>\$ 5,103</u>	<u>\$ 8,037</u>	<u>\$ 114,170</u>	<u>\$ -</u>	<u>\$ 31,069</u>	<u>\$ 2,864</u>	<u>\$ 7,714</u>	<u>\$ 1,100</u>	<u>\$ 86,018</u>	<u>\$ 490</u>	<u>\$ 8,180</u>	<u>\$ 1,216,867</u>

CITY OF MOBERLY, MISSOURI
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015

	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
REVENUES COLLECTED				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	369,283	-	-	-
Charges for goods and services	-	11,630	-	-
Federal and state grants	-	-	-	-
Interest income	3,279	-	1,978	105
Miscellaneous	320	-	-	-
Total Revenues Collected	<u>372,882</u>	<u>11,630</u>	<u>1,978</u>	<u>105</u>
EXPENDITURES PAID				
General government	-	-	-	-
Public safety	-	-	11,581	-
Transportation	1,008,699	-	-	-
Park and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures Paid	<u>1,008,699</u>	<u>-</u>	<u>11,581</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(635,817)</u>	<u>11,630</u>	<u>(9,603)</u>	<u>105</u>
Other Financing Sources (Uses)				
Loan proceeds	-	-	-	-
Interfund transfers in (out)	-	(10,000)	24,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>24,000</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(635,817)</u>	<u>1,630</u>	<u>14,397</u>	<u>105</u>
Fund Balance, beginning of year	<u>750,901</u>	<u>2,776</u>	<u>380,344</u>	<u>20,632</u>
Fund Balance, end of year	<u>\$ 115,084</u>	<u>\$ 4,406</u>	<u>\$ 394,741</u>	<u>\$ 20,737</u>

911 Emergency Telephone Service	Use Tax Trust Fund	Airport Operating Fund	Hwy. 63 Waterline Relocation	Non-Resident Lodging Fund	Cell Franchise	Veterans' Flag Project	Property Maintenance	Inmate Security	Railcar Preservation	Lucille Manor CDBG Grant	Community Betterment	Police Forfeiture	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
211,816	-	-	-	117,084	-	-	-	-	-	-	-	-	698,183
-	-	230,868	-	-	-	-	-	-	-	-	-	-	242,498
-	-	236,600	-	-	-	-	-	-	-	22,825	-	19,313	278,738
950	1,217	-	-	639	-	148	21	35	6	380	-	-	8,758
-	-	9,529	-	-	-	5,875	-	1,452	15	-	490	-	17,681
212,766	1,217	476,997	-	117,723	-	6,023	21	1,487	21	23,205	490	19,313	1,245,858
-	-	-	-	123,848	-	2,975	1,337	-	672	-	-	-	128,832
185,507	-	-	-	-	-	-	-	-	-	-	-	11,133	208,221
-	-	470,820	-	-	-	-	-	-	-	-	-	-	1,479,519
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
185,507	-	470,820	-	123,848	-	2,975	1,337	-	672	-	-	11,133	1,816,572
27,259	1,217	6,177	-	(6,125)	-	3,048	(1,316)	1,487	(651)	23,205	490	8,180	(570,714)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(15,150)	(69)	-	3,000	-	-	-	-	-	1,781
-	-	-	-	(15,150)	(69)	-	3,000	-	-	-	-	-	1,781
27,259	1,217	6,177	-	(21,275)	(69)	3,048	1,684	1,487	(651)	23,205	490	8,180	(568,933)
153,129	235,549	(1,074)	8,037	135,445	69	28,021	1,180	6,227	1,751	62,813	-	-	1,785,800
\$ 180,388	\$ 236,766	\$ 5,103	\$ 8,037	\$ 114,170	\$ -	\$ 31,069	\$ 2,864	\$ 7,714	\$ 1,100	\$ 86,018	\$ 490	\$ 8,180	\$ 1,216,867

**SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES**

**General Fund
Capital Improvement Trust Fund
Park and Recreation Fund
City Transportation Trust Fund
Park Sales Tax Trust Fund**

This supplementary schedule is included to provide management additional information for financial analysis.

CITY OF MOBERLY, MISSOURI
GENERAL FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property Taxes				
Real estate and personal	\$ 1,011,000	\$ 1,011,000	\$ 1,024,319	\$ 13,319
Intangible	6,000	6,000	5,349	(651)
Total Property Taxes	<u>1,017,000</u>	<u>1,017,000</u>	<u>1,029,668</u>	<u>12,668</u>
Other Taxes				
Sales	2,235,750	2,235,750	2,406,796	171,046
Franchise	2,335,000	2,335,000	2,239,160	(95,840)
Motor vehicle sales	140,000	140,000	171,886	31,886
Cigarette	125,000	125,000	119,691	(5,309)
Other	284,500	284,500	275,499	(9,001)
Total Other Taxes	<u>5,120,250</u>	<u>5,120,250</u>	<u>5,213,032</u>	<u>92,782</u>
Charges for Services				
Grave openings	26,000	26,000	24,045	(1,955)
Weed mowing	8,000	8,000	3,700	(4,300)
Miscellaneous	100	100	-	(100)
Total Charges for Services	<u>34,100</u>	<u>34,100</u>	<u>27,745</u>	<u>(6,355)</u>
Licenses, Permits and Fees				
Merchants license and permits	228,500	228,500	257,763	29,263
Liquor license	18,500	18,500	18,066	(434)
Permits	41,000	41,000	48,018	7,018
Fees	514,418	514,418	451,295	(63,123)
Total Licenses, Permits and Fees	<u>802,418</u>	<u>802,418</u>	<u>775,142</u>	<u>(27,276)</u>
Intergovernmental				
Federal and state grants	<u>37,494</u>	<u>37,494</u>	<u>22,978</u>	<u>(14,516)</u>
Total Intergovernmental	<u>37,494</u>	<u>37,494</u>	<u>22,978</u>	<u>(14,516)</u>

**CITY OF MOBERLY, MISSOURI
GENERAL FUND (CONT'D)
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED (cont'd)				
Interest				
Interest	5,000	5,000	8,849	3,849
Total Interest	<u>5,000</u>	<u>5,000</u>	<u>8,849</u>	<u>3,849</u>
Miscellaneous				
Reimbursement	5,000	5,000	30,888	25,888
Miscellaneous	61,700	61,700	33,705	(27,995)
Total Miscellaneous	<u>66,700</u>	<u>66,700</u>	<u>64,593</u>	<u>(2,107)</u>
Total Revenues Collected	<u>7,082,962</u>	<u>7,082,962</u>	<u>7,142,007</u>	<u>59,045</u>
EXPENDITURES PAID				
General Government				
Finance				
Salaries and payroll taxes	142,493	142,493	140,256	2,237
Supplies and materials	6,475	6,475	6,883	(408)
Contractual services	1,700	1,700	2,861	(1,161)
Capital outlay	-	-	211	(211)
Miscellaneous	1,200	1,200	878	322
Total Finance	<u>151,868</u>	<u>151,868</u>	<u>151,089</u>	<u>779</u>
Personnel and Municipal Court				
Salaries and payroll taxes	171,820	171,820	246,324	(74,504)
Supplies and materials	45,725	45,725	44,160	1,565
Contractual services	24,400	24,400	22,997	1,403
Miscellaneous	1,150	1,150	1,062	88
Total Personnel and Municipal Court	<u>243,095</u>	<u>243,095</u>	<u>314,543</u>	<u>(71,448)</u>

GENERAL FUND (CONT'D)
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
City Clerk				
Salaries and payroll taxes	124,923	124,923	122,388	2,535
Supplies and materials	5,175	5,175	3,843	1,332
Contractual services	7,100	7,100	4,035	3,065
Capital outlay	-	-	785	(785)
Miscellaneous	10,800	10,800	7,630	3,170
Total City Clerk	<u>147,998</u>	<u>147,998</u>	<u>138,681</u>	<u>9,317</u>
City Manager				
Salaries and payroll taxes	212,790	212,790	215,302	(2,512)
Supplies and materials	4,765	4,765	3,981	784
Contractual services	6,200	6,200	11,262	(5,062)
Miscellaneous	5,600	5,600	10,033	(4,433)
Total City Manager	<u>229,355</u>	<u>229,355</u>	<u>240,578</u>	<u>(11,223)</u>
City Hall				
Supplies and materials	19,500	19,500	18,776	724
Contractual services	52,500	52,500	43,448	9,052
Capital outlay	49,072	49,072	48,923	149
Total City Hall	<u>121,072</u>	<u>121,072</u>	<u>111,147</u>	<u>9,925</u>
General Services				
Salaries and payroll taxes	48,221	48,221	42,766	5,455
Supplies and materials	180,650	180,650	155,032	25,618
Contractual services	304,000	304,000	313,054	(9,054)
Capital outlay	1,800	1,800	1,259	541
Miscellaneous	59,100	59,100	44,246	14,854
Total General Services	<u>593,771</u>	<u>593,771</u>	<u>556,357</u>	<u>37,414</u>

GENERAL FUND (CONT'D)
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Legal Staff				
Contractual services	305,000	305,000	293,406	11,594
Total Legal Staff	305,000	305,000	293,406	11,594
Total General Government	1,792,159	1,792,159	1,805,801	(13,642)
Public Safety				
Police				
Salaries and payroll taxes	2,363,179	2,363,179	1,990,155	373,024
Supplies and materials	165,100	165,100	113,250	51,850
Contractual services	132,000	132,000	70,794	61,206
Capital outlay	14,500	14,500	2,721	11,779
Miscellaneous	12,200	12,200	7,709	4,491
Total Police	2,686,979	2,686,979	2,184,629	502,350
Fire and Emergency Management				
Salaries and payroll taxes	1,179,003	1,179,003	1,173,971	5,032
Supplies and materials	50,650	50,650	48,447	2,203
Contractual services	57,600	57,600	54,559	3,041
Capital outlay	72,084	72,084	63,655	8,429
Miscellaneous	9,600	9,600	9,093	507
Total Fire and Emergency Management	1,368,937	1,368,937	1,349,725	19,212

GENERAL FUND (CONT'D)
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Cemetery				
Salaries and payroll taxes	81,032	81,032	75,612	5,420
Supplies and materials	2,250	2,250	1,962	288
Contractual services	35,250	35,250	24,889	10,361
Capital outlay	9,000	9,000	8,417	583
Miscellaneous	850	850	472	378
Total Cemetery	<u>128,382</u>	<u>128,382</u>	<u>111,352</u>	<u>17,030</u>
Total Public Safety	<u>4,184,298</u>	<u>4,184,298</u>	<u>3,645,706</u>	<u>538,592</u>
Economic and Community Development				
Salaries and payroll taxes	315,320	315,320	306,148	9,172
Supplies and materials	12,700	12,700	8,405	4,295
Contractual services	144,300	144,300	118,378	25,922
Capital outlay	40,000	40,000	1,535	38,465
Miscellaneous	4,250	4,250	2,303	1,947
Total Economic and Community Development	<u>516,570</u>	<u>516,570</u>	<u>436,769</u>	<u>79,801</u>
Transportation				
Salaries and payroll taxes	633,151	633,151	607,413	25,738
Supplies and materials	105,000	105,000	103,975	1,025
Contractual services	72,900	72,900	81,542	(8,642)
Capital outlay	30,000	30,000	19,937	10,063
Miscellaneous	9,950	9,950	6,084	3,866
Total Transportation	<u>851,001</u>	<u>851,001</u>	<u>818,951</u>	<u>32,050</u>
TOTAL EXPENDITURES PAID	<u>7,344,028</u>	<u>7,344,028</u>	<u>6,707,227</u>	<u>636,801</u>

**CITY OF MOBERLY, MISSOURI
GENERAL FUND (CONT'D)
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficit) Revenues Collected Over Expenditures Paid	<u>(261,066)</u>	<u>(261,066)</u>	434,780	<u>695,846</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
Use Tax Trust	43,066	43,066	-	(43,066)
911 Fund	135,000	135,000	-	(135,000)
Property Maintenance Fund	(3,000)	(3,000)	(3,000)	-
Cell Franchise Fund	-	-	69	69
Perpetual Care Cemetery - Interest	(14,000)	(14,000)	(14,000)	-
Street Improvement	100,000	100,000	-	(100,000)
Total Other Financing Sources (Uses)	<u>261,066</u>	<u>261,066</u>	<u>(16,931)</u>	<u>(277,997)</u>
Excess (Deficit) Revenues Collected Over Expenditures Paid and Other Financing Sources (Uses)	-	-	417,849	<u>\$ 417,849</u>
Fund Balance, beginning of year	<u>1,982,712</u>	<u>1,982,712</u>	<u>1,982,712</u>	
Fund Balance, end of year	<u>\$ 1,982,712</u>	<u>\$ 1,982,712</u>	<u>\$ 2,400,561</u>	

**CITY OF MOBERLY, MISSOURI
CAPITAL IMPROVEMENT TRUST FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Sales and use taxes	\$ 1,257,875	\$ 1,257,875	\$ 1,279,470	\$ 21,595
Interest income	7,425	7,425	7,017	(408)
Total Revenues Collected	<u>1,265,300</u>	<u>1,265,300</u>	<u>1,286,487</u>	<u>21,187</u>
EXPENDITURES PAID				
General Government				
Contractual services	250,000	1,475,000	512,061	962,939
Capital outlay	-	-	247,108	(247,108)
Miscellaneous	1,909,404	-	234	(234)
Total Expenditures Paid	<u>2,159,404</u>	<u>1,475,000</u>	<u>759,403</u>	<u>715,597</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(894,104)</u>	<u>(209,700)</u>	<u>527,084</u>	<u>736,784</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
CWWSS Fund	-	209,700	(442,597)	(652,297)
Total Other Financing Sources (Uses)	<u>-</u>	<u>209,700</u>	<u>(442,597)</u>	<u>(652,297)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(894,104)</u>	<u>-</u>	<u>84,487</u>	<u>\$ 84,487</u>
Fund Balance, beginning of year	<u>1,443,540</u>	<u>1,443,540</u>	<u>1,443,540</u>	
Fund Balance, end of year	<u>\$ 549,436</u>	<u>\$ 1,443,540</u>	<u>\$ 1,528,027</u>	

**CITY OF MOBERLY, MISSOURI
PARKS AND RECREATION FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 463,500	\$ 463,500	\$ 473,432	\$ 9,932
Other taxes	4,600	4,600	4,601	1
Charges for goods and services	278,500	278,500	290,422	11,922
Intergovernmental	-	-	26,850	26,850
Miscellaneous	19,000	19,000	26,575	7,575
Total Revenues Collected	765,600	765,600	821,880	56,280
EXPENDITURES PAID				
Parks and Recreation				
Concessions				
Salaries and payroll taxes	23,134	23,134	24,791	(1,657)
Supplies and materials	39,850	39,850	44,747	(4,897)
Contractual services	1,200	1,200	182	1,018
Miscellaneous	1,000	1,000	140	860
Total Concessions	65,184	65,184	69,860	(4,676)
Parks				
Salaries and payroll taxes	585,584	585,584	593,639	(8,055)
Supplies and materials	180,900	180,900	172,164	8,736
Contractual services	212,023	212,023	232,320	(20,297)
Capital outlay	113,500	255,595	213,760	41,835
Miscellaneous	21,200	21,200	22,719	(1,519)
Total Parks	1,113,207	1,255,302	1,234,602	20,700
Swimming Pool				
Salaries and payroll taxes	64,531	64,531	58,729	5,802
Supplies and materials	31,750	31,750	25,693	6,057
Contractual services	10,500	10,500	22,702	(12,202)
Miscellaneous	3,500	3,500	4,565	(1,065)
Total Swimming Pool	110,281	110,281	111,689	(1,408)

**CITY OF MOBERLY, MISSOURI
PARKS AND RECREATION FUND (CONTINUED)
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Recreation				
Salaries and payroll taxes	3,483	3,483	8,761	(5,278)
Supplies and materials	9,500	9,500	10,132	(632)
Contractual services	6,000	6,000	2,515	3,485
Miscellaneous	250	250	330	(80)
Total Recreation	<u>19,233</u>	<u>19,233</u>	<u>21,738</u>	<u>(2,505)</u>
 Total Expenditures Paid	 <u>1,307,905</u>	 <u>1,450,000</u>	 <u>1,437,889</u>	 <u>12,111</u>
 Excess (Deficit) of Revenues				
Collected over Expenditures Paid	<u>(542,305)</u>	<u>(684,400)</u>	<u>(616,009)</u>	<u>68,391</u>
 Other Financing Sources (Uses)				
Interfund Transfers in (out)				
Park Sales Tax Trust Fund	542,305	684,400	603,762	(80,638)
Non-resident Lodging Fund	-	-	15,150	15,150
Total Other Financing sources (Uses)	<u>542,305</u>	<u>684,400</u>	<u>618,912</u>	<u>(65,488)</u>
 Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	 -	 -	 2,903	 <u>\$ 2,903</u>
 Fund Balance, beginning of year	 <u>(155)</u>	 <u>(155)</u>	 <u>(155)</u>	
 Fund Balance, end of year (Deficit)	 <u>\$ (155)</u>	 <u>\$ (155)</u>	 <u>\$ 2,748</u>	

**CITY OF MOBERLY, MISSOURI
CITY TRANSPORTATION TRUST FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Sales and use taxes	\$ 1,257,875	\$ 1,257,875	\$ 1,279,809	\$ 21,934
Federal and state grants	524,500	524,500	129,336	(395,164)
Interest income	5,000	5,000	9,561	4,561
Miscellaneous	50,000	50,000	17,418	(32,582)
Total Revenues Collected	<u>1,837,375</u>	<u>1,837,375</u>	<u>1,436,124</u>	<u>(401,251)</u>
EXPENDITURES PAID				
Transportation				
Contractual services	740,516	740,516	378,315	362,201
Capital outlay	625,000	625,000	665,657	(40,657)
Miscellaneous	100,000	100,000	27,058	72,942
Total Expenditures Paid	<u>1,465,516</u>	<u>1,465,516</u>	<u>1,071,030</u>	<u>394,486</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>371,859</u>	<u>371,859</u>	<u>365,094</u>	<u>(6,765)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
Airport Operating Fund	(164,362)	(164,362)	-	(164,362)
Total Other Financing Sources (Uses)	<u>(164,362)</u>	<u>(164,362)</u>	<u>-</u>	<u>(164,362)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>207,497</u>	<u>207,497</u>	<u>365,094</u>	<u>\$ (171,127)</u>
Fund Balance, beginning of year	<u>1,776,370</u>	<u>1,776,370</u>	<u>1,776,370</u>	
Fund Balance, end of year	<u>\$ 1,983,867</u>	<u>\$ 1,983,867</u>	<u>\$ 2,141,464</u>	

**CITY OF MOBERLY, MISSOURI
PARK SALES TAX TRUST FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Sales taxes	\$ 1,257,875	\$ 1,300,000	\$ 1,279,470	\$ (20,530)
Interest income	-	-	3,754	3,754
Total Revenues Collected	<u>1,257,875</u>	<u>1,300,000</u>	<u>1,283,224</u>	<u>(16,776)</u>
EXPENDITURES PAID				
Parks and Recreation				
Lease payments	539,282	539,282	537,689	1,593
Miscellaneous	-	-	21	(21)
Total Expenditures Paid	<u>539,282</u>	<u>539,282</u>	<u>537,710</u>	<u>1,572</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>718,593</u>	<u>760,718</u>	<u>745,514</u>	<u>(15,204)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
Parks and Recreation Fund	(542,305)	(760,718)	(603,762)	156,956
Total Other Financing Sources (Uses)	<u>(542,305)</u>	<u>(760,718)</u>	<u>(603,762)</u>	<u>156,956</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>176,288</u>	<u>-</u>	<u>141,752</u>	<u>\$ 141,752</u>
Fund Balance, beginning of year	<u>1,291,373</u>	<u>1,291,373</u>	<u>1,291,373</u>	
Fund Balance, end of year	<u>\$ 1,467,661</u>	<u>\$ 1,291,373</u>	<u>\$ 1,433,125</u>	

COMPLIANCE AND INTERNAL CONTROL



Professional Corporation
Certified Public Accountants

723 Main St.
Boonville, MO 65233
(660) 882-7000
Fax: (660) 882-7765

www.gkcpas.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

City Manager and Members
of the City Council
City of Moberly, Missouri

PARTNERS

Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Heidi N. Ross

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moberly, Missouri (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2015. As described in our report on the financial statements the City prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

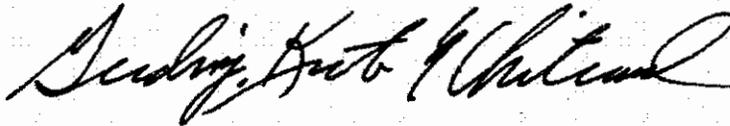
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



November 30, 2015

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri