

*ANNUAL REPORT OF*  
*CITY OF MOBERLY, MISSOURI*  
*YEAR ENDED JUNE 30, 2013*

**CITY OF MOBERLY, MISSOURI**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moberly, Missouri (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Capital Improvement Trust, Parks & Recreation, City Transportation Trust, and park Sales Tax Trust Funds thereof for the year then ended in accordance with the cash basis of accounting described in Note I.

### **Basis of Accounting**

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

### **Other Matters**

#### *Other Information*

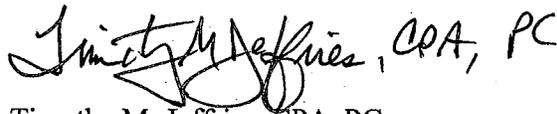
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The management's discussion and analysis, schedule of pension plan funding progress, and combining and individual non-major fund financial statements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

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

The management's discussion and analysis and schedule of pension plan funding progress have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Timothy M. Jeffries, CPA, PC  
Moberly, Missouri

June 23, 2014

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013  
(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, 2013. 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 \$13,658,871 (net position). Of this amount, \$5,900,479 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$1,204,626.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,117,709. Of this amount \$2,257,559 is unassigned and available for use within the City's designation and policies.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,257,559 or 33.3% of the total general fund expenditures.
- The City's bond payable decreased \$1,210,000 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, 2013  
(UNAUDITED)

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

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

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

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

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances 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, 2013  
(UNAUDITED)

The City maintains 23 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, City Transportation Trust, Parks and Recreation, Capital Improvements Trust, and Park Sales Tax Trust Funds, which are considered to be major funds. Data from the other 18 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 15-22.

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

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

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

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-48.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain other information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Other information can be found on page 49 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the other information on pensions. Combining and individual statements and schedules can be found on pages 50-53 of this report.

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

**Governmental-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Moberly, assets exceeded liabilities by \$13,658,871 as of June 30, 2013.

**2013 Net Position**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,242,617	\$ 3,948,303	\$ 12,190,920
Restricted assets	505,001	962,950	1,467,951
Total Assets	<u>8,747,618</u>	<u>4,911,253</u>	<u>13,658,871</u>
Net Position:			
Restricted	6,490,059	1,268,333	7,758,392
Unrestricted	2,257,559	3,642,920	5,900,479
Total Net Position	<u>\$ 8,747,618</u>	<u>\$ 4,911,253</u>	<u>\$ 13,658,871</u>

**2012 Net Position**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 6,922,591	\$ 4,068,885	\$ 10,991,476
Restricted assets	505,001	957,768	1,462,769
Total Assets	<u>7,427,592</u>	<u>5,026,653</u>	<u>12,454,245</u>
Net Position:			
Restricted	5,698,506	1,195,200	6,893,706
Unrestricted	1,729,086	3,831,453	5,560,539
Total Net Position	<u>\$ 7,427,592</u>	<u>\$ 5,026,653</u>	<u>\$ 12,454,245</u>

As of June 30, 2013, the City is able to report positive balances in both categories of net position for the government as a whole.

**Analysis of the City's Operations** - Overall the City had an increase in net position of \$1,204,626.

Governmental Activities: Governmental activities increased the net position by \$1,320,026.

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013  
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Business-type Activities: Net Position from business-type activities decreased by \$115,400 from \$5,026,653 to \$4,911,253. This decrease was primarily due to an excess of operating expenditures over operating revenues.

The following tables provide a summary of the City's operations for year ended June 30, 2013 and 2012.

**2013 Changes in Net Position**

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 1,329,150	\$ 5,367,714	\$ 6,696,864
Operating grants and contributions	676,763	-	676,763
General Revenues:			
Property taxes	1,481,438	-	1,481,438
Sales and use taxes	5,372,025	-	5,372,025
Franchise taxes	2,321,368	-	2,321,368
Motor vehicle and fuel taxes	502,523	-	502,523
911 emergency phone taxes	220,295	-	220,295
Cigarette taxes	127,721	-	127,721
Lodging	106,915	-	106,915
Other taxes	70,079	-	70,079
Unrestricted investment earnings	7,159	493,445	500,604
Transfers	(873,307)	873,307	-
Miscellaneous	259,695	-	259,695
Total Revenues	<u>11,601,824</u>	<u>6,734,466</u>	<u>18,336,290</u>
Expenses:			
General government	1,973,677	-	1,973,677
Public safety	3,767,101	-	3,767,101
Transportation	2,408,439	-	2,408,439
Economic and community development	422,173	-	422,173
Park and recreation	1,710,408	-	1,710,408
Combined waterworks and sewerage	-	6,047,905	6,047,905
Solid waste	-	801,961	801,961
Total Expenses	<u>10,281,798</u>	<u>6,849,866</u>	<u>17,131,664</u>
Increase (Decrease) in net position	1,320,026	(115,400)	1,204,626
Net Position - beginning of year	<u>7,427,592</u>	<u>5,026,653</u>	<u>12,454,245</u>
Net Position - end of year	<u>\$ 8,747,618</u>	<u>\$ 4,911,253</u>	<u>\$ 13,658,871</u>

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

**2012 Changes in Net Position**

	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for services	\$ 1,341,547	\$ 5,597,500	\$ 6,939,047
Operating grants and contributions	440,470	-	440,470
<b>General Revenues:</b>			
Property taxes	1,515,491	-	1,515,491
Sales and use taxes	5,408,554	-	5,408,554
Franchise taxes	2,196,098	-	2,196,098
Motor vehicle and fuel taxes	511,789	-	511,789
911 emergency phone taxes	219,259	-	219,259
Cigarette taxes	116,189	-	116,189
Lodging	88,501	-	88,501
Other taxes	8,950	-	8,950
Unrestricted investment earnings	11,378	528,487	539,865
Transfers	(571,609)	571,609	-
Loan proceeds	34,333	184,294	218,627
Miscellaneous	400,947	-	400,947
<b>Total Revenues</b>	<b>11,721,897</b>	<b>6,881,890</b>	<b>18,603,787</b>
<b>Expenses:</b>			
General government	3,601,221	-	3,601,221
Public safety	3,859,267	-	3,859,267
Transportation	3,192,383	-	3,192,383
Economic and community development	427,544	-	427,544
Park and recreation	1,925,226	-	1,925,226
Combined waterworks and sewerage	-	5,458,473	5,458,473
Solid waste	-	1,182,877	1,182,877
<b>Total Expenses</b>	<b>13,005,641</b>	<b>6,641,350</b>	<b>19,646,991</b>
<b>Increase (Decrease) in net position</b>	<b>(1,283,744)</b>	<b>240,540</b>	<b>(1,043,204)</b>
<b>Net Position - beginning of year</b>	<b>8,711,336</b>	<b>4,786,113</b>	<b>13,497,449</b>
<b>Net Position - end of year</b>	<b>\$ 7,427,592</b>	<b>\$ 5,026,653</b>	<b>\$ 12,454,245</b>

**Financial Analysis of the Government's Funds**

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

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,117,709. Of this total amount \$2,257,559 constitutes unassigned fund balance.

In the general fund, the City budgeted for a decrease in the fund balance. Due to actual revenues being more than budgeted and actual expenses being less than budgeted, the actual fund balance increase for fiscal year 2013 was \$28,812.

**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 \$18,551,196. Of this amount, \$15,040,000 represents bonds secured solely by combined water and sewerage system revenues, \$3,435,000 represents capital lease obligations and \$76,196 represents note payable.

**2013 Outstanding Debt at Year End  
Revenue Bonds, Note Payable Debt and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ -	\$ 15,040,000	\$ 15,040,000
Capital lease	3,435,000	-	3,435,000
Note payable	-	76,196	76,196
<b>Total</b>	<b>\$ 3,435,000</b>	<b>\$ 15,116,196</b>	<b>\$ 18,551,196</b>

**2012 Outstanding Debt at Year End  
Revenue Bonds, Note Payable Debt and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ -	\$ 16,250,000	\$ 16,250,000
Capital lease	3,860,000	-	3,860,000
Note payable	34,333	210,172	244,505
<b>Total</b>	<b>\$ 3,894,333</b>	<b>\$ 16,460,172</b>	<b>\$ 20,354,505</b>

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

During the fiscal year, the City's total debt decreased by \$1,836,277 or 8.8%. The decrease was due to retirement of \$1,803,309 of outstanding debt and the decrease of \$32,968 in compensated absences during the year.

Additional information on the City of Moberly's long-term debt can be found in Note III-B, III-C, III-D and III-E on pages 35-40 of this report.

**Request for Information**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Moberly, Missouri, Attn: Greg Hodge, Finance Director, at 101 West Reed Street, Moberly, Missouri 65270, call (660) 263-4420.

**CITY OF MOBERLY, MISSOURI**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION - CASH BASIS**  
**JUNE 30, 2013**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 8,109,698	\$ 4,081,222	\$ 12,190,920
Internal balances	132,919	(132,919)	-
Total Current Assets	<u>8,242,617</u>	<u>3,948,303</u>	<u>12,190,920</u>
Restricted Assets:			
Cash and cash equivalents	505,001	962,950	1,467,951
Total Restricted Assets	<u>505,001</u>	<u>962,950</u>	<u>1,467,951</u>
 Total Assets	 <u>8,747,618</u>	 <u>4,911,253</u>	 <u>13,658,871</u>
 <u>NET POSITION</u>			
Restricted but expendable for:			
Debt service	505,001	962,950	1,467,951
Other purposes	5,985,058	305,383	6,290,441
Unrestricted	2,257,559	3,642,920	5,900,479
Total Net Position	<u>\$ 8,747,618</u>	<u>\$ 4,911,253</u>	<u>\$ 13,658,871</u>

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS**  
**YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
<b>Governmental Activities:</b>						
General Government	\$ 1,973,677	\$ 767,427	\$ 53,825	\$ (1,152,425)	\$ -	\$ (1,152,425)
Total General Government	1,973,677	767,427	53,825	(1,152,425)	-	(1,152,425)
<b>Public Safety:</b>						
Police	2,379,806	-	3,538	(2,376,268)	-	(2,376,268)
Fire and Emergency Management	1,241,696	-	-	(1,241,696)	-	(1,241,696)
Cemetery	145,599	40,765	-	(104,834)	-	(104,834)
Total Public Safety	3,767,101	40,765	3,538	(3,722,798)	-	(3,722,798)
<b>Transportation:</b>						
Streets and sidewalks	1,950,309	-	4,261	(1,946,048)	-	(1,946,048)
Airport	458,130	274,163	585,139	401,172	-	401,172
Total Transportation	2,408,439	274,163	589,400	(1,544,876)	-	(1,544,876)
<b>Economic and Community Development:</b>						
Economic and Community Development	422,173	-	-	(422,173)	-	(422,173)
Total Economic and Community Dev	422,173	-	-	(422,173)	-	(422,173)
<b>Park and Recreation:</b>						
Park	1,710,408	246,795	30,000	(1,433,613)	-	(1,433,613)
Total Park and Recreation	1,710,408	246,795	30,000	(1,433,613)	-	(1,433,613)
<b>Total Governmental Activities</b>	<b>10,281,798</b>	<b>1,329,150</b>	<b>676,763</b>	<b>(8,275,885)</b>	<b>-</b>	<b>(8,275,885)</b>
<b>Business-Type Activities:</b>						
Combined Waterworks and Sewerage	6,047,905	4,636,250	-	-	(1,411,655)	(1,411,655)
Solid Waste	801,961	731,464	-	-	(70,497)	(70,497)
Public Parking System	-	-	-	-	-	-
Total Business-Type Activities	6,849,866	5,367,714	-	-	(1,482,152)	(1,482,152)
<b>Total</b>	<b>\$ 17,131,664</b>	<b>\$ 6,696,864</b>	<b>\$ 676,763</b>	<b>\$ (8,275,885)</b>	<b>\$ (1,482,152)</b>	<b>\$ (9,758,037)</b>

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS**  
**YEAR ENDED JUNE 30, 2013**

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,481,438	-	1,481,438
Sales and use taxes	5,372,025	-	5,372,025
Franchise taxes	2,321,368	-	2,321,368
Motor vehicle and fuel taxes	502,523	-	502,523
911 Emergency phone	220,295	-	220,295
Cigarette taxes	127,721	-	127,721
Lodging	106,915	-	106,915
Other	70,079	-	70,079
Unrestricted investment earnings	7,159	493,445	500,604
Miscellaneous	259,695	-	259,695
Total general revenues	<u>10,469,218</u>	<u>493,445</u>	<u>10,962,663</u>
Change in net position before eliminating interfund transfers	2,193,333	(988,707)	1,204,626
Eliminate interfund transfers	<u>(873,307)</u>	<u>873,307</u>	<u>-</u>
Change in net position	1,320,026	(115,400)	1,204,626
Net position - beginning	<u>7,427,592</u>	<u>5,026,653</u>	<u>12,454,245</u>
Net position - ending	<u>\$ 8,747,618</u>	<u>\$ 4,911,253</u>	<u>\$ 13,658,871</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, 2013**

	General Fund	Capital Improvement Trust Fund	Parks and Recreation Fund	City Transportation Trust Fund	Park Sales Tax Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,306,966	\$ 1,503,940	\$ 16,504	\$ 1,700,962	\$ 607,798	\$ 1,343,619	\$ 7,479,789
Due from other funds	1,195	172,459	1,754	-	-	8,150	183,558
Total Current Assets	<u>\$ 2,308,161</u>	<u>\$ 1,676,399</u>	<u>\$ 18,258</u>	<u>\$ 1,700,962</u>	<u>\$ 607,798</u>	<u>\$ 1,351,769</u>	<u>\$ 7,663,347</u>
Restricted Assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 505,001	\$ -	\$ 505,001
Total Restricted Assets	-	-	-	-	505,001	-	505,001
Total Assets	<u>\$ 2,308,161</u>	<u>\$ 1,676,399</u>	<u>\$ 18,258</u>	<u>\$ 1,700,962</u>	<u>\$ 1,112,799</u>	<u>\$ 1,351,769</u>	<u>\$ 8,168,348</u>
<b>LIABILITIES</b>							
Due to other funds	\$ 50,602	\$ -	\$ -	\$ 37	\$ -	\$ -	\$ 50,639
Total Liabilities	<u>50,602</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>50,639</u>
<b>FUND BALANCES</b>							
Restricted for debt service purposes	-	-	-	-	505,001	-	505,001
Assigned for special revenue purposes	-	1,676,399	18,258	1,700,925	607,798	1,351,769	5,355,149
Unassigned (Deficit)	2,257,559	-	-	-	-	-	2,257,559
Total Fund Balances	<u>\$ 2,257,559</u>	<u>\$ 1,676,399</u>	<u>\$ 18,258</u>	<u>\$ 1,700,925</u>	<u>\$ 1,112,799</u>	<u>\$ 1,351,769</u>	<u>\$ 8,117,709</u>

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

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

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

629,909

Net position of governmental activities

\$ 8,747,618

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, 2013**

	General Fund	Capital Improvement Trust Fund	Park and Recreation Fund	City Transportation Trust Fund	Park Sales Tax Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES COLLECTED</b>							
Property taxes	\$ 1,015,857	\$ -	\$ 465,581	\$ -	\$ -	\$ -	\$ 1,481,438
Other taxes	4,850,567	1,061,617	4,594	1,062,213	1,061,616	680,319	8,720,926
Licenses, permits and fees	754,678	-	-	-	-	-	754,678
Charges for goods and services	41,469	-	246,795	-	-	286,208	574,472
Intergovernmental	25,000	-	30,000	4,261	-	617,502	676,763
Interest	572	3,682	-	1,428	-	1,022	6,704
Miscellaneous	67,264	-	55,948	66,752	-	69,731	259,695
<b>Total Revenues Collected</b>	<b>6,755,407</b>	<b>1,065,299</b>	<b>802,918</b>	<b>1,134,654</b>	<b>1,061,616</b>	<b>1,654,782</b>	<b>12,474,676</b>
<b>EXPENDITURES PAID</b>							
General government	1,754,032	166,017	-	-	-	83,024	2,003,073
Public safety	3,801,627	-	-	-	-	113,282	3,914,909
Economic and community development	434,312	-	-	-	-	-	434,312
Transportation	784,637	-	-	820,509	-	831,558	2,436,704
Park and recreation	-	-	1,199,270	-	542,491	-	1,741,761
<b>Total Expenditures Paid</b>	<b>6,774,608</b>	<b>166,017</b>	<b>1,199,270</b>	<b>820,509</b>	<b>542,491</b>	<b>1,027,864</b>	<b>10,530,759</b>
Excess (Deficit) of Revenues Collected over Expenditures Paid	(19,201)	899,282	(396,352)	314,145	519,125	626,918	1,943,917
<b>Other Financing Sources (Uses)</b>							
Interfund transfers in (out)	48,013	(873,307)	382,719	(93,509)	(382,719)	45,496	(873,307)
<b>Total Other Financing Sources (Uses)</b>	<b>48,013</b>	<b>(873,307)</b>	<b>382,719</b>	<b>(93,509)</b>	<b>(382,719)</b>	<b>45,496</b>	<b>(873,307)</b>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	28,812	25,975	(13,633)	220,636	136,406	672,414	<b>\$ 1,070,610</b>
Fund Balance, beginning of year	2,228,747	1,650,424	31,891	1,480,289	976,393	679,355	
<b>Fund Balance, end of year</b>	<b>\$ 2,257,559</b>	<b>\$ 1,676,399</b>	<b>\$ 18,258</b>	<b>\$ 1,700,925</b>	<b>\$ 1,112,799</b>	<b>\$ 1,351,769</b>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCES TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS**  
**YEAR ENDED JUNE 30, 2013**

Net change in fund balances - total governmental funds \$ 1,070,610

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	1,110,186	
Interest income	455	
Health premiums, claims and administrative costs	<u>(861,225)</u>	<u>249,416</u>

Change in Net Position of Governmental Activities \$ 1,320,026

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance with</u> Final Budget
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 1,001,500	\$ 1,001,500	\$ 1,015,857	\$ 14,357
Other taxes	4,670,000	4,670,000	4,850,567	180,567
Licenses, permits and fees	789,226	789,226	754,678	(34,548)
Charges for services	45,650	45,650	41,469	(4,181)
Intergovernmental	25,000	25,000	25,000	-
Interest	1,200	1,200	572	(628)
Miscellaneous	39,500	39,500	67,264	27,764
<b>Total Revenues Collected</b>	<u>6,572,076</u>	<u>6,572,076</u>	<u>6,755,407</u>	<u>183,331</u>
<b>EXPENDITURES PAID</b>				
General government	1,620,430	1,620,430	1,754,032	(133,602)
Public safety	4,236,709	4,236,709	3,801,627	435,082
Economic and community development	487,290	487,290	434,312	52,978
Transportation	815,902	815,902	784,637	31,265
<b>Total Expenditures Paid</b>	<u>7,160,331</u>	<u>7,160,331</u>	<u>6,774,608</u>	<u>385,723</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(588,255)</u>	<u>(588,255)</u>	<u>(19,201)</u>	<u>569,054</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)	<u>222,475</u>	<u>222,475</u>	<u>48,013</u>	<u>(174,462)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>222,475</u>	<u>222,475</u>	<u>48,013</u>	<u>(174,462)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	<u>(365,780)</u>	<u>(365,780)</u>	<u>28,812</u>	<u>\$ 394,592</u>
Fund Balance, beginning of year	<u>2,228,747</u>	<u>2,228,747</u>	<u>2,228,747</u>	
<b>Fund Balance, end of year</b>	<u>\$ 1,862,967</u>	<u>\$ 1,862,967</u>	<u>\$ 2,257,559</u>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT TRUST FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,040,000	\$ 1,040,000	\$ 1,061,617	\$ 21,617
Interest income	4,500	4,500	3,682	(818)
Total Revenues	<u>1,044,500</u>	<u>1,044,500</u>	<u>1,065,299</u>	<u>20,799</u>
EXPENDITURES PAID				
General Government	1,479,150	1,479,150	166,017	1,313,133
Total Expenditures Paid	<u>1,479,150</u>	<u>1,479,150</u>	<u>166,017</u>	<u>1,313,133</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(434,650)</u>	<u>(434,650)</u>	<u>899,282</u>	<u>1,333,932</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	-	-	(873,307)	(873,307)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(873,307)</u>	<u>(873,307)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	<u>(434,650)</u>	<u>(434,650)</u>	<u>25,975</u>	<u>\$ 460,625</u>
Fund Balance, beginning of year	<u>1,650,424</u>	<u>1,650,424</u>	<u>1,650,424</u>	
Fund Balance, end of year	<u>\$ 1,215,774</u>	<u>\$ 1,215,774</u>	<u>\$ 1,676,399</u>	

See Notes to the Financial Statements

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**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PARK AND RECREATION FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 468,500	\$ 468,500	\$ 465,581	\$ (2,919)
Other taxes	4,300	4,300	4,594	294
Intergovernmental	-	-	30,000	30,000
Charges for services	256,000	256,000	246,795	(9,205)
Miscellaneous	66,000	66,000	55,948	(10,052)
<b>Total Revenues Collected</b>	<u>794,800</u>	<u>794,800</u>	<u>802,918</u>	<u>8,118</u>
<b>EXPENDITURES PAID</b>				
Parks and Recreation	1,320,611	1,320,611	1,199,270	121,341
<b>Total Expenditures Paid</b>	<u>1,320,611</u>	<u>1,320,611</u>	<u>1,199,270</u>	<u>121,341</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid</b>	<u>(525,811)</u>	<u>(525,811)</u>	<u>(396,352)</u>	<u>129,459</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)	525,811	525,811	382,719	(143,092)
<b>Total Other Financing Sources (Uses)</b>	<u>525,811</u>	<u>525,811</u>	<u>382,719</u>	<u>(143,092)</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(13,633)</u>	<u>\$ (13,633)</u>
<b>Fund Balance, beginning of year</b>	<u>31,891</u>	<u>31,891</u>	<u>31,891</u>	
<b>Fund Balance, end of year</b>	<u>\$ 31,891</u>	<u>\$ 31,891</u>	<u>\$ 18,258</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Other taxes	\$ 1,040,000	\$ 1,040,000	\$ 1,062,213	\$ 22,213
Intergovernmental	-	-	4,261	4,261
Interest income	5,000	5,000	1,428	(3,572)
Miscellaneous	35,000	35,000	66,752	31,752
<b>Total Revenues</b>	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,134,654</u>	<u>54,654</u>
<b>EXPENDITURES PAID</b>				
Transportation	876,580	876,580	820,509	56,071
<b>Total Expenditures Paid</b>	<u>876,580</u>	<u>876,580</u>	<u>820,509</u>	<u>56,071</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid</b>	<u>203,420</u>	<u>203,420</u>	<u>314,145</u>	<u>110,725</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)	(206,591)	(206,591)	(93,509)	113,082
<b>Total Other Financing Sources (Uses)</b>	<u>(206,591)</u>	<u>(206,591)</u>	<u>(93,509)</u>	<u>113,082</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)</b>	<u>(3,171)</u>	<u>(3,171)</u>	<u>220,636</u>	<u>\$ 223,807</u>
<b>Fund Balance, beginning of year</b>	<u>1,480,289</u>	<u>1,480,289</u>	<u>1,480,289</u>	
<b>Fund Balance, end of year</b>	<u>\$ 1,477,118</u>	<u>\$ 1,477,118</u>	<u>\$ 1,700,925</u>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PARK SALES TAX TRUST FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	1,040,000	1,040,000	1,061,616	21,616
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues Collected</b>	<u>1,040,000</u>	<u>1,040,000</u>	<u>1,061,616</u>	<u>21,616</u>
<b>EXPENDITURES PAID</b>				
Parks and Recreation	543,538	543,538	542,491	1,047
<b>Total Expenditures Paid</b>	<u>543,538</u>	<u>543,538</u>	<u>542,491</u>	<u>1,047</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid</b>	<u>496,462</u>	<u>496,462</u>	<u>519,125</u>	<u>22,663</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Certificates of participation proceeds	-	-	-	-
Interfund transfers in (out)	(525,810)	(525,810)	(382,719)	143,091
<b>Total Other Financing Sources (Uses)</b>	<u>(525,810)</u>	<u>(525,810)</u>	<u>(382,719)</u>	<u>143,091</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)</b>	<u>(29,348)</u>	<u>(29,348)</u>	<u>136,406</u>	<u>\$ 165,754</u>
<b>Fund Balance, beginning of year</b>	<u>976,393</u>	<u>976,393</u>	<u>976,393</u>	
<b>Fund Balance, end of year</b>	<u>\$ 947,045</u>	<u>\$ 947,045</u>	<u>\$ 1,112,799</u>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF NET POSITION - CASH BASIS**  
**PROPRIETARY FUND TYPES**  
**JUNE 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
				<u>Activities</u>
	<u>CWWSS</u>	<u>Solid</u> <u>Waste</u>	<u>Total</u>	<u>Internal Service</u> <u>Fund</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,581,936	\$ 314,256	\$ 3,896,192	\$ 814,939
Due from other funds	26,230	37,707	63,937	-
Total Current Assets	<u>3,608,166</u>	<u>351,963</u>	<u>3,960,129</u>	<u>814,939</u>
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	962,950	-	962,950	-
Total Restricted Assets	<u>962,950</u>	<u>-</u>	<u>962,950</u>	<u>-</u>
Total Assets	<u>4,571,116</u>	<u>351,963</u>	<u>4,923,079</u>	<u>814,939</u>
<b>LIABILITIES</b>				
Due to other funds	196,856	-	196,856	-
Total Liabilities	<u>196,856</u>	<u>-</u>	<u>196,856</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for debt service - expendable	962,950	-	962,950	-
Restricted for construction - expendable	-	-	-	-
Restricted for customers deposits - expendable	120,353	-	120,353	-
Unrestricted	3,290,957	351,963	3,642,920	814,939
Total Net Assets	<u>\$ 4,374,260</u>	<u>\$ 351,963</u>	<u>\$ 4,726,223</u>	<u>\$ 814,939</u>

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

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

Cash held for the City's health insurance account is not reported in the funds	<u>185,030</u>
Net position of business-type activities	<u>\$ 4,911,253</u>

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI  
**STATEMENT OF OPERATING REVENUES COLLECTED, OPERATING EXPENSES  
PAID AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND TYPES**  
**YEAR ENDED JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	CWWSS	Solid Waste	Total	Internal Service Fund
Operating Revenues Collected				
Charges for services	\$ 4,623,771	\$ 731,464	\$ 5,355,235	\$ 1,412,645
Miscellaneous	12,479	-	12,479	-
Total Operating Revenues Collected	4,636,250	731,464	5,367,714	1,412,645
Operating Expenses Paid				
Salaries and payroll taxes	1,538,742	7,101	1,545,843	-
Supplies and materials	795,285	1,060	796,345	-
Repairs and maintenance	480,501	469	480,970	-
Contractual services	733,438	720,449	1,453,887	1,095,857
Capital outlay	226,125	-	226,125	-
Miscellaneous	267,258	73,180	340,438	-
Total Operating Expenses Paid	4,041,349	802,259	4,843,608	1,095,857
Operating Income (Loss)	594,901	(70,795)	524,106	316,788
Nonoperating Revenues (Expenses)				
Interest received	493,321	-	493,321	579
Principal, interest and fees paid	(2,074,085)	-	(2,074,085)	-
Net Non-Operating Revenues (Expenses)	(1,580,764)	-	(1,580,764)	579
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid Before Other Financing Sources (Uses)	(985,863)	(70,795)	(1,056,658)	317,367
Other Financing Sources (Uses)				
Operating Transfer In (Out)	873,307	-	873,307	-
Total Other Financing Sources (Uses)	873,307	-	873,307	-
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid and Other Sources (Uses)	(112,556)	(70,795)	(183,351)	317,367
Net Position, Beginning of Year	4,486,816	422,758	4,909,574	497,572
Net Position, End of Year	\$ 4,374,260	\$ 351,963	\$ 4,726,223	\$ 814,939

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**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.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

There are no 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 Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City first utilizes restricted resources to finance qualifying activities. The principal operating revenues and operating expenses of the City's enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's net position are reported in two parts - restricted net position and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

*Fund Financial Statements:*

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

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

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

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

*Special Revenue Funds*

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

**Proprietary Fund**

*Enterprise Funds*

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

**Internal Service Fund**

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

**Major and Nonmajor Funds**

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

911 Emergency Telephone	Accounts for revenues and expenditures of the 911 Emergency Telephone Fund
Use Tax Trust	Accounts for revenues and expenditures of the Use Tax Trust Fund
Airport Operating	Accounts for revenues and expenditures of the Airport Operating Fund
Hwy. 63 Waterline Relocation	Accounts for revenues and expenditures of the Hwy. 63 Waterline Relocation Fund
Non-Resident Lodging	Accounts for revenues and expenditures of the Non-Resident Lodging Fund
Cell Franchise	Accounts for revenues and expenditures of the Cell Franchise
Veterans' Flag Project	Accounts for revenues and expenditures of the Veterans' Flag Project
Property Maintenance	Accounts for revenues and expenditures of property maintenance
Downtown Tree Replacement	Accounts for revenues and expenditures of the downtown tree replacement
Inmate Security	Accounts for revenues and expenditures of the inmate security
2012 LLEBG Grant	Accounts for revenues and expenditures of the 2012 LLEBG Grant
Historic Preservation Grant	Accounts for revenues and expenditures of the Historic Preservation Grant
Railcar Preservation	Accounts for revenues and expenditures of the railcar preservation
Lucille Manor CDBG Grant	Accounts for revenues and expenditures of the Lucille Manor CDBG Grant

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

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

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

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

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

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

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

**Compensated Absences**

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

Vacation pay accumulates at varying rates based on length of employment. Employees have one year to use vacation time earned from the previous year of employment. With the approval of supervisors, an employee can accumulate up to eight weeks of vacation in special circumstances. The city manager and department heads are exempt from the eight week maximum accumulation limitation. As of June 30, 2013, accumulated, but unused vacation and other time off for governmental funds and enterprise funds is \$311,298 and \$59,634, respectively.

**Use of Estimates**

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

**Capital Assets**

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

**Equity Classifications**

*Government-Wide Statements*

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

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

*Fund Statements*

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

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

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

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

**E. Post Employment Benefits**

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

**F. Revenues, Expenditures, and Expenses**

**Operating Revenues and Expenses**

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

**Expenditures/Expenses**

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

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

Governmental Funds - By Function

Proprietary Fund - By Operating and Nonoperating

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

**Interfund Transfers**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deposits and Investment Laws and Regulations**

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

**B. Budgets**

The City adopts a budget as required by Missouri Statute. Expenditures in excess of budget must be approved by Council during the year ended June 30, 2013.

Actual expenditures exceeded budgeted expenditures in the Street Improvement and 911 Emergency Telephone Funds by \$23,539 and \$5,411, respectively.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**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, 2013 are shown below:

	<u>Maturities</u>	<u>Carrying Value</u>
Deposits:		
Demand deposits		\$ 9,590,920
Time deposits	11/20/2013	750,000
Time deposits	11/29/2013	300,000
Time deposits	12/4/2013	1,103,000
Time deposits	12/5/2013	447,000
		<u>12,190,920</u>
U.S. Federal Obligations		<u>1,467,951</u>
		<u>1,467,951</u>
Total deposits and investments		<u>\$ 13,658,871</u>

**Custodial Credit Risk.** Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$11,445,666 at June 30, 2013, which were fully insured or secured with collateral held by the City's agent in its name.

**Investment interest rate risk.** The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2013, are provided in the previous schedule.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

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

**Concentration of investment credit risk.** The City places no limit on the amount it may invest in any one issuer. At June 30, 2013, 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, 2013:

	Business-Type Activities				
	Revenue Bonds Payable	Accrued Compensated Absences	Note Payable	Total Business-Type Activities	
Balance, June 30, 2012	\$ 16,250,000	\$ 56,277	\$ 210,172	\$ 16,516,449	
Revenue bond proceeds	-	-	-	-	
Revenue bond payments	(1,210,000)	-	-	(1,210,000)	
Lease proceeds	-	-	-	-	
Lease payments	-	-	-	-	
Note proceeds	-	-	-	-	
Note principal payment	-	-	(133,976)	(133,976)	
Increase in compensated absences	-	50,858	-	50,858	
Decrease in compensated absences	-	(47,501)	-	(47,501)	
Balance, June 30, 2013	<u>\$ 15,040,000</u>	<u>\$ 59,634</u>	<u>\$ 76,196</u>	<u>\$ 15,175,830</u>	
Amount due within one year	<u>\$ 1,240,000</u>	<u>\$ 40,000</u>	<u>\$ 38,098</u>	<u>\$ 1,318,098</u>	

	Governmental Activities				Total
	Capital Lease Payable	Accrued Compensated Absences	Note Payable	Total Governmental Activities	
Balance, June 30, 2012	\$ 3,860,000	\$ 347,623	\$ 34,333	\$ 4,241,956	\$ 20,758,405
Revenue bond proceeds	-	-	-	-	-
Revenue bond payments	-	-	-	-	(1,210,000)
Lease proceeds	-	-	-	-	-
Lease payments	(425,000)	-	-	(425,000)	(425,000)
Note proceeds	-	-	-	-	-
Note principal payment	-	-	(34,333)	(34,333)	(168,309)
Increase in compensated absences	-	165,203	-	165,203	216,061
Decrease in compensated absences	-	(201,528)	-	(201,528)	(249,029)
Balance, June 30, 2013	<u>\$ 3,435,000</u>	<u>\$ 311,298</u>	<u>\$ -</u>	<u>\$ 3,746,298</u>	<u>\$ 18,922,128</u>
Amount due within one year	<u>\$ 440,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 640,000</u>	<u>\$ 1,958,098</u>

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**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, 2013:

	<u>Business-Type Activities</u>
	<u>Revenue</u>
Debt payable, July 1, 2012	\$ 16,250,000
Debt issued	—
Debt retired	(1,210,000)
Debt payable, June 30, 2013	\$ 15,040,000

Debt payable at June 30, 2013, was comprised of the following individual issues:

Revenue bonds:

\$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%.	\$ 830,000
\$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%.	4,505,000
\$5,100,000 2004C Combined waterworks and sewerage system revenue bonds due in annual installments through January 1, 2026; interest at 3.000% to 5.050%.	3,550,000
\$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%.	4,045,000
\$2,560,000 2008A Combined waterworks and sewerage system revenue bonds due in annual installments through January 1, 2029; interest at 2.010% to 4.410%.	2,110,000
<b>Total</b>	<b>\$ 15,040,000</b>

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

Annual requirements to amortize long-term debt principal and interest at June 30, 2013:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,240,000	\$ 728,044	\$ 1,968,044
2015	1,270,000	674,017	1,944,017
2016	1,260,000	617,727	1,877,727
2017	1,025,000	561,447	1,586,447
2018	1,045,000	508,758	1,553,758
2019-2023	5,640,000	1,706,078	7,346,078
2024-2028	3,405,000	399,722	3,804,722
2029	155,000	8,912	163,912
Total	<u>\$ 15,040,000</u>	<u>\$ 5,204,705</u>	<u>\$ 20,244,705</u>

Restricted Funds available to service debt:

Sinking	\$ 729,105
Reserve	233,845
Total	<u>\$ 962,950</u>

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

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

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

At June 30, 2013, the Constitutional general obligation debt limit, based on the assessed valuation at December 31, 2012, of approximately \$147,063,482 was \$29,412,696 which, after reduction for outstanding general obligation bonds of \$0, provides a general obligation debt margin of \$29,412,696.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

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

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

At June 30, 2013, retained earnings of the Enterprise Funds were reserved for debt service, operations and maintenance, and depreciation and replacement to the extent that assets restricted for these purposes exceeded related liabilities payable from restricted cash.

**D. Notes Payable – Business-Type Activities**

On February 11, 2011, the City entered into a note agreement with the Bank of Cairo and Moberly to finance the purchase of equipment in the amount of \$51,450. The note is payable on demand, but if demand is not made the note is payable in two annual payments. Interest is at 1.200 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider. This note was paid off during fiscal year 2013.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

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

Balance at June 30, 2013	<u>\$ 76,196</u>
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Scheduled payment is as follows:

<u>Year Ending June 30,</u>	
2014	\$ 39,584
2015	<u>38,841</u>
	78,425
Less - amount representing interest	<u>(2,229)</u>
Total	<u>\$ 76,196</u>

On June 25, 2012, the City entered into a note agreement with the Bank of Cairo and Moberly to finance the purchase of equipment in the amount of \$34,333. The note is payable on demand, but if demand is not made the note is payable in one annual payment. Interest is at 1.950 percent. Equipment is pledged as collateral. The loan is subject to an annual non-appropriation termination rider. This note was paid off during fiscal year 2013.

**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, 2013 assuming noncancellation:

<u>Year Ended June 30,</u>	<u>Certificates of Participation</u>
2014	\$ 587,468
2015	584,112
2016	584,107
2017	582,273
2018	583,538
2019	<u>1,075,594</u>
	3,997,092
Less - Amount Representing Interest	<u>(562,092)</u>
Total Minimum Lease Payments	<u>\$ 3,435,000</u>

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

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

**F. Interfund Transfers**

Interfund transfers during the year ended June 30, 2013 were as follows:

Disbursing Fund	Receiving Fund	Amount
General (Major)	Perpetual Care (Non-Major)	\$ 12,525
General (Major)	Property Maintenance (Non-Major)	3,000
2012 LLEBG (Non-Major)	General (Major)	3,538
911 Phone (Non-Major)	General (Major)	60,000
Capital Improvement Trust (Major)	CWWSS (Major)	896,925
CWWSS (Major)	Capital Improvement Trust (Major)	23,618
City Transportation Trust (Major)	Airport Operating (Non-Major)	93,190
City Transportation Trust (Major)	Downtown Tree Replacement (Non-Major)	319
Park Sales Tax Trust (Major)	Parks and Recreation (Major)	382,719
Perpetual Care Principal (Non-Major)	Perpetual Care Interest (Non-Major)	74,000
		<u>\$ 1,549,834</u>

Disbursing Fund	Receiving Fund	Purpose of Transfer
General	Perpetual Care Cemetery	Operational expenses/fund balance
General	Property Maintenance	Operational expenses/fund balance
Park Sales Tax Trust	Parks and Recreation	Operational expenses/fund balance
Perpetual Care Cemetery	Perpetual Care Cemetery Bond	Investment of lot sales fees & donations to generate operating funds
Capital Improvement Sales Tax	Utilities Collection	Operational expenses/fund balance
2004C SRF Bonds Construction	Capital Improvement Sales Tax	Transfer fund balance from construction fund to regular operating fund
911 Emergency Telephone	General	Operational expenses/fund balance
2012 LLEBG	General	Transfer of grant funds for police radio repeaters
Transportation Trust	Airport	Operational expenses/fund balance
Transportation Trust	Downtown Tree Replacement	Operational expenses/fund balance

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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

**G. Restricted Net Position**

Activity	Restricted By	Amount
Capital Improvement Trust	Law	\$ 1,676,399
City Transportation Trust	Law	1,700,925
Park Sales Tax Trust	Law	1,112,799
Airport Operating	Council action	3,580
Parks and Recreation	Council action	18,258
Street Improvements	Council action	181,521
Perpetual Care Cemetery Principal	Law	4,756
Perpetual Care Cemetery Interest	Law	359,344
MODAG Grant/Loan	Council action	14,333
911 Emergency Telephone Service	Law	278,800
Use Tax Trust	Law	235,004
Hwy. 63 Waterline Relocation	Law	8,037
Non-Resident Lodging	Council action	184,626
Cell Franchise	Council action	69
Veterans' Flag Project	Council action	25,785
Property Maintenance	Council action	1,770
Inmate Security	Council action	4,580
2012 LLEBG Grant	Council action	8,001
Railcar Preservation	Council action	1,619
Lucille Manor CDBG Grant	Council action	39,944
Health Account	Council action	629,909
		<u>\$ 6,490,059</u>

**H. Fund Balance**

Classifications of fund balances at June 30, 2013 are as follows:

	General Fund	Capital Improvement Trust Fund	Parks & Recreation Fund	City Transportation Fund	Park Sales Tax Trust Fund	Other Governmental Fund	Total
Fund Balances:							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for debt service	-	-	-	-	505,001	-	505,001
Committed	-	-	-	-	-	-	-
Assigned for special revenue purposes	-	1,676,399	18,258	1,700,925	607,798	1,351,769	5,355,149
Unassigned	2,257,559	-	-	-	-	-	2,257,559
	<u>\$ 2,257,559</u>	<u>\$ 1,676,399</u>	<u>\$ 18,258</u>	<u>\$ 1,700,925</u>	<u>\$ 1,112,799</u>	<u>\$ 1,351,769</u>	<u>\$ 8,117,709</u>

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**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 401(a) 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**

Full-time employees of the City of Moberly do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 10.7% (General), 6.1% (Police) and 6.9% (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.

**3. Annual Pension Cost (APC) and Net Pension Obligation (NPO)**

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 527,300
Interest on net pension obligation	24,141
Adjustment to annual required contribution	<u>(18,371)</u>
Annual pension cost	533,070
Actual contributions	<u>376,492</u>
Increase (decrease) in NPO	156,578
NPO beginning of year	<u>332,984</u>
NPO end of year	<u>\$ 489,562</u>

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**IV. OTHER INFORMATION (Continued)**

The annual required contribution (ARC) was determined as part of the February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 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 as of February 28, 2011 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 450,983	65.6%	\$ 155,138
2012	519,377	65.8%	332,984
2013	533,070	70.6%	489,562

**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 2012 were \$147,063,482.

Tax Rates per \$100 Assessed Valuation

General	\$ .7078
Park	.3284
Total	<u>\$ 1.0362</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, 2013**

**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, 2013.

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, 2013, 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, 2013 totaled \$353,316.44.

The City of Moberly issues special tax bills each year in relation to mowing and debris removal. There is \$7,745 due at June 30, 2013.

During the fiscal year ended June 30, 2008 the City issued special tax bills totaling \$220,897 in relation to sewer lines. There is \$151,655.04 due at June 30, 2013.

The City of Moberly issues special tax bills each year for the sidewalk replacement program. There is \$7,244.75 due at June 30, 2013.

**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, 2013, there were eight employees that qualified for benefits and the City contributed \$546.49 to individual employee accounts on a monthly basis. The total contribution for fiscal year 2013 was \$52,463.

**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.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**IV. OTHER INFORMATION (Continued)**

**F. Landfill Closure and Postclosure Costs**

State and federal laws and regulations require that the City of Moberly place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Since the City reports on the cash basis of accounting no liability is reported in the financial statements for future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The landfill was filled to capacity and closed in 2006, and the City is awaiting approval of final closure status by the Missouri Department of Natural Resources. The estimated liability for landfill closure and postclosure care costs is \$3,467,401 as of June 30, 2013, which is based on amounts calculated by Missouri Department of Natural Resources. The actual cost of closure and postclosure care is subject to changes resulting from inflation/deflation, changes in technology, or changes in landfill laws and regulations.

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

**G. Contingencies**

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

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**IV. OTHER INFORMATION (Continued)**

**H. Note Receivable**

The Moberly Area 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, 2013.

Ordinance passed June 30, 2011 renewing the note for five years in the amount of \$368,647.24. Later that same day a payment of \$105,329.49 was received from MAEDC, effectively reducing the outstanding amount to \$263,317.75.

**I. 2010A, 2010B and 2010C Annual Appropriation Bonds**

On July 27, 2010, the Industrial Development Authority of the City of Moberly, Missouri, a public and industrial development corporation duly organized and existing under the laws of the State of Missouri and the City of Moberly, Missouri, a city of the third class and political subdivision located in Randolph County issued bonds as described below:

The Authority is authorized under Chapter 349 of the Revised Statutes of Missouri, as amended among other things to finance all or any part of the costs of a "project" (as that term is defined in section 349.010 of the Act); to issue the bonds of the Authority to finance such project; and to pledge the income and revenues to be received with respect to such project sufficient for the payment of such bonds and the interest thereon.

The City has requested that the Authority issue its annual appropriation capital projects bonds for the purpose of financing a project including the acquisition of and making of improvements to real property and the construction and equipping of a sucralose manufacturing and processing facility within the City.

The Authority issued its \$8,440,000 principal amount of Annual Appropriation Capital Project Bonds Series 2010-A (Taxable) (the "Series A Bonds"), its \$3,025,000 principal amount of Annual Appropriation Capital Project Bonds Series 2010-B (Tax-Exempt) (the "Series B Bonds"), and its \$27,535,000 principal amount of Annual Appropriation Recovery Zone Facility Bonds Series 2010-C (Tax-Exempt) (the "Series C Bonds" and, together with the Series A Bonds and the Series B Bonds, the "Bonds") for the purpose of providing funds (in the case of the Series A Bonds) (i) to finance certain portions of the Project relating to buildings and equipment; (ii) to fund a debt service reserve for the Series A Bonds; and (iii) to pay costs of issuance of the Series A Bonds; (in the case of the Series B Bonds) (i) to finance portions of the Project relating to certain public improvements and facilities; (ii) to fund a debt service reserve for the Series B Bonds; and (iii) to pay costs of issuance of the Series B Bonds; and (in the case of the Series C Bonds) (i) to finance certain portions of the Project relating to buildings and equipment; (ii) to fund a debt service reserve for the Series C Bonds; and (iii) to pay costs of issuance of the Series C Bonds.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**IV. OTHER INFORMATION (Continued)**

The City Council of the City by ordinance adopted on July 15, 2010, has authorized the execution and delivery by the City of a financing agreement by and between the City and Mamtek U.S., Inc. (the "Company") whereby the City will make available, subject to annual appropriation, the general revenues of the City (including, without limitation, moneys received annually by the City under a certain Management, Operating and Purchasing Agreement by and between the City and the Company in respect of the Project) for payment when and as due of the principal of and interest on the Bonds. The financing agreement is subject annually to the appropriation of basic payments and additional payments by the City. If the City fails to appropriate funds for basic payments and additional payments in any fiscal year, then the financing agreement shall terminate at the end of the current fiscal year for which funds have been appropriated. The Authority has no taxing authority.

On September 1, 2011, The Industrial Development Authority of the City of Moberly (IDA) received official notice from UMB Bank, as Trustee (Trustee) for the Project Sugar Annual Appropriation Bonds, that the Bond payment from Mamtek U.S., Inc. (Mamtek) due on that date had not been made. In accordance with the terms of the Bond documents, the Trustee drew upon available funds in the Debt Service Reserve fund for the Bonds to make the payment to the Bondholders on the date required. According to the notification, additional funds are still available in the Debt Service Reserve which will be adequate to make the next scheduled Bond payment, if necessary.

The City and the Trustee have since been advised that Mamtek will not be able to resolve these deficiencies within a time frame and in a manner which is satisfactory to the City and the Trustee. In response, the City and IDA have taken appropriate steps to identify, bring together, and secure all of the Project assets including, land, buildings, fixtures, equipment, software, and intellectual property. That property is now secured. In addition to securing the Project assets, the City, in consultations with the Trustee, has pursued alternatives to address the payment deficiencies and to complete the Project.

On September 24, 2011, the City obtained the written commitment of American Sucralose Manufacturing, Inc., (Company) a new entity recently formed by key former principals of Mamtek, to deposit funds to restore the Debt Service Reserve, cure the deficiencies, and undertake completion of the Project under City supervision, all in accordance with the financing documents for the Bonds. In the interim, the City, the IDA and the Trustee will continue to cooperate to ensure that all necessary and appropriate remedies are pursued to best protect the interest of the public and of the Bondholders.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**IV. OTHER INFORMATION (Continued)**

**J. Pledged Revenues**

The combined waterworks and sewerage system (CWW&SS) fund has pledged future revenues, net of specified operating expenses, to repay revenue bonds and notes payable that were issued for system improvements and equipment purchases. The bonds and notes are payable solely from CWW&SS net revenues and are payable through 2029. Annual principal and interest payments in fiscal year 2013 on the bonds and notes required 190% of net revenues. The total principal and interest to be paid on the bonds and notes is \$20,323,130. Principal and interest paid for the current year and total CWW&SS net revenues for the current year were \$2,074,085 and \$1,088,222, respectively.

The general, street improvement and park sales tax funds have pledged future revenues, net of specified operating expenses, to repay capital leases and notes payable that were issued for the purchase of equipment and improvements. The capital leases and notes payable are payable solely from net revenues of the funds listed above and are payable through 2019. Annual principal and interest payments in fiscal year 2013 on the capital leases and notes payable required 56% of net revenues. The total principal and interest remaining to be paid on the lease and notes payable is \$3,997,092. Principal and interest paid for the current year and total net revenues for the three funds listed above for the current year were \$624,345 and \$1,105,589, respectively.

**K. Consideration of Subsequent Events**

Subsequent events have been evaluated through June 23, 2014, which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this review.

**OTHER INFORMATION**

**CITY OF MOBERLY, MISSOURI**  
**PENSION PLAN FUNDING PROGRESS**  
**YEAR ENDED JUNE 30, 2013**

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

**OTHER 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
2/28/2011	\$ 10,338,416	\$ 11,730,527	\$ 1,392,111	88%	\$ 4,360,032	32%
2/29/2012	11,186,212	12,100,517	914,305	92%	4,313,151	21%
2/28/2013	11,259,572	11,869,281	609,709	95%	4,096,461	15%

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, 2011 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**

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

Downtown Tree Replacement	Accounts for revenues and expenditures of the downtown tree replacement
Inmate Security	Accounts for revenues and expenditures of the inmate security
2012 LLEBG Grant	Accounts for revenues and expenditures of the 2012 LLEBG Grant
Historic Preservation Grant	Accounts for revenues and expenditures of the Historic Preservation Grant
Railcar Preservation	Accounts for revenues and expenditures of the railcar preservation
Lucille Manor CDBG Grant	Accounts for revenues and expenditures of the Lucille Manor CDBG Grant

**CITY OF MOBERLY, MISSOURI**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2013**

	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 181,521	\$ 4,756	\$ 359,344	\$ 14,333
Due from other funds	-	-	-	-
Total Current Assets	<u>181,521</u>	<u>4,756</u>	<u>359,344</u>	<u>14,333</u>
Restricted Assets				
Cash and cash equivalents	-	-	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 181,521</u></u>	<u><u>\$ 4,756</u></u>	<u><u>\$ 359,344</u></u>	<u><u>\$ 14,333</u></u>
<b>LIABILITIES</b>				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Assigned for debt service purposes	-	-	-	-
Assigned for special revenue purposes	181,521	4,756	359,344	14,333
Unassigned (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCE</b>	<u><u>\$ 181,521</u></u>	<u><u>\$ 4,756</u></u>	<u><u>\$ 359,344</u></u>	<u><u>\$ 14,333</u></u>

911 Emergency Telephone Service	Use Tax Trust Fund	Airport Operating Fund	Hwy. 63 Waterline Relocation	Non-Resident Lodging Fund	Cell Franchise	Veterans' Flag Project	Property Maintenance	Downtown Tree Replacement	Inmate Security	2012 LLEBG Grant	Historic Preservation Grant	Railcar Preservation	Lucille Manor CDBG Grant	Totals (Memorandum Only)
278,800	\$ 235,004	\$ 3,467	\$ -	\$ 184,626	\$ 69	\$ 25,785	\$ 1,770	\$ -	\$ 4,580	\$ 8,001	\$ -	\$ 1,619	\$ 39,944	\$ 1,343,619
-	-	113	8,037	-	-	-	-	-	-	-	-	-	-	8,150
278,800	235,004	3,580	8,037	184,626	69	25,785	1,770	-	4,580	8,001	-	1,619	39,944	1,351,769
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
278,800	\$ 235,004	\$ 3,580	\$ 8,037	\$ 184,626	\$ 69	\$ 25,785	\$ 1,770	\$ -	\$ 4,580	\$ 8,001	\$ -	\$ 1,619	\$ 39,944	\$ 1,351,769
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
278,800	235,004	3,580	8,037	184,626	69	25,785	1,770	-	4,580	8,001	-	1,619	39,944	1,351,769
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
278,800	\$ 235,004	\$ 3,580	\$ 8,037	\$ 184,626	\$ 69	\$ 25,785	\$ 1,770	\$ -	\$ 4,580	\$ 8,001	\$ -	\$ 1,619	\$ 39,944	\$ 1,351,769

**CITY OF MOBERLY, MISSOURI**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2013**

	Street Improvements	Perpetual Care Cemetery Principal	Perpetual Care Cemetery Interest	MODAG Grant/Loan
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	353,109	-	-	-
Charges for goods and services	-	12,045	-	-
Federal and state grants	-	-	-	-
Interest income	-	-	956	-
Miscellaneous	-	49,550	-	7,066
Total Revenues Collected	<u>353,109</u>	<u>61,595</u>	<u>956</u>	<u>7,066</u>
<b>EXPENDITURES PAID</b>				
General government	-	-	-	-
Public safety	-	-	12,371	-
Transportation	371,789	-	-	-
Park and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures Paid	<u>371,789</u>	<u>-</u>	<u>12,371</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(18,680)</u>	<u>61,595</u>	<u>(11,415)</u>	<u>7,066</u>
<b>Other Financing Sources (Uses)</b>				
Loan proceeds	-	-	-	-
Interfund transfers in (out)	-	(74,000)	86,525	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(74,000)</u>	<u>86,525</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(18,680)</u>	<u>(12,405)</u>	<u>75,110</u>	<u>7,066</u>
Fund Balance, beginning of year (Deficit)	<u>200,201</u>	<u>17,161</u>	<u>284,234</u>	<u>7,267</u>
Fund Balance, end of year (Deficit)	<u>\$ 181,521</u>	<u>\$ 4,756</u>	<u>\$ 359,344</u>	<u>\$ 14,333</u>

911 Emergency Telephone Service	Use Tax Trust Fund	Airport Operating Fund	Hwy. 63 Waterline Relocation	Non-Resident Lodging Fund	Cell Franchise	Veterans' Flag Project	Property Maintenance	Downtown Tree Replacement	Inmate Security	2012 LLEBG Grant	Historic Preservation Grant	Railcar Preservation	Lucille Manor CDBG Grant	Totals (Memorandum Only)
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
220,295	-	-	-	106,915	-	-	-	-	-	-	-	-	-	680,319
-	-	274,163	-	-	-	-	-	-	-	-	-	-	-	286,208
-	-	585,139	-	-	-	-	-	-	-	3,538	6,000	-	22,825	617,502
-	-	-	-	-	-	66	-	-	-	-	-	-	-	1,022
-	-	4,518	-	-	-	5,500	-	-	2,397	-	-	700	-	69,731
220,295	-	863,820	-	106,915	-	5,566	-	-	2,397	3,538	6,000	700	22,825	1,654,782
-	-	-	-	74,548	38	4,989	1,230	2,219	-	-	-	-	-	83,024
100,911	-	-	-	-	-	-	-	-	-	-	-	-	-	113,282
-	-	459,769	-	-	-	-	-	-	-	-	-	-	-	831,558
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100,911	-	459,769	-	74,548	38	4,989	1,230	2,219	-	-	-	-	-	1,027,864
119,384	-	404,051	-	32,367	(38)	577	(1,230)	(2,219)	2,397	3,538	6,000	700	22,825	626,918
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(60,000)	-	93,190	-	-	-	-	3,000	319	-	(3,538)	-	-	-	45,496
(60,000)	-	93,190	-	-	-	-	3,000	319	-	(3,538)	-	-	-	45,496
59,384	-	497,241	-	32,367	(38)	577	1,770	(1,900)	2,397	-	6,000	700	22,825	672,414
219,416	235,004	(493,661)	8,037	152,259	107	25,208	-	1,900	2,183	8,001	(6,000)	919	17,119	679,355
278,800	\$ 235,004	\$ 3,580	\$ 8,037	\$ 184,626	\$ 69	\$ 25,785	\$ 1,770	\$ -	\$ 4,580	\$ 8,001	\$ -	\$ 1,619	\$ 39,944	\$ 1,351,769

SUPPLEMENTARY INDIVIDUAL FUND  
FINANCIAL SCHEDULES

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

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

**CITY OF MOBERLY, MISSOURI**  
**GENERAL FUND**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
<b>Property Taxes</b>				
Real estate and personal	\$ 997,000	\$ 997,000	\$ 1,010,531	\$ 13,531
Intangible	4,500	4,500	5,326	826
Total Property Taxes	<u>1,001,500</u>	<u>1,001,500</u>	<u>1,015,857</u>	<u>14,357</u>
<b>Other Taxes</b>				
Sales	2,185,000	2,185,000	2,186,579	1,579
Franchise	2,240,000	2,240,000	2,321,368	81,368
Motor vehicle sales	135,000	135,000	149,414	14,414
Cigarette	105,000	105,000	127,721	22,721
Other	5,000	5,000	65,485	60,485
Total Other Taxes	<u>4,670,000</u>	<u>4,670,000</u>	<u>4,850,567</u>	<u>180,567</u>
<b>Charges for Services</b>				
Grave openings	21,500	21,500	28,720	7,220
Weed mowing	15,000	15,000	3,350	(11,650)
Miscellaneous	9,150	9,150	9,399	249
Total Charges for Services	<u>45,650</u>	<u>45,650</u>	<u>41,469</u>	<u>(4,181)</u>
<b>Licenses, Permits and Fees</b>				
Merchants license and permits	225,000	225,000	254,596	29,596
Liquor license	18,500	18,500	17,592	(908)
Permits	43,100	43,100	39,388	(3,712)
Fees	502,626	502,626	443,102	(59,524)
Total Licenses, Permits and Fees	<u>789,226</u>	<u>789,226</u>	<u>754,678</u>	<u>(34,548)</u>
<b>Intergovernmental</b>				
Federal and state grants	25,000	25,000	25,000	-
Total Intergovernmental	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED (cont'd)</b>				
<b>Interest</b>				
Interest	1,200	1,200	572	(628)
Total Interest	<u>1,200</u>	<u>1,200</u>	<u>572</u>	<u>(628)</u>
<b>Miscellaneous</b>				
Reimbursement	7,000	7,000	6,200	(800)
Miscellaneous	32,500	32,500	61,064	28,564
Total Miscellaneous	<u>39,500</u>	<u>39,500</u>	<u>67,264</u>	<u>27,764</u>
Total Revenues Collected	<u>6,572,076</u>	<u>6,572,076</u>	<u>6,755,407</u>	<u>183,331</u>
<b>EXPENDITURES PAID</b>				
<b>General Government</b>				
<b>Finance</b>				
Salaries and payroll taxes	137,914	137,914	137,253	661
Supplies and materials	7,750	7,750	6,295	1,455
Contractual services	37,000	37,000	29,348	7,652
Miscellaneous	1,100	1,100	1,137	(37)
Total Finance	<u>183,764</u>	<u>183,764</u>	<u>174,033</u>	<u>9,731</u>
<b>Personnel and Municipal Court</b>				
Salaries and payroll taxes	171,494	171,494	95,805	75,689
Supplies and materials	40,750	40,750	31,280	9,470
Contractual services	24,670	24,670	20,806	3,864
Capital outlay	-	-	2,092	(2,092)
Miscellaneous	2,750	2,750	1,939	811
Total Personnel and Municipal Court	<u>239,664</u>	<u>239,664</u>	<u>151,922</u>	<u>87,742</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES PAID (cont'd)</b>				
<b>City Clerk</b>				
Salaries and payroll taxes	121,649	121,649	120,759	890
Supplies and materials	6,610	6,610	4,700	1,910
Contractual services	8,600	8,600	7,278	1,322
Capital outlay	-	-	2,992	(2,992)
Miscellaneous	9,600	9,600	8,139	1,461
<b>Total City Clerk</b>	<b>146,459</b>	<b>146,459</b>	<b>143,868</b>	<b>2,591</b>
<b>City Manager</b>				
Salaries and payroll taxes	199,017	199,017	205,103	(6,086)
Supplies and materials	4,600	4,600	5,688	(1,088)
Contractual services	4,120	4,120	4,654	(534)
Miscellaneous	5,600	5,600	4,498	1,102
<b>Total City Manager</b>	<b>213,337</b>	<b>213,337</b>	<b>219,943</b>	<b>(6,606)</b>
<b>City Hall</b>				
Supplies and materials	18,000	18,000	18,684	(684)
Contractual services	29,600	29,600	56,244	(26,644)
Capital outlay	49,459	49,459	49,360	99
<b>Total City Hall</b>	<b>97,059</b>	<b>97,059</b>	<b>124,288</b>	<b>(27,229)</b>
<b>General Services</b>				
Salaries and payroll taxes	39,347	39,347	44,889	(5,542)
Supplies and materials	195,000	195,000	175,125	19,875
Contractual services	302,000	302,000	264,043	37,957
Capital outlay	8,000	8,000	2,170	5,830
Miscellaneous	65,800	65,800	42,811	22,989
<b>Total General Services</b>	<b>610,147</b>	<b>610,147</b>	<b>529,038</b>	<b>81,109</b>

**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Legal Staff				
Contractual services	130,000	130,000	410,940	(280,940)
Total Legal Staff	<u>130,000</u>	<u>130,000</u>	<u>410,940</u>	<u>(280,940)</u>
 Total General Government	 <u>1,620,430</u>	 <u>1,620,430</u>	 <u>1,754,032</u>	 <u>(133,602)</u>
 Public Safety				
Police				
Salaries and payroll taxes	2,341,917	2,341,917	2,153,858	188,059
Supplies and materials	155,500	155,500	105,360	50,140
Contractual services	140,619	140,619	80,608	60,011
Capital outlay	63,000	63,000	28,495	34,505
Miscellaneous	12,200	12,200	2,879	9,321
Total Police	<u>2,713,236</u>	<u>2,713,236</u>	<u>2,371,200</u>	<u>342,036</u>
 Fire and Emergency Management				
Salaries and payroll taxes	1,235,798	1,235,798	1,201,375	34,423
Supplies and materials	50,150	50,150	41,824	8,326
Contractual services	56,400	56,400	39,548	16,852
Capital outlay	18,000	18,000	7,595	10,405
Miscellaneous	9,100	9,100	3,446	5,654
Total Fire and Emergency Management	<u>1,369,448</u>	<u>1,369,448</u>	<u>1,293,788</u>	<u>75,660</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Cemetery				
Salaries and payroll taxes	79,725	79,725	78,645	1,080
Supplies and materials	1,950	1,950	1,656	294
Contractual services	40,500	40,500	26,113	14,387
Capital outlay	31,500	31,500	29,535	1,965
Miscellaneous	350	350	690	(340)
Total Cemetery	<u>154,025</u>	<u>154,025</u>	<u>136,639</u>	<u>17,386</u>
Total Public Safety	<u>4,236,709</u>	<u>4,236,709</u>	<u>3,801,627</u>	<u>435,082</u>
Economic and Community Development				
Salaries and payroll taxes	275,290	275,290	279,931	(4,641)
Supplies and materials	16,700	16,700	14,008	2,692
Contractual services	189,550	189,550	138,430	51,120
Capital outlay	-	-	-	-
Miscellaneous	5,750	5,750	1,943	3,807
Total Economic and Community Development	<u>487,290</u>	<u>487,290</u>	<u>434,312</u>	<u>52,978</u>
Transportation				
Salaries and payroll taxes	631,102	631,102	614,093	17,009
Supplies and materials	103,800	103,800	92,034	11,766
Contractual services	68,450	68,450	74,817	(6,367)
Miscellaneous	12,550	12,550	3,693	8,857
Total Transportation	<u>815,902</u>	<u>815,902</u>	<u>784,637</u>	<u>31,265</u>
TOTAL EXPENDITURES PAID	<u>7,160,331</u>	<u>7,160,331</u>	<u>6,774,608</u>	<u>385,723</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficit) Revenues Collected Over Expenditures Paid and Other Financing Sources (Uses)	<u>(588,255)</u>	<u>(588,255)</u>	<u>(19,201)</u>	<u>569,054</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)				
Property Maintenance Fund	-	-	(3,000)	(3,000)
2012 LLEBG Fund	-	-	3,538	3,538
Perpetual Care Cemetery - Interest	(12,525)	(12,525)	(12,525)	-
911 Fund	135,000	135,000	60,000	(75,000)
Street Improvement	100,000	100,000	-	(100,000)
Total Other Financing Sources (Uses)	<u>222,475</u>	<u>222,475</u>	<u>48,013</u>	<u>(174,462)</u>
Excess (Deficit) Revenues Collected Over Expenditures Paid and Other Financing Sources (Uses)	<u>(365,780)</u>	<u>(365,780)</u>	<u>28,812</u>	<u>\$ 394,592</u>
Fund Balance, beginning of year	<u>2,228,747</u>	<u>2,228,747</u>	<u>2,228,747</u>	
Fund Balance, end of year	<u>\$ 1,862,967</u>	<u>\$ 1,862,967</u>	<u>\$ 2,257,559</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Sales taxes	\$ 1,040,000	\$ 1,040,000	\$ 1,061,617	\$ 21,617
Interest income	4,500	4,500	3,682	(818)
<b>Total Revenues Collected</b>	<u>1,044,500</u>	<u>1,044,500</u>	<u>1,065,299</u>	<u>20,799</u>
<b>EXPENDITURES PAID</b>				
General Government				
Contractual services	250,000	250,000	117,966	132,034
Capital outlay	1,229,150	1,229,150	-	1,229,150
Miscellaneous	-	-	48,051	(48,051)
<b>Total Expenditures Paid</b>	<u>1,479,150</u>	<u>1,479,150</u>	<u>166,017</u>	<u>1,313,133</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(434,650)</u>	<u>(434,650)</u>	<u>899,282</u>	<u>1,333,932</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)				
CWWSS Fund	-	-	(873,307)	(873,307)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(873,307)</u>	<u>(873,307)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(434,650)</u>	<u>(434,650)</u>	<u>25,975</u>	<u>\$ 460,625</u>
Fund Balance, beginning of year	<u>1,650,424</u>	<u>1,650,424</u>	<u>1,650,424</u>	
Fund Balance, end of year	<u>\$ 1,215,774</u>	<u>\$ 1,215,774</u>	<u>\$ 1,676,399</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 468,500	\$ 468,500	\$ 465,581	\$ (2,919)
Other taxes	4,300	4,300	4,594	294
Federal and state grants	-	-	30,000	30,000
Charges for goods and services	256,000	256,000	246,795	(9,205)
Miscellaneous	66,000	66,000	55,948	(10,052)
<b>Total Revenues Collected</b>	<u>794,800</u>	<u>794,800</u>	<u>802,918</u>	<u>8,118</u>
<b>EXPENDITURES PAID</b>				
Parks and Recreation				
Concessions				
Salaries and payroll taxes	28,178	28,178	23,071	5,107
Supplies and materials	53,000	53,000	37,056	15,944
Contractual services	1,200	1,200	430	770
Miscellaneous	1,000	1,000	399	601
<b>Total Concessions</b>	<u>83,378</u>	<u>83,378</u>	<u>60,956</u>	<u>22,422</u>
Parks				
Salaries and payroll taxes	629,894	629,894	661,727	(31,833)
Supplies and materials	172,950	172,950	147,892	25,058
Contractual services	209,069	209,069	155,386	53,683
Capital outlay	40,500	40,500	5,000	35,500
Miscellaneous	32,700	32,700	35,145	(2,445)
<b>Total Parks</b>	<u>1,085,113</u>	<u>1,085,113</u>	<u>1,005,150</u>	<u>79,963</u>
Swimming Pool				
Salaries and payroll taxes	80,693	80,693	71,982	8,711
Supplies and materials	33,000	33,000	33,373	(373)
Contractual services	10,700	10,700	7,233	3,467
Miscellaneous	1,750	1,750	3,684	(1,934)
<b>Total Swimming Pool</b>	<u>126,143</u>	<u>126,143</u>	<u>116,272</u>	<u>9,871</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Recreation				
Salaries and payroll taxes	3,477	3,477	2,728	749
Supplies and materials	11,000	11,000	8,364	2,636
Contractual services	11,000	11,000	5,617	5,383
Miscellaneous	500	500	183	317
Total Recreation	<u>25,977</u>	<u>25,977</u>	<u>16,892</u>	<u>9,085</u>
Total Expenditures Paid	<u>1,320,611</u>	<u>1,320,611</u>	<u>1,199,270</u>	<u>121,341</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(525,811)</u>	<u>(525,811)</u>	<u>(396,352)</u>	<u>129,459</u>
Other Financing Sources (Uses)				
Interfund Transfers in (out)				
Park Sales Tax Trust Fund	<u>525,811</u>	<u>525,811</u>	<u>382,719</u>	<u>(143,092)</u>
Total Other Financing sources (Uses)	<u>525,811</u>	<u>525,811</u>	<u>382,719</u>	<u>(143,092)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	-	(13,633)	<u>\$ (13,633)</u>
Fund Balance, beginning of year	<u>31,891</u>	<u>31,891</u>	<u>31,891</u>	
Fund Balance, end of year	<u>\$ 31,891</u>	<u>\$ 31,891</u>	<u>\$ 18,258</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Sales taxes	\$ 1,040,000	\$ 1,040,000	\$ 1,062,213	\$ 22,213
Federal and state grants	-	-	4,261	4,261
Interest income	5,000	5,000	1,428	(3,572)
Miscellaneous	35,000	35,000	66,752	31,752
<b>Total Revenues Collected</b>	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,134,654</u>	<u>54,654</u>
<b>EXPENDITURES PAID</b>				
<b>Transportation</b>				
Contractual services	51,580	51,580	39,030	12,550
Capital outlay	775,000	775,000	731,432	43,568
Miscellaneous	50,000	50,000	50,047	(47)
<b>Total Expenditures Paid</b>	<u>876,580</u>	<u>876,580</u>	<u>820,509</u>	<u>56,071</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid</b>	<u>203,420</u>	<u>203,420</u>	<u>314,145</u>	<u>110,725</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Interfund transfers in (out)</b>				
Airport Operating Fund	(206,591)	(206,591)	(93,190)	(113,401)
Downtown Lodging Fund			(319)	319
<b>Total Other Financing Sources (Uses)</b>	<u>(206,591)</u>	<u>(206,591)</u>	<u>(93,509)</u>	<u>(113,082)</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)</b>	<u>(3,171)</u>	<u>(3,171)</u>	<u>220,636</u>	<u>\$ (2,357)</u>
<b>Fund Balance, beginning of year</b>	<u>1,480,289</u>	<u>1,480,289</u>	<u>1,480,289</u>	
<b>Fund Balance, end of year</b>	<u>\$ 1,477,118</u>	<u>\$ 1,477,118</u>	<u>\$ 1,700,925</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Other taxes	\$ 1,040,000	\$ 1,040,000	\$ 1,061,616	\$ 21,616
<b>Total Revenues Collected</b>	<u>1,040,000</u>	<u>1,040,000</u>	<u>1,061,616</u>	<u>21,616</u>
<b>EXPENDITURES PAID</b>				
<b>Parks and Recreation</b>				
Lease payments	543,538	543,538	542,481	1,057
Miscellaneous	-	-	10	(10)
<b>Total Expenditures Paid</b>	<u>543,538</u>	<u>543,538</u>	<u>542,491</u>	<u>1,047</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid</b>	<u>496,462</u>	<u>496,462</u>	<u>519,125</u>	<u>22,663</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Interfund transfers in (out)</b>				
Parks and Recreation Fund	(525,810)	(525,810)	(382,719)	143,091
<b>Total Other Financing Sources (Uses)</b>	<u>(525,810)</u>	<u>(525,810)</u>	<u>(382,719)</u>	<u>143,091</u>
<b>Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)</b>	<u>(29,348)</u>	<u>(29,348)</u>	<u>136,406</u>	<u>\$ 165,754</u>
<b>Fund Balance, beginning of year</b>	<u>976,393</u>	<u>976,393</u>	<u>976,393</u>	
<b>Fund Balance, end of year</b>	<u>\$ 947,045</u>	<u>\$ 947,045</u>	<u>\$ 1,112,799</u>	

**COMPLIANCE AND INTERNAL CONTROL**



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Moberly, Missouri (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2014. As described in our report on the financial statements the City prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

To the extent this communication contains statements by the 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. It cannot be used by any taxpayer for such purpose.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Moberly, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2013-1.

#### City of Moberly's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

#### Purpose of this Report

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

June 23, 2014

  
Timothy M. Jeffries, CPA, PC  
Moberly, Missouri

**CITY OF MOBERLY, MISSOURI**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**JUNE 30, 2013**

2013-1                      Budgeting

Criteria:                      State statute, Chapter 67, requires that each political subdivision is prohibited from expending public monies unless those expenditures have been authorized as provided in Chapter 67.

Condition:                      The City's actual expenditures in the Street Improvement and 911 Emergency Telephone Funds exceeded final budgeted expenditures by \$23,539 and \$5,411, respectively.

Context:                      The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the Street Improvement and 911 Emergency Telephone Funds \$23,539 and \$5,411, respectively.

Effect:                      The City violated state statute RSMo 67.

Cause:                      The City budgeted too few expenditures in the Street Improvement and 911 Emergency Telephone Funds.

Recommendation:                      The City should ensure actual expenditures do not exceed budgeted expenditures in any funds.

Views of  
Responsible  
Officials and  
Planned Corrective  
Actions:                      The City will more closely monitor the overall budgets and take corrective action when necessary to ensure that future expenditures fall within budgetary limits.