

***ANNUAL REPORT OF
CITY OF MOBERLY, MISSOURI
YEAR ENDED JUNE 30, 2006***

CITY OF MOBERLY, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying cash basis financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Moberly, Missouri, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Moberly's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the City's policy is to prepare its financial statements on the cash basis of accounting. Consequently, revenue and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. The cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

To the extent this communication contains statements by a tax professional who is subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, such professional hereby asserts that any U. S. federal tax advice was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose.

Member of the American Institute of Certified Public Accountants and the Missouri Society of Certified Public Accountants.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Moberly, Missouri, at June 30, 2006, and the respective changes in financial position and the respective budgetary comparisons for the general fund, the city transportation trust fund and the airport operating fund for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2007, on our consideration of the City of Moberly, Missouri's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis (pages 3 through 10) is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the cash basis financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund cash basis financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects to the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the City. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



Timothy M. Jeffries, CPA, PC

May 31, 2007

**CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2006
(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, 2006. 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 \$21,978,617 (net assets). Of this amount, \$4,527,979 (unrestricted net assets) 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 assets increased by \$1,837,213.
- As of the close of the current fiscal year, the City of Moberly's governmental funds reported combined ending fund balances of \$6,764,712. Of this amount \$2,368,297 is unreserved and available for use within the City's designation and policies.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,981,189 or 34.4% of the total general fund expenditures.
- The City's bond payable increased \$5,460,000 due to issuance of additional debt and decreased \$1,057,000 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, 2006
(UNAUDITED)**

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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 page 11-13 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 governmental-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 provides 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, 2006
(UNAUDITED)**

The City maintains 24 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 and City Transportation Trust funds, which are considered to be major funds. Data from the other 22 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 14-18.

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 fund, solid waste operation and public parking system to account for its combined water and sewerage system operations.

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 fund since it is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 19-20 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 Assets and Statement of Activities. The internal service fund financial statements can be found on pages 19-20 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 21-43.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 44 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 45-79 of this report.

**CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

Governmental-Wide Financial Analysis

As noted earlier, net assets 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 \$21,978,617 as of June 30, 2006.

2006 NET ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 6,764,712	\$ 3,762,858	\$ 10,527,570
Restricted assets	—	11,451,047	11,451,047
Total Assets	<u>6,764,712</u>	<u>15,213,905</u>	<u>21,978,617</u>
Net Assets:			
Restricted	4,396,415	11,451,047	15,847,462
Unrestricted	<u>2,368,297</u>	<u>3,762,858</u>	<u>6,131,155</u>
Total Net Assets	<u>\$ 6,764,712</u>	<u>\$ 15,213,905</u>	<u>\$ 21,978,617</u>

2005 NET ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 6,512,804	\$ 4,893,069	\$ 11,405,873
Restricted assets	—	8,735,531	8,735,531
Capital assets	—	—	—
Total Assets	<u>6,512,804</u>	<u>13,628,600</u>	<u>20,141,404</u>
Net Assets:			
Restricted	4,956,669	8,735,531	13,692,200
Unrestricted	<u>1,556,135</u>	<u>4,893,069</u>	<u>6,449,204</u>
Total Net Assets	<u>\$ 6,512,804</u>	<u>\$ 13,628,600</u>	<u>\$ 20,141,404</u>

As of June 30, 2006, the City is able to report positive balances in all two categories of net assets for the government as a whole.

Analysis of the City's Operations - Overall the City had an increase in net assets of \$1,837,213.

Governmental Activities: Governmental activities increased the net assets by \$251,908 or 13.7% of the total decrease in net assets.

**CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

Business-type Activities: Net Assets from business-type activities increased by \$1,585,305 from \$13,628,600 to \$15,213,905. This increase was primarily due to an excess of operating revenues over operating expenditures.

The following tables provide a summary of the City's operations for year ended June 30, 2006 and 2005.

2006 CHANGES IN NET ASSETS

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 811,239	\$ 4,902,776	\$ 5,714,015
Operating grants and contributions	158,602	—	158,602
General Revenues:			
Property taxes	1,260,570	—	1,260,570
Sales and use taxes	5,151,127	—	5,151,127
Franchise taxes	1,702,441	—	1,702,441
Motor vehicle and fuel taxes	563,768	—	563,768
911 emergency phone taxes	204,708	—	204,708
Cigarette taxes	99,616	—	99,616
Other taxes	45,135	—	45,135
Interest and investment earnings	207,205	690,380	897,585
Transfers	(461,504)	461,504	—
Miscellaneous	494,044	—	494,044
Total Revenues	\$ 10,236,951	\$ 6,054,660	\$ 16,291,611
Expenses:			
General government	\$ 1,806,672	\$ —	\$ 1,806,672
Public safety	3,559,376	—	3,559,376
Transportation	2,849,085	—	2,849,085
Economic and community development	248,374	—	248,374
Park and recreation	1,521,536	—	1,521,536
Combined waterworks and sewerage	—	9,094,432	9,094,432
Solid waste	—	927,146	927,146
Public parking	—	3,626	3,626
Total Expenses	9,985,043	10,025,204	20,010,247
Special items			
Bond issue proceeds	—	5,555,849	5,555,849
Increase in net assets	251,908	1,585,305	1,837,213
Net Assets-July 1, 2005	6,512,804	13,628,600	20,141,404
Net Assets-June 30, 2006	\$ 6,764,712	\$ 15,213,905	\$ 21,978,617

**CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

2005 CHANGES IN NET ASSETS

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 680,771	\$ 5,393,823	\$ 6,074,594
Operating grants and contributions	224,814	—	224,814
Capital grants and contributions	—	—	—
General Revenues:			
Property taxes	1,216,820	—	1,216,820
Sales taxes	4,942,443	—	4,942,443
Franchise taxes	1,590,697	—	1,590,697
Motor vehicle and fuel taxes	573,049	—	573,049
911 emergency phone	184,231	—	184,231
Cigarette taxes	93,459	—	93,459
Other taxes	54,165	—	54,165
Interest and investment earnings	114,454	312,844	427,298
Transfers	110,169	(110,169)	—
Miscellaneous	225,264	—	225,264
Total Revenues	<u>\$ 10,010,336</u>	<u>\$ 5,596,498</u>	<u>\$ 15,606,834</u>
Expenses:			
General government	\$ 2,750,235	\$ —	\$ 2,750,235
Public safety	3,588,197	—	3,588,197
Transportation	3,010,979	—	3,010,979
Economic and community development	280,377	—	280,377
Parks and recreation	1,663,000	—	1,663,000
Waterworks and sewerage	—	15,270,269	15,270,269
Solid waste	—	849,076	849,076
Public parking	—	128	128
Total Expenses	<u>11,292,788</u>	<u>16,119,473</u>	<u>27,412,261</u>
Increase in net assets	(1,282,452)	(10,522,975)	(11,805,427)
Bond issue proceeds	—	5,207,300	5,207,300
Net Assets-July 1, 2004	<u>7,795,256</u>	<u>18,944,275</u>	<u>26,739,531</u>
Net Assets-June 30, 2005	<u>\$ 6,512,804</u>	<u>\$ 13,628,600</u>	<u>\$ 20,141,404</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, unreserved 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, 2006
(UNAUDITED)**

At the end of the current fiscal year, the City of Moberly's governmental funds reported combined ending fund balances of \$6,377,604. Of this total amount \$5,695,661 constitutes unreserved fund balance.

In the general fund, the City budgeted for a change in the fund balance of \$0. Due to actual revenues being more than budgeted and actual expenses being less than budgeted, the actual fund balance increase for fiscal year 2006 was \$800,723.

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 no revisions 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, lease payable and note payable debt of \$22,899,603. Of this amount, \$20,974,000 represents bonds secured solely by combined water and sewerage system revenues, \$1,779,003 represents capital lease obligations and \$146,600 represents note payable.

**2006 Outstanding Debt at Year End
Revenue Bonds, Note Payable Debt and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ —	\$ 20,974,000	\$ 20,974,000
Capital lease	1,779,003	—	1,779,003
Note payable	146,600	—	146,600
Total	<u>\$ 1,925,603</u>	<u>\$ 20,974,000</u>	<u>\$ 22,899,603</u>

**2005 Outstanding Debt at Year End
Revenue Bonds, Note Payable Debt and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ —	\$ 16,571,000	\$ 16,571,000
Capital lease payable	2,298,857	—	2,298,857
Note payable	64,009	—	64,009
Total	<u>\$ 2,362,866</u>	<u>\$ 16,571,000</u>	<u>\$ 18,933,866</u>

**CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

During the fiscal year, the City's total debt increased by \$3,965,737 or 20.6%. The increase was due to retirement of \$1,597,566 of outstanding debt and the issuance of \$5,563,303 of additional debt 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 30-38 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) 263-4420.

CITY OF MOBERLY, MISSOURI
STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2006

ASSETS	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 6,764,712	\$ 3,762,858	\$ 10,527,570
Internal balances	-	-	-
Total Current Assets	<u>6,764,712</u>	<u>3,762,858</u>	<u>10,527,570</u>
Restricted Assets:			
Cash and cash equivalents	-	2,067,077	2,067,077
Investments	-	9,383,970	9,383,970
Total Restricted Assets	<u>-</u>	<u>11,451,047</u>	<u>11,451,047</u>
Total Assets	<u>6,764,712</u>	<u>15,213,905</u>	<u>21,978,617</u>
NET ASSETS			
Restricted for:			
Debt service	681,943	1,603,176	2,285,119
Other purposes	3,714,472	11,451,047	15,165,519
Unrestricted	<u>2,368,297</u>	<u>2,159,682</u>	<u>4,527,979</u>
Total Net Assets	<u>\$ 6,764,712</u>	<u>\$ 15,213,905</u>	<u>\$ 21,978,617</u>

See notes to the financial statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$ 1,806,672	\$ 542,626	\$ 33,543	\$ (1,230,503)	\$ -	\$ (1,230,503)
Total General Government	<u>1,806,672</u>	<u>542,626</u>	<u>33,543</u>	<u>(1,230,503)</u>	<u>-</u>	<u>(1,230,503)</u>
Public Safety:						
Police	2,276,257	-	7,363	(2,268,894)	-	(2,268,894)
Fire and Emergency Management	1,149,924	-	-	(1,149,924)	-	(1,149,924)
Cemetery	133,195	-	-	(133,195)	-	(133,195)
Total Public Safety	<u>3,559,376</u>	<u>-</u>	<u>7,363</u>	<u>(3,552,013)</u>	<u>-</u>	<u>(3,552,013)</u>
Transportation:						
Streets and sidewalks	2,680,961	-	103,750	(2,577,211)	-	(2,577,211)
Airport	168,124	108,653	13,946	(45,525)	-	(45,525)
Total Transportation	<u>2,849,085</u>	<u>108,653</u>	<u>117,696</u>	<u>(2,622,736)</u>	<u>-</u>	<u>(2,622,736)</u>
Economic and Community Development:						
Economic and Community Development	248,374	-	-	(248,374)	-	(248,374)
Total Economic and Community Dev	<u>248,374</u>	<u>-</u>	<u>-</u>	<u>(248,374)</u>	<u>-</u>	<u>(248,374)</u>
Park and Recreation:						
Park	1,521,536	159,960	-	(1,361,576)	-	(1,361,576)
Total Park and Recreation	<u>1,521,536</u>	<u>159,960</u>	<u>-</u>	<u>(1,361,576)</u>	<u>-</u>	<u>(1,361,576)</u>
Total Governmental Activities	<u>9,985,043</u>	<u>811,239</u>	<u>158,602</u>	<u>(9,015,202)</u>	<u>-</u>	<u>(9,015,202)</u>
Business-Type Activities:						
Combined Waterworks and Sewerage	9,094,432	3,953,639	-	-	(5,140,793)	(5,140,793)
Solid Waste	927,146	947,913	-	-	20,767	20,767
Public Parking System	3,626	1,224	-	-	(2,402)	(2,402)
Total Business-Type Activities	<u>10,025,204</u>	<u>4,902,776</u>	<u>-</u>	<u>-</u>	<u>(5,122,428)</u>	<u>(5,122,428)</u>
Total	<u>\$ 20,010,247</u>	<u>\$ 5,714,015</u>	<u>\$ 158,602</u>	<u>\$ (9,015,202)</u>	<u>\$ (5,122,428)</u>	<u>\$ (14,137,630)</u>

See notes to the financial statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF ACTIVITIES - CASH BASIS (Cont'd)
YEAR ENDED JUNE 30, 2006

Public Parking System	Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
			Charges for Services	Operating Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
General Revenues:							
Taxes:							
	Property taxes, levied for general purposes				1,260,570	-	1,260,570
	Sales and use taxes				5,151,127	-	5,151,127
	Franchise taxes				1,702,441	-	1,702,441
	Motor vehicle and fuel taxes				563,768	-	563,768
	911 Emergency phone				204,708	-	204,708
	Cigarette taxes				99,616	-	99,616
	Other				45,135	-	45,135
	Unrestricted investment earnings				207,205	690,380	897,585
	Transfers				(461,504)	461,504	-
	Miscellaneous				494,044	-	494,044
	Total general revenues				<u>9,267,110</u>	<u>1,151,884</u>	<u>10,418,994</u>
Special Items							
	Bond issue proceeds				-	5,555,849	5,555,849
	Total special items				<u>-</u>	<u>5,555,849</u>	<u>5,555,849</u>
	Total general revenue and special items				<u>9,267,110</u>	<u>6,707,733</u>	<u>15,974,843</u>
	Change in net assets				251,908	1,585,305	1,837,213
	Net assets - beginning				6,512,804	13,628,600	20,141,404
	Net assets - ending				<u>\$ 6,764,712</u>	<u>\$ 15,213,905</u>	<u>\$ 21,978,617</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, 2006

	General Fund	City Transportation Trust Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,981,189	\$ 1,595,938	\$ 2,800,477	\$ 6,377,604
Due from other funds	-	-	-	-
Total Assets	\$ 1,981,189	\$ 1,595,938	\$ 2,800,477	\$ 6,377,604
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
FUND BALANCES				
Fund balance- reserved for debt service	-	-	681,943	681,943
Fund balance - unreserved reported in:				
General fund	1,981,189	-	-	1,981,189
Special revenue funds	-	1,595,938	2,118,534	3,714,472
Total Fund Balances	\$ 1,981,189	\$ 1,595,938	\$ 2,800,477	\$ 6,377,604

**RECONCILIATION OF THE COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
TO STATEMENT OF NET ASSETS ARISING FROM CASH BASIS TRANSACTIONS**

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

Cash held for the City's health insurance account is not reported in the funds	387,108
Net assets of governmental activities	\$ 6,764,712

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, 2006

	General Fund	City Transportation Trust Fund	Other Governmental Funds	Total Governmental Funds
REVENUES COLLECTED				
Property taxes	\$ 799,640	\$ -	\$ 460,930	\$ 1,260,570
Other taxes	4,137,585	1,010,495	2,618,715	7,766,795
Licenses, permits and fees	542,626	-	-	542,626
Charges for goods and services	-	-	268,613	268,613
Intergovernmental	27,500	-	131,102	158,602
Interest	122,916	45,052	25,031	192,999
Miscellaneous	134,784	108,976	250,284	494,044
Total Revenues Collected	<u>5,765,051</u>	<u>1,164,523</u>	<u>3,754,675</u>	<u>10,684,249</u>
EXPENDITURES PAID				
General government	1,265,572	-	540,793	1,806,365
Public safety	3,481,491	-	76,187	3,557,678
Economic and community development	248,256	-	-	248,256
Transportation	757,301	1,730,436	360,978	2,848,715
Park and recreation	-	-	1,521,262	1,521,262
Total Expenditures Paid	<u>5,752,620</u>	<u>1,730,436</u>	<u>2,499,220</u>	<u>9,982,276</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	12,431	(565,913)	1,255,455	701,973
Other Financing Sources (Uses)	<u>788,292</u>	<u>(27,360)</u>	<u>(1,222,436)</u>	<u>(461,504)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	800,723	(593,273)	33,019	<u>\$ 240,469</u>
Fund Balance, beginning of year	<u>1,180,466</u>	<u>2,189,211</u>	<u>2,767,458</u>	
Fund Balance, end of year	<u>\$ 1,981,189</u>	<u>\$ 1,595,938</u>	<u>\$ 2,800,477</u>	

See notes to the financial statements

CITY OF MOBERLY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

Net change in fund balances - total governmental funds		\$ 240,469
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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	727,420	
Interest income	14,206	
Health premiums, claims and administrative costs	<u>(730,187)</u>	<u>11,439</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 251,908</u></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
GENERAL FUND
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 775,500	\$ 775,500	\$ 799,640	\$ 24,140
Other taxes	3,889,700	3,889,700	4,137,585	247,885
Licenses, permits and fees	454,010	454,010	542,626	88,616
Intergovernmental	30,000	30,000	27,500	(2,500)
Interest	20,000	20,000	122,916	102,916
Miscellaneous	<u>31,050</u>	<u>31,050</u>	<u>134,784</u>	<u>103,734</u>
Total Revenues Collected	<u>5,200,260</u>	<u>5,200,260</u>	<u>5,765,051</u>	<u>564,791</u>
EXPENDITURES PAID				
General government	1,337,501	1,337,501	1,265,572	71,929
Public safety	3,572,945	3,572,945	3,481,491	91,454
Economic and community development	250,796	250,796	248,256	2,540
Transportation	<u>830,657</u>	<u>830,657</u>	<u>757,301</u>	<u>73,356</u>
Total Expenditures Paid	<u>5,991,899</u>	<u>5,991,899</u>	<u>5,752,620</u>	<u>239,279</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(791,639)</u>	<u>(791,639)</u>	<u>12,431</u>	<u>804,070</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	<u>791,639</u>	<u>791,639</u>	<u>788,292</u>	<u>(3,347)</u>
Total Other Financing Sources (Uses)	<u>791,639</u>	<u>791,639</u>	<u>788,292</u>	<u>(3,347)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	-	-	800,723	<u>\$ 800,723</u>
Fund Balance, beginning of year	<u>1,180,466</u>	<u>1,180,466</u>	<u>1,180,466</u>	
Fund Balance, end of year	<u>\$ 1,180,466</u>	<u>\$ 1,180,466</u>	<u>\$ 1,981,189</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 974,100	\$ 974,100	\$ 1,010,495	\$ 36,395
Intergovernmental	-	-	-	-
Interest income	25,000	25,000	45,052	20,052
Miscellaneous	50,000	50,000	108,976	58,976
Total Revenues	<u>1,049,100</u>	<u>1,049,100</u>	<u>1,164,523</u>	<u>115,423</u>
EXPENDITURES PAID				
Transportation	1,628,646	1,628,646	1,730,436	(101,790)
Total Expenditures Paid	<u>1,628,646</u>	<u>1,628,646</u>	<u>1,730,436</u>	<u>(101,790)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(579,546)</u>	<u>(579,546)</u>	<u>(565,913)</u>	<u>13,633</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	(22,939)	(22,939)	(27,360)	(4,421)
Total Other Financing Sources (Uses)	<u>(22,939)</u>	<u>(22,939)</u>	<u>(27,360)</u>	<u>(4,421)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	(602,485)	(602,485)	(593,273)	<u>\$ 9,212</u>
Fund Balance, beginning of year	<u>2,189,211</u>	<u>2,189,211</u>	<u>2,189,211</u>	
Fund Balance, end of year	<u>\$ 1,586,726</u>	<u>\$ 1,586,726</u>	<u>\$ 1,595,938</u>	

See notes to the financial statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF NET ASSETS - CASH BASIS
PROPRIETARY FUND TYPES
JUNE 30, 2006

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>	
	<u>CWWSS</u>	<u>Solid Waste</u>	<u>Non-Major Enterprise Fund</u>	<u>Internal Service Fund</u>	
			<u>Total</u>		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 3,029,387	\$ 590,132	\$ 25,569	\$ 3,645,088	\$ 504,878
Due from other funds	-	-	-	-	-
Total Current Assets	<u>3,029,387</u>	<u>590,132</u>	<u>25,569</u>	<u>3,645,088</u>	<u>504,878</u>
RESTRICTED ASSETS					
Cash and cash equivalents	2,067,077	-	-	2,067,077	-
Investments	9,383,970	-	-	9,383,970	-
Total Restricted Assets	<u>11,451,047</u>	<u>-</u>	<u>-</u>	<u>11,451,047</u>	<u>-</u>
Total Assets	<u>14,480,434</u>	<u>590,132</u>	<u>25,569</u>	<u>15,096,135</u>	<u>504,878</u>
NET ASSETS					
Restricted for debt service - expendable	-	-	-	-	-
Restricted for customers deposits - expendable	-	-	-	-	-
Unrestricted	14,480,434	590,132	25,569	15,096,135	504,878
Total Net Assets	<u>\$ 14,480,434</u>	<u>\$ 590,132</u>	<u>\$ 25,569</u>	<u>\$ 15,096,135</u>	<u>\$ 504,878</u>

**RECONCILIATION OF THE STATEMENT OF NET ASSETS - CASH BASIS
TO STATEMENT OF NET ASSETS ARISING FROM CASH BASIS TRANSACTIONS**

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

Cash held for the City's health insurance account is not reported in the funds	<u>117,770</u>
Net assets of business-type activities	<u>\$ 15,213,905</u>

See notes to the financial statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF OPERATING REVENUES COLLECTED, OPERATING EXPENSES
PAID AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2006

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total</u>	<u>Governmental</u>
	<u>CWWSS</u>	<u>Solid Waste</u>	<u>Non-Major Enterprise Funds</u>		<u>Internal Service Fund</u>
Operating Revenues Collected					
Charges for services	\$ 3,947,127	\$ 942,257	\$ -	\$ 4,889,384	\$ 915,405
Collections	-	-	1,224	1,224	-
Miscellaneous	6,512	5,656	-	12,168	-
Total Operating Revenues Collected	<u>3,953,639</u>	<u>947,913</u>	<u>1,224</u>	<u>4,902,776</u>	<u>915,405</u>
Operating Expenses Paid					
Salaries and payroll taxes	1,199,693	109,449	-	1,309,142	-
Supplies and materials	464,687	11,000	3,566	479,253	-
Repairs and maintenance	201,597	4,827	-	206,424	-
Contractual services	4,125,834	745,043	-	4,870,877	918,888
Capital outlay	911,000	32,171	-	943,171	-
Miscellaneous	276,288	24,656	-	300,944	-
Total Operating Expenses Paid	<u>7,179,099</u>	<u>927,146</u>	<u>3,566</u>	<u>8,109,811</u>	<u>918,888</u>
Operating Income (Loss)	<u>(3,225,460)</u>	<u>20,767</u>	<u>(2,342)</u>	<u>(3,207,035)</u>	<u>(3,483)</u>
Nonoperating Revenues (Expenses)					
Interest received	686,708	-	-	686,708	17,878
Bond issue proceeds	5,555,849	-	-	5,555,849	-
Principal, interest and fees paid	(1,914,677)	-	-	(1,914,677)	-
Net Non-Operating Revenues (Expenses)	<u>4,327,880</u>	<u>-</u>	<u>-</u>	<u>4,327,880</u>	<u>17,878</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid Before Operating Transfer	1,102,420	20,767	(2,342)	1,120,845	14,395
Operating Transfer In (Out)	<u>659,480</u>	<u>(197,976)</u>	<u>-</u>	<u>461,504</u>	<u>-</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid	1,761,900	(177,209)	(2,342)	1,582,349	14,395
Net Assets, Beginning of Year (Deficit)	<u>12,718,534</u>	<u>767,341</u>	<u>27,911</u>	<u>13,513,786</u>	<u>490,483</u>
Net Assets, End of Year	<u>\$ 14,480,434</u>	<u>\$ 590,132</u>	<u>\$ 25,569</u>	<u>\$ 15,096,135</u>	<u>\$ 504,878</u>

See notes to the financial statements

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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).

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 GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists. There are no

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

component units as defined in Governmental Accounting Standards Board Statement No. 14 which are included in the City's reporting entity.

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 Assets 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 assets are reported in two parts - restricted net assets and unrestricted net assets. 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.

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

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Fund:	
City Transportation Trust	Accounts for revenues and expenditures of the City Transportation 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:	
Airport Operating	Accounts for revenues and expenditures of the Airport Operating Fund
Parks and Recreation	Accounts for revenues and expenditures of the Parks and Recreation Fund
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
McCormick Place TIF	Accounts for revenues and expenditures of the McCormick Place TIF Fund
DNR Grant	Accounts for revenues and expenditures of the DNR Grant Fund

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Hwy. 63 Waterline Relocation	Accounts for revenues and expenditures of the Hwy. 63 Waterline Relocation Fund
Police Forfeiture	Accounts for revenues and expenditures of the Police Forfeiture fund
2001 Community Development Block Grant	Accounts for revenues and expenditures of the 2001 Community Development Block Grant
Rollins Street Renovation	Accounts for revenues and expenditures of the Rollins Street Renovation Fund
Capital Improvement Trust	Accounts for revenues and expenditures of the Capital Improvement Trust Fund
2006 Community Development Block Grant	Accounts for revenues and expenditures of the 2006 Community Development Block Grant
Park Sales Tax Trust	Accounts for revenues and expenditures of the Park Sales Tax Trust Fund
Police Grant Match	Accounts for revenues and expenditures of the Police Grant Match Fund
Fire Escrow	Accounts for revenues and expenditures of the Fire Escrow Fund
Project Residuals	Accounts for revenues and expenditures of Project Residuals
Security Equipment Grant	Accounts for revenues and expenditures of the Security Equipment Grant
U.S. Fire Grant	Accounts for revenues and expenditures of the US Fire Grant

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund:	
Public Parking System	Accounts for revenues and expenditures of the Public Parking System Fund

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, 2006, accumulated, but unused vacation and other time off for governmental funds is \$264,639.

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, 2006

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 assets and displayed in two components:

- a. Restricted net assets - Consists of net assets 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 assets - All other net assets that do not meet the definition of "restricted".

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

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.

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.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2006.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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, 2006 are shown below:

	Maturities	Carrying Value
Deposits:		
Demand deposits		\$ 9,709,647
		9,709,647
Investments:		
Time deposits	09/15/06	1,260,000
Time deposit	09/22/06	25,000
Time deposit	09/28/06	150,000
Time deposit	10/26/06	150,000
Time deposit	11/30/06	150,000
Time deposit	12/07/06	95,000
Time deposit	12/28/06	150,000
Time deposit	01/25/07	150,000
Time deposit	02/22/07	150,000
Time deposits	03/29/07	605,000
U.S. Federal Obligations		9,383,970
		12,268,970
Total deposits and investments		\$ 21,978,617

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

Reconciliation to Statement of Net Assets:

Current Assets:	
Cash and cash equivalents	\$ 10,527,570
Restricted Assets:	
Cash and cash equivalents	2,067,077
Investments	<u>9,383,970</u>
Total	<u>\$ 21,978,617</u>

Custodial Credit Risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$11,818,304 at June 30, 2006, which was fully insured by depository insurance or secured with collateral.

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, 2006, are provided in the previous schedule.

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, 2006, 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, 2006:

	Revenue Bonds Payable	Capital Lease Payable	Accrued Compensated Absences	Note Payable	Total
Balance, July 1, 2005	\$ 16,571,000	\$ 2,298,857	\$ 280,366	\$ 64,009	\$ 19,214,232
Revenue bond proceeds	5,460,000	—	—	—	5,460,000
Revenue bond payments	(1,057,000)	—	—	—	(1,057,000)
Lease proceeds	—	—	—	—	—
Lease payments	—	(519,854)	—	—	(519,854)
Note proceeds	—	—	—	103,303	103,303
Note principal payment	—	—	—	(20,712)	(20,712)
Increase in compensated absences	—	—	162,589	—	162,589
Decrease in compensated absences	—	—	(178,315)	—	(178,315)
Balance, June 30, 2006	<u>\$ 20,974,000</u>	<u>\$ 1,779,003</u>	<u>\$ 264,640</u>	<u>\$ 146,600</u>	<u>\$ 23,164,243</u>

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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, 2006:

	<u>Business-Type Activities</u>
	<u>Revenue</u>
Debt payable, July 1, 2005	\$ 16,571,000
Debt issued	5,460,000
Debt retired	<u>(1,057,000)</u>
Debt payable, June 30, 2006	<u>\$ 20,974,000</u>

Debt payable at June 30, 2006, was comprised of the following individual issues:

Revenue bonds:

\$6,600,000 1995 combined waterworks and sewerage system revenue bonds (State Revolving Fund Program) due in annual installments through January 1, 2008; interest at 4.00% to 5.65%.	\$ 1,119,000
\$2,895,000 2004A combined waterworks and sewerage system refunding revenue bonds, due in annual installments through August 15, 2015; interest at 3.250% to 4.250%.	2,485,000
\$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%.	6,810,000
\$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%.	5,100,000
\$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%.	<u>5,460,000</u>
Total	<u>\$ 20,974,000</u>

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

Annual requirements to amortize long-term debt principal and interest at June 30, 2006:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 1,283,000	\$ 896,708	2,179,708
2008	1,541,000	914,447	2,455,447
2009	990,000	843,476	1,833,476
2010	1,015,000	802,349	1,817,349
2011	1,050,000	759,200	1,809,200
2012-2016	5,585,000	3,072,044	8,657,044
2017-2021	4,755,000	1,843,669	6,598,669
2022-2026	4,420,000	611,781	5,031,781
2027	335,000	7,538	342,538
Total	<u>\$ 20,974,000</u>	<u>\$ 9,751,212</u>	<u>\$ 30,725,212</u>

Restricted Funds available to service debt:

Year Ending June 30,	
Sinking	\$ 797,775
Reserve	<u>805,401</u>
Total	<u>\$ 1,603,176</u>

Advance Refunding

On February 15, 1995, the City issued \$3.275 million in Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds with an interest rate ranging from 3.00% to 5.20% to advance refund \$2.585 million of outstanding Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds with an interest rate ranging from 7.05% to 7.50%. The net proceeds of \$2,945,700 (after payment of \$154,488 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded revenue bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the enterprise long-term debt accounts.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

On May 15, 2004, the City issued \$2.895 million in Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds with an interest rate ranging from 3.250% to 4.250% to advance refund \$2.785 million of outstanding Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds with an interest rate ranging from 3.00% to 5.20%. The net proceeds of \$2,840,649 (after payment of \$54,351 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide funds for refunding the 1994 bond issue on August 15, 2004.

On May 28, 2004, the City issued \$7.150 million in Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds (State Revolving Fund Program) with an interest rate ranging from 2.00% to 5.00% to advance refund \$7.595 million of outstanding Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds with an interest rate ranging from 1.10% to 5.00%. The net proceeds of \$7,746,086 (after payment of \$126,319 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide funds for refunding the 2003 bond issue on July 1, 2004.

The City in effect decreased its aggregate debt service payments by \$1,470,227 over the next 23 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$814,330.

On December 9, 2004, the City issued \$5.1 million in Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) with an interest rate ranging from 3.000% to 5.250% for the purpose of extending and improving the City's Combined Waterworks and Sewerage System. The net proceeds of \$5,207,300 (after payment of \$116,414 in underwriting fees, insurance, and other issuance costs plus accrued interest of \$223,714) will be used to extend and improve the system.

On April 21, 2006, the City issued \$5.46 million in Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) with an interest rate ranging from 4.000% to 5.250% for the purpose of extending and improving the City's Combined Waterworks and Sewerage System. The net proceeds of \$5,555,849 (after payment of \$103,108 in underwriting fees, insurance, and other issuance costs plus accrued interest of \$198,957) will be used to extend and improve the system.

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.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

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, 2006, the Constitutional general obligation debt limit, based on the assessed valuation at December 31, 2005, of approximately \$119,170,257 was \$23,834,051 which, after reduction for outstanding general obligation bonds of \$0, provides a general obligation debt margin of \$23,834,051.

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, 2006, 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.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

D. Notes Payable- Governmental Activities

On June 17, 2003, the City entered into a note agreement with the Bank of Cairo and Moberly to finance the purchase of equipment in the amount of \$103,642. The note is payable on demand, but if demand is not made the note is payable in five annual payments. Interest is at 3 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider.

Balance at June 30, 2006 \$ 43,297

Scheduled payments are as follows:

Year Ending <u>June 30,</u>	
2007	\$ 22,633
2008	<u>22,621</u>
	45,254
Less - amount representing interest	<u>1,957</u>
Total	<u>\$ 43,297</u>

On September 16, 2005, the City entered into a note agreement with the Bank Midwest to finance the purchase of equipment in the amount of \$35,877. The note is payable on demand, but if demand is not made the note is payable in three annual payments. Interest is at 4.2605 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider.

Balance at June 30, 2006 \$ 35,877

Scheduled payments are as follows:

Year Ending <u>June 30,</u>	
2007	\$ 12,879
2008	12,879
2009	<u>12,878</u>
	38,636
Less - amount representing interest	<u>2,759</u>
Total	<u>\$ 35,877</u>

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

On February 21, 2006, the City entered into a note agreement with the Bank Midwest to finance the purchase of equipment in the amount of \$16,022. The note is payable on demand, but if demand is not made the note is payable in two annual payments. Interest is at 4.050 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider.

Balance at June 30, 2006 \$ 16,022

Scheduled payments are as follows:

Year Ending June 30,		
2007	\$	8,508
2008		<u>8,494</u>
		17,002
Less - amount representing interest		<u>980</u>
Total	\$	<u><u>16,022</u></u>

On April 19, 2006, the City entered into a note agreement with the Bank Midwest to finance the purchase of equipment in the amount of \$18,744. The note is payable on demand, but if demand is not made the note is payable in two annual payments. Interest is at 4.050 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider.

Balance at June 30, 2006 \$ 18,744

Scheduled payments are as follows:

Year Ending June 30,		
2007	\$	9,954
2008		<u>9,953</u>
		19,907
Less - amount representing interest		<u>1,163</u>
Total	\$	<u><u>18,744</u></u>

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

On May 19, 2006, the City entered into a note agreement with the Bank Midwest to finance the purchase of equipment in the amount of \$32,660. The note is payable on demand, but if demand is not made the note is payable in three annual payments. Interest is at 4.1861 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider.

Balance at June 30, 2006 \$ 32,660

Scheduled payments are as follows:

Year Ending June 30,	
2007	\$ 11,811
2008	11,811
2009	<u>11,810</u>
	35,432
Less - amount representing interest	<u>2,772</u>
Total	<u>\$ 32,660</u>

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, 2006 assuming noncancellation:

Year Ended June 30,	Telephone System	Backhoe	Athletic Complex Project	Total
2007	\$ 3,973	\$ 25,745	\$ 496,300	\$ 526,018
2008	—	—	505,108	505,108
2009	—	—	<u>941,737</u>	<u>941,737</u>
	3,973	25,745	1,943,145	1,972,863
Less - Amount Representing Interest	<u>49</u>	<u>666</u>	<u>193,145</u>	<u>193,860</u>
Total Minimum Lease Payments	<u>\$ 3,924</u>	<u>\$ 25,079</u>	<u>\$ 1,750,000</u>	<u>\$ 1,779,003</u>

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

In August, 1999, the City entered into a leasing agreement to fund the construction of the Athletic Complex Project. The agreement is backed by leasehold revenue bonds issued by the Moberly, Missouri, Public Building Corporation. The City is obligated to make rental payments sufficient to pay the \$4,250,000 Series 1999 bonds principal and interest to the Moberly, Missouri, Public Building Corporation. 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.

F. Interfund Transfers

Interfund transfers during the year ended June 30, 2006 were as follows:

<u>Disbursing Fund</u>	<u>Receiving Fund</u>	<u>Amount</u>
Park Sales Tax	Parks and Recreation	\$ 98,979
General	Airport Operating	74,361
General	McCormick Place TIF	54,767
CWWSS	General	105,050
Sanitation	General	232,085
Capital Improvement Trust	CWWSS	799,689
Street Improvements	General	435,903
911 Emergency Telephone	General	120,000
Police Grant Match	2006 LLEBG	671
Security Equipment	General	5,637
2006 LLEBG	General	6,714
Capital Improvement Trust	General	31,501
DNR Grant	General	413
CWWSS	Sanitation	35,159
General	Cemetery Maintenance	16,700
2001 CDBG	Project Residuals	41,973
Highway 63	Project Residuals	14,238
General	DNR Grant	3,183
Sanitation	DNR Grant	1,050
City Transportation Trust	McCormick Place TIF	27,360
Capital Improvement Trust	McCormick Place TIF	27,360

<u>Disbursing</u>	<u>Receiving</u>	<u>Purpose of Transfer</u>
Park Sales Tax	Parks & Recreation	Budgeted transfer of 10% of sales tax receipts net of 2% of fund operating revenues as administrative fee returned to General Fund.
General	Airport	Budgeted transfer for operational expenses/fund balance.
General	McCormick Place TIF	Budgeted transfer of portion of sales tax receipts, combined with similar percentages from Transportation Trust Fund and Capital Improvement Trust Fund plus contribution from Randolph County, all refunded to Orscheln Properties under terms of the TIF.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

<u>Disbursing</u>	<u>Receiving</u>	<u>Purpose of Transfer</u>
CWWSS	General	Budgeted transfer of amount equal to 5% of operational expenses, administrative fee.
Sanitation	General	Budgeted transfer for operational expenses/fund balance.
Capital Improvement Trust	CWWSS	Payment of bond principal plus interest and reimbursement to 2004B bonds for amount paid in error for a project not authorized under the bond issue.
Street Improvement	General	Budgeted transfer for operational expenses/fund balance.
911 Emergency Telephone	General	Budgeted transfer for salaries and fringe of 911 dispatchers from Police Department budget.
Police Grant Match	2006 LLEBG Police Grant	Transfer City match portion of grant to grant fund.
Security Equipment	General	Reimburse General Fund for expenditures made under Security Equipment Grant program guidelines.
2006 LLEBG	General	Reimburse General Fund for expenditures made under 2006 LLEBG guidelines.
Capital Improvement Fund	General	Budgeted transfer for operational expenses/fund balance.
DNR Grant	General	Reimburse General Fund for expenditures made under DNR Grant.
CWWSS	Sanitation	Budgeted transfer for operational expenses/fund balance.
General	Cemetery Maintenance	Budgeted transfer for operational expenses/fund balance.
2001 CDBG	Project Residuals	Reimburse Project Residuals Fund for expenditures made under 2001 CDBG.
Highway 63	Project Residuals	Reimburse Project Residuals Fund for expenditures made under Highway 63.
General	DNR Grant	Budget transfers for operational expenses/fund balance.
Sanitation	DNR Grant	Budget transfers for operational expenses/fund balance.
Capital Improvement Trust	McCormick Place TIF	Budgeted transfer of portion of sales tax receipts, combined with similar percentages from Transportation Trust Fund and Capital Improvement Trust Fund plus contribution from Randolph County, all refunded to Orscheln Properties under terms of the TIF.
Transportation Trust	McCormick Place TIF	Budgeted transfer of portion of sales tax receipts, combined with similar percentages from Transportation Trust Fund and Capital Improvement Trust Fund plus contribution from Randolph County, all refunded to Orscheln Properties under terms of the TIF.

G. Restricted Net Assets

<u>Activity</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Improvement Trust	Law	\$ 947,686
City Transportation Trust	Law	1,595,938
Airport Operating	Council action	41,247
Parks and Recreation	Council action	256,777
Street Improvements	Council action	32,334
Perpetual Care Cemetery Principal	Law	253,821
Perpetual Care Cemetery Interest	Law	(9,797)
MODAG Grant/Loan	Council action	24,297
911 Emergency Telephone Service	Law	72,126
Use Tax Trust	Law	376,910

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

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

DNR Grant	Law	81,769
Rollins Street Renovation	Law	2,982
Park Sales Tax Trust	Law	681,943
Police Grant Match	Law	49
Fire Escrow	Council action	4,019
Project Residuals	Council action	32,588
Security Equipment	Council action	1,726
		<u>\$ 4,396,415</u>

H. Deficit Fund Balance

At June 30, 2006, the Perpetual Care Cemetery - Interest Fund had a deficit fund balance of \$9,797.

IV. OTHER INFORMATION

A. Employee Pension Plan

1. Plan Description

The City of Moberly participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's 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 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Status

The City of Moberly's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 10.6% (general), 5.5% (police) and 6.7% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

IV. OTHER INFORMATION (Continued)

3. Annual Pension Cost

For 2006, the political subdivision's annual pension cost of \$350,998 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2004 and/or February 28, 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2006 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2006 was 15 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/04	\$ 293,617	100%	—
6/30/05	316,900	100%	—
6/30/06	350,998	100%	—

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 2005 were \$119,170,257.

Tax Rates per \$100 Assessed Valuation

General	\$.6887
Park	<u>.3195</u>
Total	<u>\$ 1.0082</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.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

IV. OTHER INFORMATION (Continued)

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, 2006.

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, 2006, 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, 2006 totaled \$151,734.81.

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, 2006, there were seven employees that qualified for benefits and the City contributed \$298.25 to individual employee accounts on a monthly basis. The total contribution for fiscal year 2006 was \$25,053.

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 recognition of the landfill closure and postclosure costs should be based on the

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

IV. OTHER INFORMATION (Continued)

amount of landfill used during the year. The estimated liability for landfill closure and postclosure care costs is \$3,214,068 as of June 30, 2006, which is based on 17.1% usage of the landfill. 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 landfill is expected to be filled to capacity in the year 2038.

On April 12, 2005, the City entered into an agreement with Onyx Waste Services Midwest, Inc. and Onyx Maple Hill Landfill, Inc. to provide for the collection and disposal of waste and for the closure of the City's landfill. In connection with the landfill closure, Onyx agreed to fund the actual costs for the closure not to exceed \$1,008,000. Onyx also agreed to purchase the City's existing landfill equipment for \$355,000. As of June 30, 2006, the Company has expended \$305,455 for landfill closure and estimates an additional \$702,545 will be expended to close the landfill.

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 charges to future landfill users and/or General Fund reserves.

G. Contingencies

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 Randolph County/Moberly City Economic Development Corporation is indebted to the City in the amount of \$368,647.24. The note is non-interest bearing and is to be paid in full by June 30, 2008.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOBERLY, MISSOURI
PENSION PLAN FUNDING PROGRESS
YEAR ENDED JUNE 30, 2006

The following information is required and presented in accordance with Governmental Accounting Board Statement 27, "Accounting for Pensions by State and Local Governmental Employers" (see Note IV-A).

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/29/2004	\$ 12,154,601	\$ 11,496,781	\$ (657,820)	106%	\$ 4,442,726	
02/28/2005	11,967,319	11,330,164	(637,155)	106%	4,015,253	
02/28/2006	12,145,494	10,935,832	(1,209,662)	111%	3,778,693	

NOTE: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

COMBINING FINANCIAL STATEMENTS

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Airport Operating	Accounts for revenues and expenditures of the Airport Operating Fund
Parks and Recreation	Accounts for revenues and expenditures of the Parks and Recreation Fund
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
McCormick Place TIF	Accounts for revenues and expenditures of the McCormick Place TIF Fund
DNR Grant	Accounts for revenues and expenditures of the DNR Grant Fund
Hwy. 63 Waterline Relocation	Accounts for revenues and expenditures of the Hwy. 63 Waterline Relocation Fund
Police Forfeiture	Accounts for revenues and expenditures of the Police Forfeiture fund
2001 Community Development Block Grant	Accounts for revenues and expenditures of the 2001 Community Development Block Grant
Rollins Street Renovation	Accounts for revenues and expenditures of the Rollins Street Renovation Fund

Capital Improvement Trust Grant	Accounts for revenues and expenditures of the Capital Improvement Trust Grant
2006 Community Development Block Grant	Accounts for revenues and expenditures of the 2006 Community Development Block Grant
Park Sales Tax Trust	Accounts for revenues and expenditures of the Park Sales Tax Trust Fund
Police Grant Match	Accounts for revenues and expenditures of the Police Grant Match Fund
Fire Escrow	Accounts for revenues and expenditures of the Fire Escrow Fund
Project Residuals	Accounts for revenues and expenditures of Project Residuals
Security Equipment Grant	Accounts for revenues and expenditures of the Security Equipment Grant Fund
U.S. Fire Grant	Accounts for revenues and expenditures of the U.S. Fire Grant Fund

CITY OF MOBERLY, MISSOURI
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF ASSETS AND FUND BALANCES -
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2006

	<u>Airport Operating Fund</u>	<u>Parks and Recreation</u>	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
ASSETS						
Cash and investments, at cost	\$ 41,247	\$ 256,777	\$ 32,334	\$ 253,821	\$ (9,797)	\$ 24,297
 TOTAL ASSETS	 <u>\$ 41,247</u>	 <u>\$ 256,777</u>	 <u>\$ 32,334</u>	 <u>\$ 253,821</u>	 <u>\$ (9,797)</u>	 <u>\$ 24,297</u>
 FUND BALANCE						
Designated for debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated (Deficit)	<u>41,247</u>	<u>256,777</u>	<u>32,334</u>	<u>253,821</u>	<u>(9,797)</u>	<u>24,297</u>
 TOTAL FUND BALANCE	 <u>\$ 41,247</u>	 <u>\$ 256,777</u>	 <u>\$ 32,334</u>	 <u>\$ 253,821</u>	 <u>\$ (9,797)</u>	 <u>\$ 24,297</u>

911 Emergency Telephone Service	Use Tax Trust Fund	McCormick Place TIF	DNR Grant	Hwy. 63 Waterline Relocation	Police Forfeiture	2001 Community Development Block Grant	Rollins Street Renovation
\$ 72,126	\$ 376,910	\$ -	\$ 81,769	\$ -	\$ -	\$ -	\$ 2,982
<u>\$ 72,126</u>	<u>\$ 376,910</u>	<u>\$ -</u>	<u>\$ 81,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>72,126</u>	<u>376,910</u>	<u>-</u>	<u>81,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,982</u>
<u>\$ 72,126</u>	<u>\$ 376,910</u>	<u>\$ -</u>	<u>\$ 81,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982</u>

Capital Improvement Trust	2006 Community Development Block Grant	Park Sales Tax Trust	Police Grant Match	Fire Escrow	Project Residuals	Security Equipment Grant	U.S. Fire Grant	Totals (Memorandum Only)
\$ 947,686	\$ -	\$ 681,943	\$ 49	\$ 4,019	\$ 32,588	\$ 1,726	\$ -	\$ 2,800,477
<u>\$ 947,686</u>	<u>\$ -</u>	<u>\$ 681,943</u>	<u>\$ 49</u>	<u>\$ 4,019</u>	<u>\$ 32,588</u>	<u>\$ 1,726</u>	<u>\$ -</u>	<u>\$ 2,800,477</u>
\$ -	\$ -	\$ 681,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,943
<u>947,686</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>4,019</u>	<u>32,588</u>	<u>1,726</u>	<u>-</u>	<u>2,118,534</u>
<u>\$ 947,686</u>	<u>\$ -</u>	<u>\$ 681,943</u>	<u>\$ 49</u>	<u>\$ 4,019</u>	<u>\$ 32,588</u>	<u>\$ 1,726</u>	<u>\$ -</u>	<u>\$ 2,800,477</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, 2006

	Airport Operating Fund	Parks and Recreation	Street Improvements	Perpetual Care Cemetery Principal	Perpetual Care Cemetery Interest	MODAG Grant/Loan
REVENUES COLLECTED						
Property taxes	\$ -	\$ 365,276	\$ -	\$ -	\$ -	\$ -
Other taxes	-	640	393,113	-	-	-
Charges for goods and services	108,653	106,200	-	-	-	-
Federal and state grants	13,946	-	-	-	-	-
Interest income	-	-	-	-	5,673	-
Miscellaneous	9,554	717	1,587	2,281	-	-
Total Revenues Collected	<u>132,153</u>	<u>472,833</u>	<u>394,700</u>	<u>2,281</u>	<u>5,673</u>	<u>-</u>
EXPENDITURES PAID						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	23,827	-
Transportation	168,106	-	83,447	-	-	-
Park and recreation	-	571,831	-	-	-	-
Debt service	-	-	-	-	-	-
Total Expenditures Paid	<u>168,106</u>	<u>571,831</u>	<u>83,447</u>	<u>-</u>	<u>23,827</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(35,953)</u>	<u>(98,998)</u>	<u>311,253</u>	<u>2,281</u>	<u>(18,154)</u>	<u>-</u>
Other Financing Sources (Uses)	<u>74,361</u>	<u>98,979</u>	<u>(435,903)</u>	<u>-</u>	<u>16,700</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	38,408	(19)	(124,650)	2,281	(1,454)	-
Fund Balance, beginning of year	<u>2,839</u>	<u>256,796</u>	<u>156,984</u>	<u>251,540</u>	<u>(8,343)</u>	<u>24,297</u>
Fund Balance, end of year	<u>\$ 41,247</u>	<u>\$ 256,777</u>	<u>\$ 32,334</u>	<u>\$ 253,821</u>	<u>\$ (9,797)</u>	<u>\$ 24,297</u>

911 Emergency Telephone Service	Use Tax Trust Fund	McCormick Place TIF	DNR Grant	Hwy. 63 Waterline Relocation	Police Forfeiture	2001 Community Development Block Grant	Rollins Street Renovation
\$ -	\$ -	\$ 95,654	\$ -	\$ -	\$ -	\$ -	\$ -
204,708	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	103,750
-	2,348	-	3,107	-	-	-	-
-	-	-	9,327	-	-	-	-
<u>204,708</u>	<u>2,348</u>	<u>95,654</u>	<u>12,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,750</u>
-	-	268,937	103,716	-	-	-	-
51,609	-	-	-	-	37	-	-
-	-	-	-	-	-	-	109,425
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>51,609</u>	<u>-</u>	<u>268,937</u>	<u>103,716</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>109,425</u>
<u>153,099</u>	<u>2,348</u>	<u>(173,283)</u>	<u>(91,282)</u>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>(5,675)</u>
<u>(120,000)</u>	<u>-</u>	<u>109,487</u>	<u>3,820</u>	<u>(14,238)</u>	<u>-</u>	<u>(41,973)</u>	<u>-</u>
33,099	2,348	(63,796)	(87,462)	(14,238)	(37)	(41,973)	(5,675)
<u>39,027</u>	<u>374,562</u>	<u>63,796</u>	<u>169,231</u>	<u>14,238</u>	<u>37</u>	<u>41,973</u>	<u>8,657</u>
<u>\$ 72,126</u>	<u>\$ 376,910</u>	<u>\$ -</u>	<u>\$ 81,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982</u>

Capital Improvement Trust	2006 Community Development Block Grant	Park Sales Tax Trust	Police Grant Match	Fire Escrow	Project Residuals	Security Equipment Grant	U.S. Fire Grant	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,930
1,010,252	-	1,010,002	-	-	-	-	-	2,618,715
-	-	53,760	-	-	-	-	-	268,613
-	6,043	-	-	-	-	7,363	-	131,102
13,855	-	-	-	48	-	-	-	25,031
166,063	-	53,005	-	7,750	-	-	-	250,284
<u>1,190,170</u>	<u>6,043</u>	<u>1,116,767</u>	<u>-</u>	<u>7,798</u>	<u>-</u>	<u>7,363</u>	<u>-</u>	<u>3,754,675</u>
140,738	-	-	-	3,779	23,623	-	-	540,793
-	-	-	714	-	-	-	-	76,187
-	-	-	-	-	-	-	-	360,978
-	-	443,231	-	-	-	-	-	1,015,062
-	-	506,200	-	-	-	-	-	506,200
<u>140,738</u>	<u>-</u>	<u>949,431</u>	<u>714</u>	<u>3,779</u>	<u>23,623</u>	<u>-</u>	<u>-</u>	<u>2,499,220</u>
<u>1,049,432</u>	<u>6,043</u>	<u>167,336</u>	<u>(714)</u>	<u>4,019</u>	<u>(23,623)</u>	<u>7,363</u>	<u>-</u>	<u>1,255,455</u>
<u>(858,550)</u>	<u>(6,043)</u>	<u>(98,979)</u>	<u>(671)</u>	<u>-</u>	<u>56,211</u>	<u>(5,637)</u>	<u>-</u>	<u>(1,222,436)</u>
190,882	-	68,357	(1,385)	4,019	32,588	1,726	-	33,019
756,804	-	613,586	1,434	-	-	-	-	2,767,458
<u>\$ 947,686</u>	<u>\$ -</u>	<u>\$ 681,943</u>	<u>\$ 49</u>	<u>\$ 4,019</u>	<u>\$ 32,588</u>	<u>\$ 1,726</u>	<u>\$ -</u>	<u>\$ 2,800,477</u>

**CITY OF MOBERLY, MISSOURI
AIRPORT OPERATING FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Charges for goods and services	70,200	70,200	108,653	38,453
Federal and state grants	\$ 364,800	\$ 364,800	\$ 13,946	\$ (350,854)
Miscellaneous	<u>9,600</u>	<u>9,600</u>	<u>9,554</u>	<u>(46)</u>
Total Revenues Collected	<u>374,400</u>	<u>374,400</u>	<u>23,500</u>	<u>(350,900)</u>
EXPENDITURES PAID				
Transportation				
Salaries and payroll taxes	31,861	31,861	32,958	(1,097)
Supplies and materials	68,900	68,900	76,021	(7,121)
Repairs and maintenance	10,000	10,000	5,276	4,724
Contractual services	20,000	20,000	6,225	13,775
Capital outlay	384,250	384,250	42,687	341,563
Miscellaneous	<u>3,950</u>	<u>3,950</u>	<u>4,939</u>	<u>(989)</u>
Total Expenditures Paid	<u>518,961</u>	<u>518,961</u>	<u>168,106</u>	<u>350,855</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(144,561)</u>	<u>(144,561)</u>	<u>(144,606)</u>	<u>(45)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>74,361</u>	<u>74,361</u>	<u>74,361</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>74,361</u>	<u>74,361</u>	<u>74,361</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(70,200)	(70,200)	(70,245)	<u>\$ (45)</u>
Fund Balance, beginning of year	<u>2,839</u>	<u>2,839</u>	<u>2,839</u>	
Fund Balance, end of year	<u>\$ (67,361)</u>	<u>\$ (67,361)</u>	<u>\$ (67,406)</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES COLLECTED				
Property taxes	\$ 353,840	\$ 353,840	\$ 365,276	\$ 11,436
Other taxes	1,500	1,500	640	(860)
Charges for goods and services	108,000	108,000	106,200	(1,800)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>717</u>	<u>(1,283)</u>
Total Revenues Collected	<u>465,340</u>	<u>465,340</u>	<u>472,833</u>	<u>7,493</u>
EXPENDITURES PAID				
Parks and Recreation				
Concessions				
Salaries and payroll taxes	21,922	21,922	20,273	1,649
Supplies and materials	40,600	40,600	1,994	38,606
Repairs and maintenance	150	150	90	60
Contractual services	<u>600</u>	<u>600</u>	<u>1,512</u>	<u>(912)</u>
Total Concessions	<u>63,272</u>	<u>63,272</u>	<u>23,869</u>	<u>39,403</u>
Parks				
Salaries and payroll taxes	194,969	194,969	178,410	16,559
Supplies and materials	42,200	42,200	45,181	(2,981)
Repairs and maintenance	19,900	19,900	20,332	(432)
Contractual services	6,000	6,000	17,225	(11,225)
Capital outlay	3,000	3,000	-	3,000
Miscellaneous	<u>600</u>	<u>600</u>	<u>1,243</u>	<u>(643)</u>
Total Parks	<u>266,669</u>	<u>266,669</u>	<u>262,391</u>	<u>4,278</u>
Swimming Pool				
Salaries and payroll taxes	28,847	28,847	37,025	(8,178)
Supplies and materials	12,175	12,175	20,636	(8,461)
Repairs and maintenance	3,000	3,000	3,017	(17)
Contractual services	1,200	1,200	2,818	(1,618)
Capital outlay	-	-	-	-
Miscellaneous	<u>600</u>	<u>600</u>	<u>258</u>	<u>342</u>
Total Swimming Pool	<u>45,822</u>	<u>45,822</u>	<u>63,754</u>	<u>(17,932)</u>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Recreation				
Salaries and payroll taxes	175,593	175,593	171,567	4,026
Supplies and materials	22,000	22,000	16,266	5,734
Contractual services	58,100	58,100	31,936	26,164
Capital outlay	-	-	-	-
Miscellaneous	3,750	3,750	2,048	1,702
Total Recreation	<u>259,443</u>	<u>259,443</u>	<u>221,817</u>	<u>37,626</u>
 Total Expenditures Paid	 <u>635,206</u>	 <u>635,206</u>	 <u>571,831</u>	 <u>63,375</u>
 Excess (Deficit) of Revenues				
Collected over Expenditures Paid	<u>(169,866)</u>	<u>(169,866)</u>	<u>(98,998)</u>	<u>70,868</u>
 Other Financing Sources (Uses)				
Interfund Transfers in (out)				
General Fund	<u>169,866</u>	<u>169,866</u>	<u>98,979</u>	<u>(70,887)</u>
Total Other Financing sources (Uses)	<u>169,866</u>	<u>169,866</u>	<u>98,979</u>	<u>(70,887)</u>
 Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	 -	 -	 (19)	 <u>\$ (19)</u>
 Fund Balance, beginning of year	 <u>256,796</u>	 <u>256,796</u>	 <u>256,796</u>	
 Fund Balance, end of year	 <u>\$ 256,796</u>	 <u>\$ 256,796</u>	 <u>\$ 256,777</u>	

**CITY OF MOBERLY, MISSOURI
STREET IMPROVEMENTS FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 400,000	\$ 400,000	\$ 393,113	\$ (6,887)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>1,587</u>	<u>587</u>
Total Revenues Collected	<u>401,000</u>	<u>401,000</u>	<u>394,700</u>	<u>(6,300)</u>
EXPENDITURES PAID				
Transportation				
Repairs and maintenance	80,000	80,000	83,293	(3,293)
Capital outlay	-	-	154	(154)
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures Paid	<u>83,000</u>	<u>83,000</u>	<u>83,447</u>	<u>(447)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>318,000</u>	<u>318,000</u>	<u>311,253</u>	<u>(6,747)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>(473,405)</u>	<u>(473,405)</u>	<u>(435,903)</u>	<u>37,502</u>
Total Other Financing Sources (Uses)	<u>(473,405)</u>	<u>(473,405)</u>	<u>(435,903)</u>	<u>37,502</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(155,405)	(155,405)	(124,650)	<u>\$ 30,755</u>
Fund Balance, beginning of year	<u>156,984</u>	<u>156,984</u>	<u>156,984</u>	
Fund Balance, end of year	<u>\$ 1,579</u>	<u>\$ 1,579</u>	<u>\$ 32,334</u>	

CITY OF MOBERLY, MISSOURI
PERPETUAL CARE CEMETERY - PRINCIPAL FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 2,281	\$ (2,719)
Total Revenues Collected	<u>5,000</u>	<u>5,000</u>	<u>2,281</u>	<u>(2,719)</u>
EXPENDITURES PAID				
Public Safety				
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	5,000	5,000	2,281	<u>\$ (2,719)</u>
Fund Balance, beginning of year	<u>251,540</u>	<u>251,540</u>	<u>251,540</u>	
Fund Balance, end of year	<u>\$ 256,540</u>	<u>\$ 256,540</u>	<u>\$ 253,821</u>	

CITY OF MOBERLY, MISSOURI
PERPETUAL CARE CEMETERY - INTEREST FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Interest income	\$ 10,000	\$ 10,000	\$ 5,673	\$ (4,327)
Total Revenues Collected	<u>10,000</u>	<u>10,000</u>	<u>5,673</u>	<u>(4,327)</u>
EXPENDITURES PAID				
Public Safety				
Supplies and materials	2,700	2,700	1,055	1,645
Repairs and maintenance	10,000	10,000	7,478	2,522
Contractual services	4,000	4,000	5,745	(1,745)
Capital outlay	9,000	9,000	9,475	(475)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>74</u>	<u>926</u>
Total Expenditures Paid	<u>26,700</u>	<u>26,700</u>	<u>23,827</u>	<u>2,873</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	(16,700)	(16,700)	(18,154)	(1,454)
Other Financing Sources (Uses)				
Interfund Transfers in (out)				
General Fund	<u>16,700</u>	<u>16,700</u>	<u>16,700</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>16,700</u>	<u>16,700</u>	<u>16,700</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	(1,454)	<u>\$ (1,454)</u>
Fund Balance, beginning of year	<u>(8,343)</u>	<u>(8,343)</u>	<u>(8,343)</u>	
Fund Balance, end of year (deficit)	<u>\$ (8,343)</u>	<u>\$ (8,343)</u>	<u>\$ (9,797)</u>	

**CITY OF MOBERLY, MISSOURI
MODAG GRANT/LOAN FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
REVENUES COLLECTED				
Miscellaneous	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total Revenues Collected	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
EXPENDITURES PAID	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	2,500	2,500	-	<u>\$ (2,500)</u>
Fund Balance, beginning of year	<u>24,297</u>	<u>24,297</u>	<u>24,297</u>	
Fund Balance, end of year	<u>\$ 26,797</u>	<u>\$ 26,797</u>	<u>\$ 24,297</u>	

CITY OF MOBERLY, MISSOURI
911 EMERGENCY TELEPHONE SERVICE FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 210,000	\$ 210,000	\$ 204,708	\$ (5,292)
Total Revenues Collected	<u>210,000</u>	<u>210,000</u>	<u>204,708</u>	<u>(5,292)</u>
EXPENDITURES PAID				
Public Safety				
Supplies and materials	32,000	32,000	30,626	1,374
Contractual services	6,000	6,000	-	6,000
Capital outlay	52,000	52,000	20,983	31,017
Miscellaneous	-	-	-	-
Total Expenditures Paid	<u>90,000</u>	<u>90,000</u>	<u>51,609</u>	<u>38,391</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>120,000</u>	<u>120,000</u>	<u>153,099</u>	<u>33,099</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	33,099	<u>\$ 33,099</u>
Fund Balance, beginning of year	<u>39,027</u>	<u>39,027</u>	<u>39,027</u>	
Fund Balance, end of year	<u>\$ 39,027</u>	<u>\$ 39,027</u>	<u>\$ 72,126</u>	

**CITY OF MOBERLY, MISSOURI
USE TAX TRUST FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Interest income	\$ 1,000	\$ 1,000	\$ 2,348	\$ 1,348
Total Revenues Collected	<u>1,000</u>	<u>1,000</u>	<u>2,348</u>	<u>1,348</u>
EXPENDITURES PAID	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>1,000</u>	<u>1,000</u>	<u>2,348</u>	<u>1,348</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	1,000	1,000	2,348	<u>\$ 1,348</u>
Fund Balance, beginning of year	<u>374,562</u>	<u>374,562</u>	<u>374,562</u>	
Fund Balance, end of year	<u>\$ 375,562</u>	<u>\$ 375,562</u>	<u>\$ 376,910</u>	

**CITY OF MOBERLY, MISSOURI
MCCORMICK PLACE TIF FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 177,976	\$ 177,976	\$ 95,654	\$ (82,322)
Total Revenues Collected	<u>177,976</u>	<u>177,976</u>	<u>95,654</u>	<u>(82,322)</u>
EXPENDITURES PAID				
General Government				
Contractual services	<u>177,976</u>	<u>177,976</u>	<u>268,937</u>	<u>(90,961)</u>
Total Expenditures Paid	<u>177,976</u>	<u>177,976</u>	<u>268,937</u>	<u>(90,961)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>(173,283)</u>	<u>(173,283)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>-</u>	<u>-</u>	<u>109,487</u>	<u>109,487</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>109,487</u>	<u>109,487</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(63,796)</u>	<u>\$ (63,796)</u>
Fund Balance, beginning of year	<u>63,796</u>	<u>63,796</u>	<u>63,796</u>	
Fund Balance, end of year	<u>\$ 63,796</u>	<u>\$ 63,796</u>	<u>\$ -</u>	

**CITY OF MOBERLY, MISSOURI
DNR GRANT FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Interest income	\$ 1,000	\$ 1,000	\$ 3,107	\$ 2,107
Miscellaneous	-	-	9,327	9,327
Total Revenues Collected	<u>1,000</u>	<u>1,000</u>	<u>12,434</u>	<u>11,434</u>
EXPENDITURES PAID				
General Government				
Contractual services	100,000	100,000	103,716	(3,716)
Miscellaneous	<u>81,000</u>	<u>81,000</u>	-	<u>81,000</u>
Total Expenditures Paid	<u>181,000</u>	<u>181,000</u>	<u>103,716</u>	<u>77,284</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(180,000)</u>	<u>(180,000)</u>	<u>(91,282)</u>	<u>88,718</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	-	-	<u>3,820</u>	<u>3,820</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,820</u>	<u>3,820</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(180,000)	(180,000)	(87,462)	<u>\$ 92,538</u>
Fund Balance, beginning of year	<u>(56,351)</u>	<u>(56,351)</u>	<u>169,231</u>	
Fund Balance, end of year	<u>\$ (236,351)</u>	<u>\$ (236,351)</u>	<u>\$ 81,769</u>	

**CITY OF MOBERLY, MISSOURI
HIGHWAY 63 WATERLINE RELOCATION FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Federal and state grants	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	-	-	-	-
EXPENDITURES PAID				
Transportation				
Miscellaneous	-	-	-	-
Total Expenditures Paid	-	-	-	-
Excess (Deficit) of Revenues Collected over Expenditures Paid	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	-	-	(14,238)	(14,238)
Total Other Financing Sources (Uses)	-	-	(14,238)	(14,238)
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	(14,238)	<u>\$ (14,238)</u>
Fund Balance, beginning of year	14,238	14,238	14,238	
Fund Balance, end of year	<u>\$ 14,238</u>	<u>\$ 14,238</u>	<u>\$ -</u>	

**CITY OF MOBERLY, MISSOURI
POLICE FORFEITURE FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES PAID				
Public Safety				
Miscellaneous	-	-	37	(37)
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>37</u>	<u>(37)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>(37)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
2002 LLEBG Police Fund	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	(37)	<u>\$ (37)</u>
Fund Balance, beginning of year	<u>37</u>	<u>37</u>	<u>37</u>	
Fund Balance, end of year	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ -</u>	

CITY OF MOBERLY, MISSOURI
2001 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Federal and state grants	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES PAID				
General Government				
Contractual services	-	-	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>-</u>	<u>-</u>	<u>(41,973)</u>	<u>(41,973)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(41,973)</u>	<u>(41,973)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	(41,973)	<u>\$ (41,973)</u>
Fund Balance, beginning of year	<u>41,973</u>	<u>41,973</u>	<u>41,973</u>	
Fund Balance, end of year	<u>\$ 41,973</u>	<u>\$ 41,973</u>	<u>\$ -</u>	

**CITY OF MOBERLY, MISSOURI
 ROLLINS STREET RENOVATION FUND
 STATEMENT OF REVENUES COLLECTED,
 EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Federal and state grants	\$ 177,207	\$ 177,207	\$ 103,750	\$ (73,457)
Total Revenues Collected	<u>177,207</u>	<u>177,207</u>	<u>103,750</u>	<u>(73,457)</u>
EXPENDITURES PAID				
Transportation				
Contractual services	176,597	176,597	109,305	67,292
Miscellaneous	<u>610</u>	<u>610</u>	<u>120</u>	<u>490</u>
Total Expenditures Paid	<u>177,207</u>	<u>177,207</u>	<u>109,425</u>	<u>67,782</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	-	-	(5,675)	<u>\$ (5,675)</u>
Fund Balance, beginning of year	<u>8,657</u>	<u>8,657</u>	<u>8,657</u>	
Fund Balance, end of year	<u>\$ 8,657</u>	<u>\$ 8,657</u>	<u>\$ 2,982</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 974,100	\$ 974,100	\$ 1,010,252	\$ 36,152
Interest income	15,000	15,000	13,855	(1,145)
Miscellaneous	-	-	166,063	166,063
Total Revenues Collected	<u>989,100</u>	<u>989,100</u>	<u>1,190,170</u>	<u>201,070</u>
EXPENDITURES PAID				
General Government				
Repairs and maintenance	80,000	80,000	2,752	77,248
Contractual services	-	-	11,035	(11,035)
Capital outlay	-	-	24,808	(24,808)
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>102,143</u>	<u>(82,143)</u>
Total Expenditures Paid	<u>100,000</u>	<u>100,000</u>	<u>140,738</u>	<u>(40,738)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>889,100</u>	<u>889,100</u>	<u>1,049,432</u>	<u>160,332</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
CWSS Fund	(22,939)	(22,939)	-	22,939
CWSS Fund	<u>(1,155,908)</u>	<u>(1,155,908)</u>	<u>(858,550)</u>	<u>297,358</u>
Total Other Financing Sources (Uses)	<u>(1,178,847)</u>	<u>(1,178,847)</u>	<u>(858,550)</u>	<u>320,297</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(289,747)	(289,747)	190,882	<u>\$ 480,629</u>
Fund Balance, beginning of year	<u>756,804</u>	<u>756,804</u>	<u>756,804</u>	
Fund Balance, end of year	<u>\$ 467,057</u>	<u>\$ 467,057</u>	<u>\$ 947,686</u>	

CITY OF MOBERLY, MISSOURI
2006 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Federal and state grants	\$ -	\$ -	\$ 6,043	\$ 6,043
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>6,043</u>	<u>6,043</u>
EXPENDITURES PAID				
General Government				
Contractual services	-	-	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>6,043</u>	<u>6,043</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
Police Grant Match	-	-	671	671
General Fund	<u>-</u>	<u>-</u>	<u>(6,714)</u>	<u>(6,714)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(6,043)</u>	<u>(6,043)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	-	<u>\$ -</u>
Fund Balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 965,000	\$ 965,000	\$ 1,010,002	\$ 45,002
Charges for services	24,000	24,000	53,760	29,760
Miscellaneous	<u>59,500</u>	<u>59,500</u>	<u>53,005</u>	<u>(6,495)</u>
Total Revenues Collected	<u>1,048,500</u>	<u>1,048,500</u>	<u>1,116,767</u>	<u>68,267</u>
EXPENDITURES PAID				
Parks and Recreation				
Salaries and payroll taxes	83,496	83,496	93,928	(10,432)
Supplies and materials	79,300	79,300	102,636	(23,336)
Repairs and maintenance	19,000	19,000	21,872	(2,872)
Contractual services	6,000	6,000	27,045	(21,045)
Capital outlay	507,221	507,221	191,402	315,819
Lease payments	-	-	506,200	(506,200)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>6,348</u>	<u>(5,348)</u>
Total Expenditures Paid	<u>696,017</u>	<u>696,017</u>	<u>949,431</u>	<u>(253,414)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>352,483</u>	<u>352,483</u>	<u>167,336</u>	<u>(185,147)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
2003 LLEBG Police Fund	<u>(169,866)</u>	<u>(169,866)</u>	<u>(98,979)</u>	<u>70,887</u>
Total Other Financing Sources (Uses)	<u>(169,866)</u>	<u>(169,866)</u>	<u>(98,979)</u>	<u>70,887</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	182,617	182,617	68,357	<u>\$ (114,260)</u>
Fund Balance, beginning of year	<u>613,586</u>	<u>613,586</u>	<u>613,586</u>	
Fund Balance, end of year	<u>\$ 796,203</u>	<u>\$ 796,203</u>	<u>\$ 681,943</u>	

**CITY OF MOBERLY, MISSOURI
POLICE GRANT MATCH FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES PAID				
Public Safety				
Miscellaneous	-	-	714	(714)
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>714</u>	<u>(714)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>(714)</u>	<u>(714)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
2003 LLEBG Police Fund	-	-	(671)	(671)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(671)</u>	<u>(671)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	(1,385)	<u>\$ (1,385)</u>
Fund Balance, beginning of year	<u>1,434</u>	<u>1,434</u>	<u>1,434</u>	
Fund Balance, end of year	<u>\$ 1,434</u>	<u>\$ 1,434</u>	<u>\$ 49</u>	

**CITY OF MOBERLY, MISSOURI
 FIRE ESCROW FUND
 STATEMENT OF REVENUES COLLECTED,
 EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Interest income	\$ -	\$ -	\$ 48	\$ 48
Miscellaneous	-	-	7,750	7,750
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>7,798</u>	<u>7,798</u>
EXPENDITURES PAID				
General government				
Miscellaneous	-	-	3,779	(3,779)
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>3,779</u>	<u>(3,779)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	-	-	4,019	<u>\$ 4,019</u>
Fund Balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,019</u>	

**CITY OF MOBERLY, MISSOURI
PROJECT RESIDUALS FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES PAID				
General Government				
Contractual services	-	-	16,092	(16,092)
Miscellaneous	<u>-</u>	<u>-</u>	<u>7,531</u>	<u>(7,531)</u>
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>23,623</u>	<u>(23,623)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>(23,623)</u>	<u>(23,623)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
2001 CDBG	-	-	41,973	41,973
Hwy 63 Utilities	<u>-</u>	<u>-</u>	<u>14,238</u>	<u>14,238</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>56,211</u>	<u>56,211</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	32,588	<u>\$ 32,588</u>
Fund Balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,588</u>	

**CITY OF MOBERLY, MISSOURI
SECURITY EQUIPMENT GRANT FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Federal and state grants	\$ -	\$ -	\$ 7,363	\$ 7,363
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>7,363</u>	<u>7,363</u>
EXPENDITURES PAID				
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>-</u>	<u>7,363</u>	<u>7,363</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General Fund	<u>-</u>	<u>-</u>	<u>(5,637)</u>	<u>(5,637)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,637)</u>	<u>(5,637)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,726</u>	<u>\$ 1,726</u>
Fund Balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,726</u>	

CITY OF MOBERLY, MISSOURI
U.S. FIRE GRANT FUND
STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Federal and state grants	\$ -	\$ 95,000	\$ -	\$ (95,000)
Total Revenues Collected	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>(95,000)</u>
EXPENDITURES PAID				
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>(95,000)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
General	<u>-</u>	<u>(95,000)</u>	<u>-</u>	<u>95,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(95,000)</u>	<u>-</u>	<u>95,000</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES**

**General Fund
City Transportation Trust**

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property Taxes				
Real estate and personal	\$ 761,000	\$ 761,000	\$ 787,743	\$ 26,743
Intangible	<u>14,500</u>	<u>14,500</u>	<u>11,897</u>	<u>(2,603)</u>
Total Property Taxes	<u>775,500</u>	<u>775,500</u>	<u>799,640</u>	<u>24,140</u>
Other Taxes				
Sales	2,014,500	2,014,500	2,120,378	105,878
Franchise	1,570,000	1,570,000	1,702,441	132,441
Motor vehicle sales	170,000	170,000	170,655	655
Non-resident lodging	45,000	45,000	44,495	(505)
Cigarette	88,000	88,000	99,616	11,616
Special assessment	2,000	2,000	-	(2,000)
Other	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
Total Other Taxes	<u>3,889,700</u>	<u>3,889,700</u>	<u>4,137,585</u>	<u>247,885</u>
Licenses, Permits and Fees				
Merchants license and permits	200,760	200,760	232,726	31,966
Liquor license	16,000	16,000	16,634	634
Permits	19,750	19,750	34,039	14,289
Fees	<u>217,500</u>	<u>217,500</u>	<u>259,227</u>	<u>41,727</u>
Total Licenses, Permits and Fees	<u>454,010</u>	<u>454,010</u>	<u>542,626</u>	<u>88,616</u>
Intergovernmental				
Federal and state grants	<u>30,000</u>	<u>30,000</u>	<u>27,500</u>	<u>(2,500)</u>
Total Intergovernmental	<u>30,000</u>	<u>30,000</u>	<u>27,500</u>	<u>(2,500)</u>
Interest				
Interest	<u>20,000</u>	<u>20,000</u>	<u>122,916</u>	<u>102,916</u>
Total Interest	<u>20,000</u>	<u>20,000</u>	<u>122,916</u>	<u>102,916</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (cont'd)				
Miscellaneous				
Reimbursement	-	-	56,156	56,156
Miscellaneous	31,050	31,050	78,628	47,578
Total Miscellaneous	<u>31,050</u>	<u>31,050</u>	<u>134,784</u>	<u>103,734</u>
 Total Revenues Collected	 <u>5,200,260</u>	 <u>5,200,260</u>	 <u>5,765,051</u>	 <u>564,791</u>
 EXPENDITURES PAID				
General Government				
Finance				
Salaries and payroll taxes	66,043	66,043	68,227	(2,184)
Supplies and materials	7,350	7,350	4,727	2,623
Repairs and maintenance	200	200	29	171
Contractual services	9,500	9,500	6,092	3,408
Capital outlay	15,000	15,000	-	15,000
Miscellaneous	850	850	1,094	(244)
Total Finance	<u>98,943</u>	<u>98,943</u>	<u>80,169</u>	<u>18,774</u>
 Personnel and Municipal Court				
Salaries and payroll taxes	181,937	181,937	189,201	(7,264)
Supplies and materials	32,200	32,200	28,575	3,625
Repairs and maintenance	500	500	101	399
Contractual services	15,885	15,885	11,633	4,252
Capital outlay	900	900	873	27
Miscellaneous	1,650	1,650	916	734
Total Personnel and Municipal Court	<u>233,072</u>	<u>233,072</u>	<u>231,299</u>	<u>1,773</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
City Clerk				
Salaries and payroll taxes	107,839	107,839	101,140	6,699
Supplies and materials	7,250	7,250	2,640	4,610
Repairs and maintenance	200	200	98	102
Contractual services	3,200	3,200	1,158	2,042
Capital outlay	-	-	1,533	(1,533)
Miscellaneous	9,000	9,000	6,382	2,618
Total City Clerk	<u>127,489</u>	<u>127,489</u>	<u>112,951</u>	<u>14,538</u>
City Manager				
Salaries and payroll taxes	159,808	159,808	161,835	(2,027)
Supplies and materials	4,150	4,150	3,254	896
Repairs and maintenance	150	150	70	80
Contractual services	2,700	2,700	1,442	1,258
Capital outlay	4,000	4,000	3,687	313
Miscellaneous	8,500	8,500	7,442	1,058
Total City Manager	<u>179,308</u>	<u>179,308</u>	<u>177,730</u>	<u>1,578</u>
City Hall				
Supplies and materials	22,000	22,000	12,724	9,276
Repairs and maintenance	5,600	5,600	8,866	(3,266)
Contractual services	19,000	19,000	20,979	(1,979)
Capital outlay	1,500	1,500	48	1,452
Total City Hall	<u>48,100</u>	<u>48,100</u>	<u>42,617</u>	<u>5,483</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Auditorium				
Salaries and payroll taxes	35,958	35,958	33,335	2,623
Supplies and materials	21,600	21,600	24,552	(2,952)
Repairs and maintenance	6,750	6,750	1,925	4,825
Miscellaneous	1,250	1,250	2,199	(949)
Total Auditorium	<u>65,558</u>	<u>65,558</u>	<u>62,011</u>	<u>3,547</u>
General Services				
Salaries and payroll taxes	12,487	12,487	9,540	2,947
Supplies and materials	183,300	183,300	156,340	26,960
Repairs and maintenance	6,400	6,400	605	5,795
Contractual services	213,950	213,950	266,811	(52,861)
Capital outlay	58,394	58,394	30,144	28,250
Miscellaneous	58,000	58,000	56,874	1,126
Total General Services	<u>532,531</u>	<u>532,531</u>	<u>520,314</u>	<u>12,217</u>
Legal Staff				
Contractual services	50,000	50,000	38,481	11,519
Capital outlay	2,500	2,500	-	2,500
Total Legal Staff	<u>52,500</u>	<u>52,500</u>	<u>38,481</u>	<u>14,019</u>
Total General Government	<u>1,337,501</u>	<u>1,337,501</u>	<u>1,265,572</u>	<u>71,929</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Public Safety				
Police				
Salaries and payroll taxes	1,977,721	1,977,721	1,972,238	5,483
Supplies and materials	103,350	103,350	108,831	(5,481)
Repairs and maintenance	32,500	32,500	34,094	(1,594)
Contractual services	47,449	47,449	25,312	22,137
Capital outlay	74,000	74,000	80,580	(6,580)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,765</u>	<u>235</u>
Total Police	<u>2,237,020</u>	<u>2,237,020</u>	<u>2,222,820</u>	<u>14,200</u>
Fire and Emergency Management				
Salaries and payroll taxes	1,059,608	1,059,608	1,043,912	15,696
Supplies and materials	40,150	40,150	26,214	13,936
Repairs and maintenance	30,000	30,000	25,032	4,968
Contractual services	17,300	17,300	9,067	8,233
Capital outlay	42,788	42,788	42,788	-
Miscellaneous	<u>6,500</u>	<u>6,500</u>	<u>2,340</u>	<u>4,160</u>
Total Fire and Emergency Management	<u>1,196,346</u>	<u>1,196,346</u>	<u>1,149,353</u>	<u>46,993</u>
Cemetery				
Salaries and payroll taxes	107,929	107,929	92,230	15,699
Supplies and materials	2,550	2,550	2,057	493
Repairs and maintenance	1,000	1,000	131	869
Contractual services	<u>28,100</u>	<u>28,100</u>	<u>14,900</u>	<u>13,200</u>
Total Cemetery	<u>139,579</u>	<u>139,579</u>	<u>109,318</u>	<u>30,261</u>
Total Public Safety	<u>3,572,945</u>	<u>3,572,945</u>	<u>3,481,491</u>	<u>91,454</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Economic and Community Development				
Salaries and payroll taxes	210,496	210,496	216,199	(5,703)
Supplies and materials	10,650	10,650	6,930	3,720
Repairs and maintenance	2,150	2,150	488	1,662
Contractual services	24,500	24,500	23,005	1,495
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>1,634</u>	<u>1,366</u>
Total Economic and Community Development	<u>250,796</u>	<u>250,796</u>	<u>248,256</u>	<u>2,540</u>
Transportation				
Salaries and payroll taxes	705,407	705,407	643,791	61,616
Supplies and materials	69,600	69,600	62,907	6,693
Repairs and maintenance	41,400	41,400	35,561	5,839
Contractual services	1,000	1,000	766	234
Capital outlay	-	-	14,276	(14,276)
Miscellaneous	<u>13,250</u>	<u>13,250</u>	<u>-</u>	<u>13,250</u>
Total Transportation	<u>830,657</u>	<u>830,657</u>	<u>757,301</u>	<u>73,356</u>
TOTAL EXPENDITURES PAID	<u>5,991,899</u>	<u>5,991,899</u>	<u>5,752,620</u>	<u>239,279</u>
Excess (Deficit) Revenues Collected				
Over Expenditures Paid and Other Financing Sources (Uses)	<u>(791,639)</u>	<u>(791,639)</u>	<u>12,431</u>	<u>804,070</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
911 Emergency Telephone Fund	959,096	959,096	937,303	(21,793)
Parks and Recreation Fund	<u>(167,457)</u>	<u>(167,457)</u>	<u>(149,011)</u>	<u>18,446</u>
Total Other Financing Sources (Uses)	<u>791,639</u>	<u>791,639</u>	<u>788,292</u>	<u>(3,347)</u>
Excess (Deficit) Revenues Collected Over Expenditures Paid and Other Financing Sources (Uses)				
	-	-	800,723	<u>\$ 800,723</u>
Fund Balance, beginning of year	<u>597,748</u>	<u>597,748</u>	<u>1,180,466</u>	
Fund Balance, end of year	<u>\$ 597,748</u>	<u>\$ 597,748</u>	<u>\$ 1,981,189</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 974,100	\$ 974,100	\$ 1,010,495	\$ 36,395
Interest income	25,000	25,000	45,052	20,052
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>108,976</u>	<u>58,976</u>
Total Revenues Collected	<u>1,049,100</u>	<u>1,049,100</u>	<u>1,164,523</u>	<u>115,423</u>
EXPENDITURES PAID				
Transportation				
Contractual services	866,171	866,171	826,210	39,961
Capital outlay	710,000	710,000	881,274	(171,274)
Miscellaneous	<u>52,475</u>	<u>52,475</u>	<u>22,952</u>	<u>29,523</u>
Total Expenditures Paid	<u>1,628,646</u>	<u>1,628,646</u>	<u>1,730,436</u>	<u>(101,790)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(579,546)</u>	<u>(579,546)</u>	<u>(565,913)</u>	<u>13,633</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
McCormick Place TIF	<u>(22,939)</u>	<u>(22,939)</u>	<u>(27,360)</u>	<u>(4,421)</u>
Total Other Financing Sources (Uses)	<u>(22,939)</u>	<u>(22,939)</u>	<u>(27,360)</u>	<u>(4,421)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(602,485)	(602,485)	(593,273)	<u>\$ 9,212</u>
Fund Balance, beginning of year	<u>2,189,211</u>	<u>2,189,211</u>	<u>2,189,211</u>	
Fund Balance, end of year	<u>\$ 1,586,726</u>	<u>\$ 1,586,726</u>	<u>\$ 1,595,938</u>	

COMPLIANCE AND INTERNAL CONTROL



Timothy M. Jeffries

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**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

We have audited the accompanying 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, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 31, 2007. 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. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

To the extent this communication contains statements by a tax professional who is subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, such professional hereby asserts that any U. S. federal tax advice was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose.

Member of the American Institute of Certified Public Accountants and the Missouri Society of Certified Public Accountants.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated May 31, 2007.

This report is intended solely for the information and use of the City's management, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Timothy M. Jeffries, CPA, PC

May 31, 2007



Timothy M. Jeffries

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133***

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

Compliance

We have audited the compliance of the City of Moberly, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Moberly, Missouri's management. Our responsibility is to express an opinion on the City of Moberly, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

To the extent this communication contains statements by a tax professional who is subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, such professional hereby asserts that any U. S. federal tax advice was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose.

Member of the American Institute of Certified Public Accountants and the Missouri Society of Certified Public Accountants.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City's management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Timothy M. Jeffries, CPA, PC

May 31, 2007

CITY OF MOBERLY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2006

Grantor Agency	Program Title	CFDA Number	Grant Number	Expenditures
U.S. Department of Justice				
Passed through the Missouri Department of Public Safety	Local Law Enforcement Grants Program	16.592	2005-LBGJ-064	\$ 6,043
Direct funding	Bulletproof Vest	16.607	-	5,704
U.S. Department of Housing and Urban Development				
Passed through the Missouri Department of Economic Development	Community Development Block Grant	14.228	2001-ND-08	103,750
U.S. Department of Transportation				
Passed through the Missouri Department of Transportation	T-21 Grant	20.205	AIRE 025-34A	45,347
Environmental Protection Agency				
Passed through the Missouri Department of Natural Resources	Capitalization Grants for State Revolving Funds	66.458	C295178-02 Series 2004B	423,540
	Capitalization Grants for State Revolving Funds	66.468	DW291158-02 Series 2004C	2,208,614
U.S. Department of Homeland Security				
Passed through the State Emergency Management Administration	SHSG FY04 Grant Assistance to Firefighters Grant	97.004	-	5,640
		97.044	EMW-2004-FG-06625	<u>1,726</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 2,800,364</u>

CITY OF MOBERLY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Moberly, Missouri, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**CITY OF MOBERLY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 AND SUMMARY OF AUDITOR'S RESULTS
 JUNE 30, 2006**

Section I: Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: qualified

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified
 that are not considered to be weaknesses? _____ yes X none reported

Noncompliance material to financial
 statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified
 that are not considered to be weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are
 required to be reported in accordance
 with section 510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for State Revolving Funds
66.468	Capitalization Grants for State Revolving Funds

CITY OF MOBERLY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
JUNE 30, 2006

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes X no

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

AUDIT COMMUNICATION LETTER OF

CITY OF MOBERLY, MISSOURI

JUNE 30, 2006



Timothy M. Jeffries
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CERTIFIED PUBLIC ACCOUNTANT

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May 31, 2007

Honorable Mayor and Members
of the City Council
City of Moberly, Missouri

We have audited the financial statements of the City of Moberly, Missouri, for the year ended June 30, 2006, and have issued our report thereon dated May 31, 2007. Professional standards require that we provide you with the following information related to our audit.

This information is intended solely for the information and use of the city council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation and courtesy extended to our staff during the audit.

Yours very truly,

Timothy M. Jeffries, CPA, PC

To the extent this communication contains statements by a tax professional who is subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, such professional hereby asserts that any U. S. federal tax advice was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose.

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SECTION ONE

PROFESSIONAL STANDARDS COMMUNICATIONS

Our Responsibility Under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated August 25, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting standards. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note I to the financial statements. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the City, either individually or in the aggregate, indicate matters that could have a significant effect on the City's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

SECTION TWO

FINANCIAL REPORTING ISSUES AND FRAUD RISK ASSESSMENT

Financial Report Issues

Independent Auditor's Report

The independent auditors' report was modified because the City prepares its financial statements on the cash basis of accounting.

Internal Control

We are not reporting any material weakness in the City's internal controls.

Compliance

We have issued two separate reports on compliance. In these reports we are reporting no instances of material noncompliance with laws, regulations, contracts or grants that has a direct, material impact on the financial statement of the City.

Financial Highlights

Financial highlights are summarized in Management's Discussion and Analysis on pages 3 through 10 of the Annual Report.

SAS 99 – Fraud Risk Assessment

In accordance with current professional standards, we assessed the risk of fraud in planning and performing our audit. The following are the areas of fraud risk we identified in the analysis of the City's financial statements:

- Basis of Accounting – The City uses the cash basis of accounting. This basis of accounting causes financial statements to be susceptible to misstatement through the timing of deposits or disbursements.
- Cash Collections/Deposits – Collections of cash increase the risk of misappropriation by employees. Management's review and monitoring of amounts deposited is essential to the internal control process.
- Management Override – In any system of internal control, management may have the ability to execute and record transactions outside the scope of the normal accounting system. Management may also have the ability to approve transactions that are self-serving and conceal the nature of those transactions. Council oversight in the approval of transactions and budgets is essential in the internal control process in the effort to minimize this risk of management override.
- Personnel – Due to the small number of accounting personnel, proper segregation of duties for all transactions is not possible. Management and council oversight in the approval of transactions is essential to the internal control process in the effort to mitigate this risk of the small number of accounting personnel.

SECTION THREE

OBSERVATIONS AND RECOMMENDATIONS

During our audit, we became aware of matters that are opportunities for strengthening internal controls. The following paragraph summarizes our observations and recommendations regarding these matters.

- Accounting Personnel - It is recognized that the small number of accounting and clerical personnel of the City precludes the application of internal accounting control procedures possible in a larger organization. We recommend the council carefully review financial reports on a monthly basis.
- Ordinances - During our audit, we noted four ordinances were approved but not listed in the minutes as being approved. We recommend the City ensure ordinances are listed in the minutes as they are approved.
- Protested Taxes - During our audit, we noted that protested taxes were recorded as revenue and placed in the City's bank accounts as normal taxes. We recommend the City place all protested tax payments in a separate account until the circuit court acts on the case.
- Travel Expenditures - During our testing of travel expenditures, we noted the invoices provided by the City did not adequately support the expenditures. While the credit card statement shows the charge and the client prepared a summary of charges to the credit card, there is no additional documentation describing the purpose of the charge, nor is there a description of who incurred the expenses and the meetings they were attending to incur the charges. We recommend the City better document all travel expenses so that anyone examining the invoices will know the purpose of the expenditure and the employees incurring the expenses.
- Expenditures - During our testing of expenditures, we noted one instance where the invoices supporting the expenditure were less than the actual expenditure. We discussed with City personnel and they were not sure why there was a difference. We recommend the City ensure invoices exist and are available to support expenditures.