

**ANNUAL REPORT OF  
CITY OF MOBERLY, MISSOURI  
YEAR ENDED JUNE 30, 2017**

# CITY OF MOBERLY, MISSOURI

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GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### PARTNERS

*Fred W. Korte, Jr.*  
*Joseph E. Chitwood*  
*Travis W. Hundley*  
*Jeffrey A. Chitwood*  
*Amy L. Watson*  
*Heidi N. Ross*

### Management's Responsibility for the Financial Statements

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

#### PARTNER EMERITUS

*Robert A. Gerding*

### Auditor's Responsibility

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Capital Improvement Trust, Parks and Recreation, City Transportation Trust, and Park Sales Tax Trust Funds thereof for the year then ended in accordance with the cash basis of accounting described in Note I.

### **Basis of Accounting**

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

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The management's discussion and analysis, combining and individual non-major fund financial statements, and detailed major fund budgetary schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, detailed major fund budgetary schedules, and schedule of expenditures of federal awards 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, detailed major fund budgetary schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2018, 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.

A handwritten signature in blue ink, appearing to read "Gerding, Korte & Chitwood".

January 18, 2018

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

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

As management of the City of Moberly, Missouri (the "City"), 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, 2017. 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 exceeded its liabilities at the close of the most recent fiscal year by \$12,842,094 (net position). Of this amount, \$6,080,991 (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 decreased by \$756,350.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,133,963. Of this amount \$2,325,945 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 \$2,348,193 or 30.8% of the total general fund expenditures.
- The City's bond payable decreased \$1,025,000 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, 2017  
(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 governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

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

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

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

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

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-45.

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 46-63 of this report.

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(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, assets exceeded liabilities by \$12,842,094 as of June 30, 2017.

**2017 Net Position**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 7,254,135	\$ 4,099,316	\$ 11,353,451
Restricted assets	505,072	983,571	1,488,643
Total Assets	<u>7,759,207</u>	<u>5,082,887</u>	<u>12,842,094</u>
Net Position:			
Restricted	5,433,262	1,327,841	6,761,103
Unrestricted	2,325,945	3,755,046	6,080,991
Total Net Position	<u>\$ 7,759,207</u>	<u>\$ 5,082,887</u>	<u>\$ 12,842,094</u>

**2016 Net Position**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,429,691	\$ 3,683,614	\$ 12,113,305
Restricted assets	505,001	980,138	1,485,139
Total Assets	<u>8,934,692</u>	<u>4,663,752</u>	<u>13,598,444</u>
Net Position:			
Restricted	6,404,100	1,360,201	7,764,301
Unrestricted	2,530,592	3,303,551	5,834,143
Total Net Position	<u>\$ 8,934,692</u>	<u>\$ 4,663,752</u>	<u>\$ 13,598,444</u>

As of June 30, 2017, 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 a decrease in net position of \$756,350.

Governmental Activities: Governmental activities decreased the net position by \$1,175,485.

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

Business-type Activities: Net Position from business-type activities increased by \$419,135 from \$4,663,752 to \$5,082,887. This increase was primarily due to an excess of operating revenues over operating expenditures.

The following tables provide a summary of the City's operations for year ended June 30, 2017 and 2016.

**2016 Changes in Net Position**

	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for services	\$ 1,373,859	\$ 5,701,868	\$ 7,075,727
Operating grants and contributions	1,330,657	-	1,330,657
<b>General Revenues:</b>			
Property taxes	1,561,060	-	1,561,060
Sales and use taxes	6,171,434	-	6,171,434
Franchise taxes	2,058,101	-	2,058,101
Motor vehicle and fuel taxes	558,543	-	558,543
911 emergency phone taxes	232,742	-	232,742
Cigarette taxes	106,711	-	106,711
Lodging	103,514	-	103,514
Other taxes	5,035	-	5,035
Unrestricted investment earnings	70,960	406,304	477,264
Miscellaneous	210,039	-	210,039
Principal paid on bond	-	(1,025,000)	(1,025,000)
Transfers	(456,092)	456,092	-
<b>Total Revenues</b>	<b>13,326,563</b>	<b>5,539,264</b>	<b>18,865,827</b>
<b>Expenses:</b>			
General government	2,782,475	-	2,782,475
Public safety	4,302,363	-	4,302,363
Transportation	4,622,106	-	4,622,106
Economic and community development	593,160	-	593,160
Park and recreation	2,201,944	-	2,201,944
Combined waterworks and sewerage	-	4,459,494	4,459,494
Solid waste	-	660,635	660,635
<b>Total Expenses</b>	<b>14,502,048</b>	<b>5,120,129</b>	<b>19,622,177</b>
Increase (Decrease) in net position	(1,175,485)	419,135	(756,350)
Net Position - beginning of year	8,934,692	4,663,752	13,598,444
Net Position - end of year	\$ 7,759,207	\$ 5,082,887	\$ 12,842,094

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

**2016 Changes in Net Position**

	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for services	\$ 1,354,550	\$ 5,427,060	\$ 6,781,610
Operating grants and contributions	1,695,332	-	1,695,332
<b>General Revenues:</b>			
Property taxes	1,543,995	-	1,543,995
Sales and use taxes	6,491,172	-	6,491,172
Franchise taxes	2,057,347	-	2,057,347
Motor vehicle and fuel taxes	550,020	-	550,020
911 emergency phone taxes	260,394	-	260,394
Cigarette taxes	114,464	-	114,464
Lodging	112,493	-	112,493
Other taxes	4,700	-	4,700
Unrestricted investment earnings	57,046	428,106	485,152
Miscellaneous	502,808	-	502,808
Principal paid on bond	-	(995,000)	(995,000)
Transfers	(472,173)	472,173	-
<b>Total Revenues</b>	<b>14,272,148</b>	<b>5,332,339</b>	<b>19,604,487</b>
<b>Expenses:</b>			
General government	3,334,296	-	3,334,296
Public safety	4,181,453	-	4,181,453
Transportation	4,787,316	-	4,787,316
Economic and community development	521,402	-	521,402
Park and recreation	1,942,174	-	1,942,174
Combined waterworks and sewerage	-	4,606,346	4,606,346
Solid waste	-	674,420	674,420
<b>Total Expenses</b>	<b>14,766,641</b>	<b>5,280,766</b>	<b>20,047,407</b>
Increase (Decrease) in net position	(494,493)	51,573	(442,920)
Net Position - beginning of year	9,429,185	4,612,179	14,041,364
Net Position - end of year	\$ 8,934,692	\$ 4,663,752	\$ 13,598,444

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

**Governmental funds** - The focus of the City'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, 2017  
(UNAUDITED)

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,133,963. Of this total amount \$2,325,945 constitutes unassigned fund balance.

In the general fund, the City budgeted for no change in the fund balance. Due to actual revenues being less than budgeted and actual expenses being less than budgeted, the actual fund balance decrease for fiscal year 2017 was \$237,558.

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

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

**Debt Administration**

At the end of the current fiscal year, the City had total revenue bonded debt and lease payable debt of \$12,049,234. Of this amount, \$10,245,000 represents bonds secured solely by combined water and sewerage system revenues and \$1,804,234 represents capital lease obligations.

**2017 Outstanding Debt at Year End  
Revenue Bonds and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ -	\$ 10,245,000	\$ 10,245,000
Capital lease	1,804,234	-	1,804,234
Total	<u>\$ 1,804,234</u>	<u>\$ 10,245,000</u>	<u>\$ 12,049,234</u>

**2016 Outstanding Debt at Year End  
Revenue Bonds and Capital Lease Debt**

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$ -	\$ 11,270,000	\$ 11,270,000
Capital lease	2,354,429	-	2,354,429
Total	<u>\$ 2,354,429</u>	<u>\$ 11,270,000</u>	<u>\$ 13,624,429</u>

CITY OF MOBERLY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

During the fiscal year, the City's total debt decreased by \$1,582,390 or 11.4%. The decrease was due to retirement of \$1,575,195 of outstanding debt and the decrease of \$7,195 in compensated absences during the year.

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

**Request for Information**

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

**CITY OF MOBERLY, MISSOURI**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION - CASH BASIS**  
**JUNE 30, 2017**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 7,064,656	\$ 4,288,795	\$ 11,353,451
Internal balances	189,479	(189,479)	-
Total Current Assets	<u>7,254,135</u>	<u>4,099,316</u>	<u>11,353,451</u>
Restricted Assets:			
Cash and cash equivalents	<u>505,072</u>	<u>983,571</u>	<u>1,488,643</u>
Total Restricted Assets	<u>505,072</u>	<u>983,571</u>	<u>1,488,643</u>
Total Assets	<u>7,759,207</u>	<u>5,082,887</u>	<u>12,842,094</u>
<u>NET POSITION</u>			
Restricted but expendable for:			
Debt service	505,072	983,571	1,488,643
Other purposes	4,928,190	344,270	5,272,460
Unrestricted	<u>2,325,945</u>	<u>3,755,046</u>	<u>6,080,991</u>
Total Net Position	<u>\$ 7,759,207</u>	<u>\$ 5,082,887</u>	<u>\$ 12,842,094</u>

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS**  
**YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business-Type Activities</u>	<u>Total</u>
Governmental Activities:						
General Government	\$ 2,782,475	\$ 867,097	\$ 42,282	\$ (1,873,096)	\$ -	\$ (1,873,096)
Total General Government	<u>2,782,475</u>	<u>867,097</u>	<u>42,282</u>	<u>(1,873,096)</u>	<u>-</u>	<u>(1,873,096)</u>
Public Safety:						
Police	2,490,759	-	-	(2,490,759)	-	(2,490,759)
Fire and Emergency Management	1,515,651	-	-	(1,515,651)	-	(1,515,651)
911 Emergency Service	160,516	-	-	(160,516)	-	(160,516)
Cemetery	135,437	27,055	-	(108,382)	-	(108,382)
Total Public Safety	<u>4,302,363</u>	<u>27,055</u>	<u>-</u>	<u>(4,275,308)</u>	<u>-</u>	<u>(4,275,308)</u>
Transportation:						
Streets and sidewalks	3,369,578	-	305,503	(3,064,075)	-	(3,064,075)
Airport	1,252,528	173,753	944,919	(133,856)	-	(133,856)
Total Transportation	<u>4,622,106</u>	<u>173,753</u>	<u>1,250,422</u>	<u>(3,197,931)</u>	<u>-</u>	<u>(3,197,931)</u>
Economic and Community Development:						
Economic and Community Development	593,160	-	-	(593,160)	-	(593,160)
Total Economic and Community Dev	<u>593,160</u>	<u>-</u>	<u>-</u>	<u>(593,160)</u>	<u>-</u>	<u>(593,160)</u>
Park and Recreation:						
Park	2,201,944	305,954	37,953	(1,858,037)	-	(1,858,037)
Total Park and Recreation	<u>2,201,944</u>	<u>305,954</u>	<u>37,953</u>	<u>(1,858,037)</u>	<u>-</u>	<u>(1,858,037)</u>
Total Governmental Activities	<u>14,502,048</u>	<u>1,373,859</u>	<u>1,330,657</u>	<u>(11,797,532)</u>	<u>-</u>	<u>(11,797,532)</u>
Business-Type Activities:						
Combined Waterworks and Sewerage	4,459,494	4,962,237	-	-	502,743	502,743
Solid Waste	660,635	739,631	-	-	78,996	78,996
Total Business-Type Activities	<u>5,120,129</u>	<u>5,701,868</u>	<u>-</u>	<u>-</u>	<u>581,739</u>	<u>581,739</u>
Total	<u>\$ 19,622,177</u>	<u>\$ 7,075,727</u>	<u>\$ 1,330,657</u>	<u>\$ (11,797,532)</u>	<u>\$ 581,739</u>	<u>\$ (11,215,793)</u>

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS (CONT'D)**  
**YEAR ENDED JUNE 30, 2017**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,561,060	-	1,561,060
Sales and use taxes	6,171,434	-	6,171,434
Franchise taxes	2,058,101	-	2,058,101
Motor vehicle and fuel taxes	558,543	-	558,543
911 Emergency phone	232,742	-	232,742
Cigarette taxes	106,711	-	106,711
Lodging	103,514	-	103,514
Other	5,035	-	5,035
Unrestricted investment earnings	70,960	406,304	477,264
Miscellaneous	210,039	-	210,039
Total general revenues	<u>11,078,139</u>	<u>406,304</u>	<u>11,484,443</u>
Change in net position before special items	<u>(719,393)</u>	<u>988,043</u>	<u>268,650</u>
Special items			
Principal paid on bonds	-	(1,025,000)	(1,025,000)
Eliminate interfund transfers	(456,092)	456,092	-
Total special items	<u>(456,092)</u>	<u>(568,908)</u>	<u>(1,025,000)</u>
Change in net position	(1,175,485)	419,135	(756,350)
Net position - beginning	<u>8,934,692</u>	<u>4,663,752</u>	<u>13,598,444</u>
Net position - ending	<u>\$ 7,759,207</u>	<u>\$ 5,082,887</u>	<u>\$ 12,842,094</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, 2017**

	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	\$ 2,300,429	\$ 760,182	\$ 19,940	\$ 737,631	\$ 998,386	\$ 1,622,844	\$ 6,439,412
Due from other funds	274,130	172,459	-	-	-	8,150	454,739
Total Current Assets	<u>\$ 2,574,559</u>	<u>\$ 932,641</u>	<u>\$ 19,940</u>	<u>\$ 737,631</u>	<u>\$ 998,386</u>	<u>\$ 1,630,994</u>	<u>\$ 6,894,151</u>
Restricted Assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 505,072	\$ -	\$ 505,072
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,072</u>	<u>-</u>	<u>505,072</u>
Total Assets	<u>\$ 2,574,559</u>	<u>\$ 932,641</u>	<u>\$ 19,940</u>	<u>\$ 737,631</u>	<u>\$ 1,503,458</u>	<u>\$ 1,630,994</u>	<u>\$ 7,399,223</u>
<b>LIABILITIES</b>							
Due to other funds	\$ 226,366	\$ -	\$ 16,496	\$ 37	\$ -	\$ 22,361	\$ 265,260
Total Liabilities	<u>226,366</u>	<u>-</u>	<u>16,496</u>	<u>37</u>	<u>-</u>	<u>22,361</u>	<u>265,260</u>
<b>FUND BALANCES</b>							
Restricted for debt service purposes	-	-	-	-	505,072	-	505,072
Assigned for special revenue purposes	-	932,641	3,444	737,594	998,386	1,630,881	4,302,946
Unassigned (Deficit)	2,348,193	-	-	-	-	(22,248)	2,325,945
Total Fund Balances	<u>\$ 2,348,193</u>	<u>\$ 932,641</u>	<u>\$ 3,444</u>	<u>\$ 737,594</u>	<u>\$ 1,503,458</u>	<u>\$ 1,608,633</u>	<u>\$ 7,133,963</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	<u>625,244</u>
Net position of governmental activities	<u>\$ 7,759,207</u>

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, 2017**

	<b>General Fund</b>	<b>Capital Improvement Trust Fund</b>	<b>Parks and Recreation Fund</b>	<b>City Transportation Trust Fund</b>	<b>Park Sales Tax Trust Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES COLLECTED</b>							
Property taxes	\$ 1,069,228	\$ -	\$ 491,832	\$ -	\$ -	\$ -	\$ 1,561,060
Other taxes	5,079,832	1,112,745	5,035	1,112,873	1,214,065	711,530	9,236,080
Licenses, permits and fees	831,902	-	-	-	-	-	831,902
Charges for goods and services	33,769	-	305,954	-	-	202,234	541,957
Intergovernmental	19,457	-	37,953	305,503	-	967,744	1,330,657
Interest	16,997	6,595	-	10,450	8,132	14,366	56,540
Miscellaneous	102,954	22	26,134	40,278	-	40,651	210,039
<b>Total Revenues Collected</b>	<b>7,154,139</b>	<b>1,119,362</b>	<b>866,908</b>	<b>1,469,104</b>	<b>1,222,197</b>	<b>1,936,525</b>	<b>13,768,235</b>
<b>EXPENDITURES PAID</b>							
General government	2,217,258	436,516	-	-	-	110,912	2,764,686
Public safety	4,041,043	-	-	-	-	160,516	4,201,559
Economic and community development	582,626	-	-	-	-	-	582,626
Transportation	776,900	-	-	2,270,524	-	1,555,633	4,603,057
Parks and recreation	-	-	1,647,551	-	535,937	-	2,183,488
<b>Total Expenditures Paid</b>	<b>7,617,827</b>	<b>436,516</b>	<b>1,647,551</b>	<b>2,270,524</b>	<b>535,937</b>	<b>1,827,061</b>	<b>14,335,416</b>
Excess (Deficit) of Revenues Collected over Expenditures Paid	(463,688)	682,846	(780,643)	(801,420)	686,260	109,464	(567,181)
<b>Other Financing Sources (Uses)</b>							
Interfund transfers in (out)	226,130	(456,092)	781,137	(154,727)	(781,137)	(71,403)	(456,092)
<b>Total Other Financing Sources (Uses)</b>	<b>226,130</b>	<b>(456,092)</b>	<b>781,137</b>	<b>(154,727)</b>	<b>(781,137)</b>	<b>(71,403)</b>	<b>(456,092)</b>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	(237,558)	226,754	494	(956,147)	(94,877)	38,061	<u>\$ (1,023,273)</u>
Fund Balance, beginning of year	2,585,751	705,887	2,950	1,693,741	1,598,335	1,570,572	
Fund Balance, end of year	<u>\$ 2,348,193</u>	<u>\$ 932,641</u>	<u>\$ 3,444</u>	<u>\$ 737,594</u>	<u>\$ 1,503,458</u>	<u>\$ 1,608,633</u>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCES TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS**  
**YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds	\$ (1,023,273)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds do not report the activity of the health insurance account		
Premium income	1,210,482	
Interest income	14,420	
Health premiums, claims and administrative costs	<u>(1,377,114)</u>	<u>(152,212)</u>

Change in Net Position of Governmental Activities	<u>\$ (1,175,485)</u>
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**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 1,045,000	\$ 1,045,000	\$ 1,069,228	\$ 24,228
Other taxes	5,485,300	5,485,300	5,079,832	(405,468)
Licenses, permits and fees	835,625	835,625	831,902	(3,723)
Charges for services	32,500	32,500	33,769	1,269
Intergovernmental	68,000	68,000	19,457	(48,543)
Interest	10,000	10,000	16,997	6,997
Miscellaneous	36,500	36,500	102,954	66,454
Total Revenues Collected	<u>7,512,925</u>	<u>7,512,925</u>	<u>7,154,139</u>	<u>(358,786)</u>
<b>EXPENDITURES PAID</b>				
General government	1,726,785	1,726,785	2,217,258	(490,473)
Public safety	4,427,895	4,427,895	4,041,043	386,852
Economic and community development	623,211	623,211	582,626	40,585
Transportation	934,041	934,041	776,900	157,141
Total Expenditures Paid	<u>7,711,932</u>	<u>7,711,932</u>	<u>7,617,827</u>	<u>94,105</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(199,007)</u>	<u>(199,007)</u>	<u>(463,688)</u>	<u>(264,681)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)	199,007	199,007	226,130	27,123
Total Other Financing Sources (Uses)	<u>199,007</u>	<u>199,007</u>	<u>226,130</u>	<u>27,123</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	-	-	(237,558)	<u>\$ (237,558)</u>
Fund Balance, beginning of year	<u>2,585,751</u>	<u>2,585,751</u>	<u>2,585,751</u>	
Fund Balance, end of year	<u>\$ 2,585,751</u>	<u>\$ 2,585,751</u>	<u>\$ 2,348,193</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,137,000	\$ 1,137,000	\$ 1,112,745	\$ (24,255)
Miscellaneous	-	-	22	22
Interest income	6,500	6,500	6,595	95
Total Revenues	<u>1,143,500</u>	<u>1,143,500</u>	<u>1,119,362</u>	<u>(24,138)</u>
EXPENDITURES PAID				
General Government	991,182	991,182	436,516	554,666
Total Expenditures Paid	<u>991,182</u>	<u>991,182</u>	<u>436,516</u>	<u>554,666</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>152,318</u>	<u>152,318</u>	<u>682,846</u>	<u>530,528</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	-	-	(456,092)	(456,092)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(456,092)</u>	<u>(456,092)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	152,318	152,318	226,754	<u>\$ 74,436</u>
Fund Balance, beginning of year	<u>705,887</u>	<u>705,887</u>	<u>705,887</u>	
Fund Balance, end of year	<u>\$ 858,205</u>	<u>\$ 858,205</u>	<u>\$ 932,641</u>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**PARKS AND RECREATION FUND**  
**YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 486,000	\$ 501,000	\$ 491,832	\$ (9,168)
Other taxes	4,500	4,500	5,035	535
Charges for services	275,750	295,750	305,954	10,204
Intergovernmental	38,000	38,000	37,953	(47)
Miscellaneous	9,000	20,550	26,134	5,584
Total Revenues Collected	<u>813,250</u>	<u>859,800</u>	<u>866,908</u>	<u>7,108</u>
EXPENDITURES PAID				
Parks and recreation	1,538,094	1,658,094	1,647,551	10,543
Total Expenditures Paid	<u>1,538,094</u>	<u>1,658,094</u>	<u>1,647,551</u>	<u>10,543</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(724,844)</u>	<u>(798,294)</u>	<u>(780,643)</u>	<u>17,651</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	724,844	724,844	781,137	56,293
Total Other Financing Sources (Uses)	<u>724,844</u>	<u>724,844</u>	<u>781,137</u>	<u>56,293</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	(73,450)	494	<u>\$ 73,944</u>
Fund Balance, beginning of year	<u>2,950</u>	<u>2,950</u>	<u>2,950</u>	
Fund Balance, end of year	<u>\$ 2,950</u>	<u>\$ (70,500)</u>	<u>\$ 3,444</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, 2017**

	<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	\$ 1,137,000	\$ 1,137,000	\$ 1,112,873	\$ (24,127)
Intergovernmental	740,000	740,000	305,503	(434,497)
Interest income	11,000	11,000	10,450	(550)
Miscellaneous	20,000	20,000	40,278	20,278
<b>Total Revenues</b>	<u>1,908,000</u>	<u>1,908,000</u>	<u>1,469,104</u>	<u>(438,896)</u>
<b>EXPENDITURES PAID</b>				
Transportation	2,071,941	2,296,941	2,270,524	26,417
<b>Total Expenditures Paid</b>	<u>2,071,941</u>	<u>2,296,941</u>	<u>2,270,524</u>	<u>26,417</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(163,941)</u>	<u>(388,941)</u>	<u>(801,420)</u>	<u>(412,479)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)	(341,820)	(341,820)	(154,727)	187,093
<b>Total Other Financing Sources (Uses)</b>	<u>(341,820)</u>	<u>(341,820)</u>	<u>(154,727)</u>	<u>187,093</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	(505,761)	(730,761)	(956,147)	<u>\$ (225,386)</u>
Fund Balance, beginning of year	<u>1,693,741</u>	<u>1,693,741</u>	<u>1,693,741</u>	
Fund Balance, end of year	<u>\$ 1,187,980</u>	<u>\$ 962,980</u>	<u>\$ 737,594</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,279,000	\$ 1,279,000	\$ 1,214,065	\$ (64,935)
Interest income	4,500	4,500	8,132	3,632
Total Revenues Collected	<u>1,283,500</u>	<u>1,283,500</u>	<u>1,222,197</u>	<u>(61,303)</u>
EXPENDITURES PAID				
Parks and Recreation	536,000	537,000	535,937	1,063
Total Expenditures Paid	<u>536,000</u>	<u>537,000</u>	<u>535,937</u>	<u>1,063</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>747,500</u>	<u>746,500</u>	<u>686,260</u>	<u>(60,240)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	(723,844)	(723,844)	(781,137)	(57,293)
Total Other Financing Sources (Uses)	<u>(723,844)</u>	<u>(723,844)</u>	<u>(781,137)</u>	<u>(57,293)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	23,656	22,656	(94,877)	<u>\$ (117,533)</u>
Fund Balance, beginning of year	<u>1,598,335</u>	<u>1,598,335</u>	<u>1,598,335</u>	
Fund Balance, end of year	<u>\$ 1,621,991</u>	<u>\$ 1,620,991</u>	<u>\$ 1,503,458</u>	

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF NET POSITION - CASH BASIS**  
**PROPRIETARY FUND TYPES**  
**JUNE 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
				<b>Activities</b>
	<b>CWWSS</b>	<b>Solid Waste</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,506,398	\$ 598,877	\$ 4,105,275	\$ 808,764
Total Current Assets	3,506,398	598,877	4,105,275	808,764
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	983,571	-	983,571	-
Total Restricted Assets	983,571	-	983,571	-
 Total Assets	 4,489,969	 598,877	 5,088,846	 808,764
<b>LIABILITIES</b>				
Due to other funds	189,241	238	189,479	-
Total Liabilities	189,241	238	189,479	-
<b>NET POSITION</b>				
Restricted for debt service - expendable	983,571	-	983,571	-
Restricted for customers deposits - expendable	160,750	-	160,750	-
Unrestricted	3,156,407	598,639	3,755,046	808,764
Total Net Position	\$ 4,300,728	\$ 598,639	\$ 4,899,367	\$ 808,764

**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	183,520
Net position of business-type activities	\$ 5,082,887

**CITY OF MOBERLY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED, EXPENSES PAID**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND TYPES**  
**YEAR ENDED JUNE 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>CWWSS</b>	<b>Solid Waste</b>	<b>Total</b>	<b>Internal Service Fund</b>
Operating Revenues Collected				
Charges for services	\$ 4,894,003	\$ 739,631	\$ 5,633,634	\$ 1,533,583
Miscellaneous	68,234	-	68,234	-
Total Operating Revenues Collected	<u>4,962,237</u>	<u>739,631</u>	<u>5,701,868</u>	<u>1,533,583</u>
Operating Expenses Paid				
Salaries and payroll taxes	1,545,232	5,233	1,550,465	-
Supplies and materials	856,097	428	856,525	-
Repairs and maintenance	718,781	6,711	725,492	-
Contractual services	547,560	620,035	1,167,595	1,744,692
Capital outlay	89,452	-	89,452	-
Miscellaneous	96,599	28,078	124,677	-
Total Operating Expenses Paid	<u>3,853,721</u>	<u>660,485</u>	<u>4,514,206</u>	<u>1,744,692</u>
Operating Income (Loss)	<u>1,108,516</u>	<u>79,146</u>	<u>1,187,662</u>	<u>(211,109)</u>
Nonoperating Revenues (Expenses)				
Interest received	397,597	4,858	402,455	18,269
Principal paid	(1,025,000)	-	(1,025,000)	-
Interest and fees paid	(561,446)	-	(561,446)	-
Net Non-Operating Revenues (Expenses)	<u>(1,188,849)</u>	<u>4,858</u>	<u>(1,183,991)</u>	<u>18,269</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid Before Other Financing Sources (Uses)	<u>(80,333)</u>	<u>84,004</u>	<u>3,671</u>	<u>(192,840)</u>
Other Financing Sources (Uses)				
Operating Transfer In (Out)	456,092	-	456,092	-
Total Other Financing Sources (Uses)	<u>456,092</u>	<u>-</u>	<u>456,092</u>	<u>-</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid and Other Sources (Uses)	375,759	84,004	459,763	(192,840)
Net Position, Beginning of Year	<u>3,924,969</u>	<u>514,635</u>	<u>4,439,604</u>	<u>1,001,604</u>
Net Position, End of Year	<u>\$ 4,300,728</u>	<u>\$ 598,639</u>	<u>\$ 4,899,367</u>	<u>\$ 808,764</u>

See Notes to the Financial Statements

**CITY OF MOBERLY, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN NET POSITION TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS**  
**YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total proprietary funds	\$ 459,763
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Amounts reported for governmental activities in the Statement of Activities are different because:

Proprietary funds do not report the activity of the health insurance account		
Premium income	323,101	
Interest income	3,849	
Health premiums, claims and administrative costs	<u>(367,578)</u>	<u>(40,628)</u>

Change in Net Position of Business-Type Activities	<u>\$ 419,135</u>
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**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**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. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

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

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

**B. Financial Reporting Entity**

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

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

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

**C. Basis of Presentation**

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City first utilizes restricted resources to finance qualifying activities. The principal operating revenues and operating expenses of the City's enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's net position is reported in two parts - restricted net position and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**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, 2017**

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

**Major and Nonmajor Funds**

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

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<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, 2017**

**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
Project Residuals	Accounts for revenues and expenditures of the Project Residuals Fund
Veterans' Flag Project	Accounts for revenues and expenditures of the Veterans' Flag Project Fund
ICSC/Buxton	Accounts for revenues and expenditures of the ICSC/Buxton Fund
Inmate Security	Accounts for revenues and expenditures of the inmate security
Railcar Preservation	Accounts for revenues and expenditures of the railcar preservation
Lucille Manor CDBG Grant	Accounts for revenues and expenditures of the Lucille Manor CDBG Grant
Community Betterment	Accounts for revenues and expenditures of the Community Betterment Fund
Police Forfeiture	Accounts for revenues and expenditures of the Police Forfeiture Fund

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**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, 2017, accumulated, but unused vacation and other time off for governmental funds and enterprise funds is \$255,763 and \$47,694, 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, 2017**

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

**Capital Assets**

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

**Equity Classifications**

*Government-Wide Statements*

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

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

*Fund Statements*

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

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

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

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**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-G.
- **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, 2017**

**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, 2017. The City budgeted a deficit fund balance in the Parks and Recreation Fund.

**CITY OF MOBERLY, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**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, 2017 are shown below:

	Carrying Value
Deposits:	
Demand deposits	\$ 11,353,451
	11,353,451
U.S. Federal Obligations	1,488,643
	1,488,643
Total deposits and investments	\$ 12,842,094

***Custodial credit risk.*** Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$10,335,544 at June 30, 2017, which was fully insured or secured with collateral held by the City’s agent in its name.

***Investment interest rate risk.*** The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2017, are provided in the previous schedule.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**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, 2017, 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, 2017:

	Business-Type Activities		
	Revenue Bonds Payable	Accrued Compensated Absences	Total Business-Type Activities
Balance, June 30, 2016	\$ 11,270,000	\$ 58,091	\$ 11,328,091
Revenue bond proceeds	-	-	-
Revenue bond payments	(1,025,000)	-	(1,025,000)
Lease proceeds	-	-	-
Lease payments	-	-	-
Note payment	-	-	-
Increase in compensated absences	-	21,248	21,248
Decrease in compensated absences	-	(31,645)	(31,645)
Balance, June 30, 2017	<u>\$ 10,245,000</u>	<u>\$ 47,694</u>	<u>\$ 10,292,694</u>
Amount due within one year	<u>\$ 1,045,000</u>	<u>\$ 40,000</u>	<u>\$ 1,085,000</u>

	Governmental Activities			Total
	Capital Lease Payable	Accrued Compensated Absences	Total Governmental Activities	
Balance, June 30, 2016	\$ 2,354,429	\$ 252,561	\$ 2,606,990	\$ 13,935,081
Revenue bond proceeds	-	-	-	-
Revenue bond payments	-	-	-	(1,025,000)
Lease proceeds	-	-	-	-
Lease payments	(550,195)	-	(550,195)	(550,195)
Note payment	-	-	-	-
Increase in compensated absences	-	119,019	119,019	140,267
Decrease in compensated absences	-	(115,817)	(115,817)	(147,462)
Balance, June 30, 2017	<u>\$ 1,804,234</u>	<u>\$ 255,763</u>	<u>\$ 2,059,997</u>	<u>\$ 12,352,691</u>
Amount due within one year	<u>\$ 576,509</u>	<u>\$ 250,000</u>	<u>\$ 826,509</u>	<u>\$ 1,911,509</u>

**CITY OF MOBERLY, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**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, 2017:

	Business-Type Activities Revenue
Debt payable, July 1, 2016	\$ 11,270,000
Debt issued	-
Debt retired	(1,025,000)
Debt payable, June 30, 2017	\$ 10,245,000

Debt payable at June 30, 2017, was comprised of the following individual issues:

Revenue bonds:

\$7,150,000 2004B combined waterworks and sewerage system refunding revenue bonds (state revolving fund program), due in annual installments through January 1, 2024; interest at 2.000% to 5.000%.	\$ 2,990,000
\$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%.	2,590,000
\$5,460,000 2006A Combined waterworks and sewerage system revenue bonds due in annual installments through July 1, 2026; interest at 4.000% to 5.250%.	3,025,000
\$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%.	<u>1,640,000</u>
Total	<u>\$ 10,245,000</u>

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

Annual requirements to amortize long-term debt principal and interest at June 30, 2017:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,045,000	\$ 508,758	\$ 1,553,758
2019	1,080,000	454,572	1,534,572
2020	1,100,000	397,740	1,497,740
2021	1,125,000	341,790	1,466,790
2022	1,155,000	284,872	1,439,872
2023-2027	4,435,000	609,289	5,044,289
2028-2029	305,000	26,449	331,449
Total	<u>\$ 10,245,000</u>	<u>\$ 2,623,470</u>	<u>\$ 12,868,470</u>

Restricted Funds available to service debt:

Sinking	\$ 749,672
Reserve	233,899
Total	<u>\$ 983,571</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, 2017, the Constitutional general obligation debt limit, based on the assessed valuation at December 31, 2016, of approximately \$151,456,553 was \$30,291,311 which, after reduction for outstanding general obligation bonds of \$0, provides a general obligation debt margin of \$30,291,311.

**CITY OF MOBERLY, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**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;
- 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, 2017, 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. 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, 2017 assuming noncancellation:

Year Ended June 30,	Certificates of Participation	Equipment	Total
2018	\$ 583,538	\$ 62,084	\$ 645,622
2019	1,075,594	62,084	1,137,678
2020	-	62,084	62,084
2021	-	62,084	62,084
	1,659,132	248,336	1,907,468
Less - Amount Representing Interest	(89,132)	(14,102)	(103,234)
Net Minimum Lease Payments	<u>\$ 1,570,000</u>	<u>\$ 234,234</u>	<u>\$ 1,804,234</u>

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**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.

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

**E. Interfund Transfers**

Interfund transfers during the year ended June 30, 2017 were as follows:

Disbursing Fund	Receiving Fund	Amount
Perpetual Care Principal (Non-Major)	Perpetual Care Interest (Non-Major)	\$ 30,000
Perpetual Care Interest (Non-Major)	General (Major)	3,312
City Transportation Trust (Major)	Airport (Non-Major)	154,727
Street Improvement (Non-Major)	General (Major)	61,508
Capital Improvement (Major)	CWWSS (Major)	456,092
911 Phone (Non-Major)	General (Major)	135,000
Park Sales Tax (Major)	Parks & Recreation (Major)	781,137
Project Residual (Non-Major)	General (Major)	26,310
		\$ 1,648,086

Disbursing Fund	Receiving Fund	Purpose of Transfer
Project Residuals (Non-Major)	General (Major)	Operational expenses/fund balance
Park Sales Tax Trust (Major)	Parks & Recreation (Major)	Operational expenses/fund balance
Perpetual Care Principal (Non-Major)	Perpetual Care Interest (Non-Major)	Investment of lot sales fees and donations to generate operating fund
Perpetual Care Interest (Non-Major)	General (Major)	Transfer interest earnings to offset operational costs
City Transportation Trust (Major)	Airport (Non-Major)	Operational expenses/fund balance
Capital Improvement (Major)	CWWSS (Major)	Operational expenses/fund balance
Street Improvement (Non-Major)	General (Major)	Operational expenses/fund balance
911 Phone (Non-Major)	General (Major)	Operational expenses/fund balance

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

**F. Restricted Net Position (Governmental Activities)**

Activity	Restricted by	Amount
Capital Improvement Trust	Law	\$ 932,641
City Transportation Trust	Law	737,594
Park Sales Tax Trust	Law	1,503,458
Parks and Recreation	Council action	3,444
Street Improvements	Council action	321,961
Perpetual Care Cemetery Principal	Law	926
Perpetual Care Cemetery Interest	Law	430,000
MODAG Grant/Loan	Council action	21,052
911 Emergency Telephone Service	Law	235,208
Use Tax Trust	Law	240,372
Hwy 63 Waterline Relocation	Law	8,037
Non-Resident Lodging	Council action	139,395
Veterans Flag Project	Council action	34,318
Project Residuals	Council action	46,844
Inmate Security	Council action	10,329
Railcar Preservation	Council action	977
Lucille Manor CDBG Grant	Council action	133,339
Community Betterment	Council action	490
Police Forfeiture	Council action	4,320
ICSC/Buxton	Council action	3,313
Health Account	Council action	625,244
		<u>\$ 5,433,262</u>

**G. Fund Balance**

Classifications of fund balances at June 30, 2017 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	-	-	-	-	505,072	-	505,072
Committed	-	-	-	-	-	-	-
Assigned for special revenue purposes	-	932,641	3,444	737,594	998,386	1,630,881	4,302,946
Unassigned	2,348,193	-	-	-	-	(22,248)	2,325,945
	<u>\$ 2,348,193</u>	<u>\$ 932,641</u>	<u>\$ 3,444</u>	<u>\$ 737,594</u>	<u>\$ 1,503,458</u>	<u>\$ 1,608,633</u>	<u>\$ 7,133,963</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, 2017**

**IV. OTHER INFORMATION**

**A. Employee Pension Plan**

Plan Description

The City of Moberly, Missouri 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.

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 8.5% (General), 10.1% (Police), and 10.9% (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.

The City contributed \$400,595 to LAGERS (Employer Contribution) in fiscal year 2017.

**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 2016 were \$151,456,553.

Tax Rates per \$100 Assessed Valuation

General	\$ .7187
Park	<u>.3335</u>
Total	<u>\$ 1.0522</u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**IV. OTHER INFORMATION (Continued)**

**C. Special Tax Bills**

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, 2017 totaled \$563,832.

The City of Moberly issues special tax bills each year in relation to mowing and debris removal. There is \$74,690 due at June 30, 2017.

During the fiscal year ended June 30, 2008 the City issued special tax bills totaling \$220,897 in relation to Sinnock Avenue sewer lines. There is \$94,776 due at June 30, 2017.

The City of Moberly issues special tax bills each year for the sidewalk replacement program. There is \$17,090 due at June 30, 2017.

During the year ended June 30, 2014 the City issued special tax bills totaling \$82,022.48 in relation to Kroner Drive sewer lines. There is \$35,360 due at June 30, 2017.

**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, 2017, there were fifteen employees that qualified for benefits and the City contributed \$481.49 to individual employee accounts on a monthly basis. The total contribution for fiscal year 2017 was \$85,223.73

**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, 2017**

**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 on March 22, 2016, the City received final closure status from the Missouri Department of Natural Resources. The liability for postclosure care costs is \$2,055,797 as of June 30, 2017, 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 routinely becomes involved in lawsuits arising in the ordinary course of business. Based on discussions with the City Attorney, management believes there are no outstanding matters which will have a material effect on the financial statements of the City.

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

**H. Note Receivable**

The Moberly Area Economic Development Corporation was indebted to the City in the amount of \$368,647.24. The note was non-interest bearing and was to be paid in full by June 30, 2013. The note was allowed to expire in 2013 pending the announcement of a major economic development project. An ordinance was passed March 16, 2015 to renew at \$58,379.68 with a due date of June 30, 2020.

**CITY OF MOBERLY, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**IV. OTHER INFORMATION (Continued)**

**I. Pledged Revenues**

The combined waterworks and sewerage system (CWW&SS) fund has pledged future revenues, net of specified operating expenses, to repay revenue bonds that were issued for system improvements and equipment purchases. The bonds are payable solely from CWW&SS net revenues and are payable through 2029. Annual principal and interest payments in fiscal year 2017 on the bonds and notes required 100% of net revenues. The total principal and interest to be paid on the bonds and notes is \$12,868,470. Principal and interest paid for the current year and total CWW&SS net revenues for the current year were \$1,586,446 and \$1,506,113, respectively.

The general and park sales tax funds have pledged future revenues, net of specified operating expenses, to repay capital leases that were issued for the purchase of equipment and improvements. The capital leases are payable solely from net revenues of the funds listed above and are payable through 2021. Annual principal and interest payments in fiscal year 2017 on the capital leases required 74% of net revenues. The total principal and interest remaining to be paid on the leases is \$1,804,234. Principal and interest paid for the current year and total net revenues for the two funds listed above for the current year were \$644,356 and \$866,928, respectively.

**J. Fines and Court Costs Revenue**

Fines and court costs revenue for the year ended June 30, 2017 was \$68,375, which is 0.9% of total general fund revenues.

**K. Tax Abatements**

The City has adopted GASB 77, *Tax Abatement Disclosures*, in fiscal year 2017. This statement requires disclosures of tax abatement information, including a description of agreements, gross dollars abated and commitments made. The City of Moberly, Missouri, has entered into agreements with various organizations under Section 135.200-135.260 (Enterprise Zones) and Section 353.110 (Urban Redevelopment) of state statutory authority. The tax abatement agreements provide for the abatement of real estate and personal property taxes. The assessed value of the property included in the Enterprise Zone for fiscal year 2017, was \$2,636,530. The total property taxes relating to the City that were abated for the Enterprise Zone in fiscal year 2017, were \$27,731. The assessed value of the property included in the Urban Redevelopment for fiscal year 2017, was \$3,590,420. The total property taxes relating to the City that were abated for the Urban Redevelopment in fiscal year 2017, were \$37,778.

**L. Consideration of Subsequent Events**

Subsequent events have been evaluated through January 18, 2018, which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this review.

## **COMBINING FINANCIAL STATEMENTS**

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

**Special Revenue Funds**

Street Improvements	Accounts for revenues and expenditures of the Street Improvements Fund
Perpetual Care Cemetery Principal	Accounts for revenues and expenditures of the Perpetual Care Cemetery Principal Fund
Perpetual Care Cemetery Interest	Accounts for revenues and expenditures of the Perpetual Care Cemetery Interest Fund
MODAG Grant/Loan	Accounts for revenues and expenditures of the MODAG Grant/Loan Fund
911 Emergency Telephone	Accounts for revenues and expenditures of the 911 Emergency Telephone Fund
Use Tax Trust	Accounts for revenues and expenditures of the Use Tax Trust Fund
Airport Operating	Accounts for revenues and expenditures of the Airport Operating Fund
Hwy. 63 Waterline Relocation	Accounts for revenues and expenditures of the Hwy. 63 Waterline Relocation Fund
Non-Resident Lodging	Accounts for revenues and expenditures of the Non-Resident Lodging Fund
Project Residuals	Accounts for revenues and expenditures of the project residuals
Veterans' Flag Project	Accounts for revenues and expenditures of the Veterans' Flag Project Fund
ICSC/Buxton	Accounts for revenues and expenditures of the ICSC/Buxton Fund

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

**CITY OF MOBERLY, MISSOURI**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS**  
**JUNE 30, 2017**

	<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	\$ 321,961	\$ 926	\$ 430,000	\$ 21,052
Due from other funds	-	-	-	-
Total Current Assets	<u>321,961</u>	<u>926</u>	<u>430,000</u>	<u>21,052</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 321,961</u></u>	<u><u>\$ 926</u></u>	<u><u>\$ 430,000</u></u>	<u><u>\$ 21,052</u></u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Assigned for special revenue purposes	321,961	926	430,000	21,052
Unassigned (Deficit)	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u><u>\$ 321,961</u></u>	<u><u>\$ 926</u></u>	<u><u>\$ 430,000</u></u>	<u><u>\$ 21,052</u></u>

**CITY OF MOBERLY, MISSOURI  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM CASH TRANSACTIONS (CONT'D)  
JUNE 30, 2017**

	<b>911 Emergency Telephone Service</b>	<b>Use Tax Trust Fund</b>	<b>Airport Operating Fund</b>	<b>Hwy. 63 Waterline Relocation</b>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 235,208	\$ 240,372	\$ -	\$ -
Due from other funds	-	-	113	8,037
Total Current Assets	<u>235,208</u>	<u>240,372</u>	<u>113</u>	<u>8,037</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 235,208</u></b>	<b><u>\$ 240,372</u></b>	<b><u>\$ 113</u></b>	<b><u>\$ 8,037</u></b>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ 22,361	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>22,361</u>	<u>-</u>
<b>FUND BALANCE</b>				
Assigned for special revenue purposes	235,208	240,372	-	8,037
Unassigned (Deficit)	-	-	(22,248)	-
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 235,208</u></b>	<b><u>\$ 240,372</u></b>	<b><u>\$ (22,248)</u></b>	<b><u>\$ 8,037</u></b>

**CITY OF MOBERLY, MISSOURI  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM CASH TRANSACTIONS (CONT'D)  
JUNE 30, 2017**

	<b>Non-Resident Lodging Fund</b>	<b>Project Residuals</b>	<b>Veterans' Flag Project</b>	<b>ICSC/ Buxton</b>	<b>Inmate Security</b>
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 139,395	\$ 46,844	\$ 34,318	\$ 3,313	\$ 10,329
Due from other funds	-	-	-	-	-
Total Current Assets	<u>139,395</u>	<u>46,844</u>	<u>34,318</u>	<u>3,313</u>	<u>10,329</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 139,395</u></b>	<b><u>\$ 46,844</u></b>	<b><u>\$ 34,318</u></b>	<b><u>\$ 3,313</u></b>	<b><u>\$ 10,329</u></b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Assigned for special revenue purposes	139,395	46,844	34,318	3,313	10,329
Unassigned (Deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 139,395</u></b>	<b><u>\$ 46,844</u></b>	<b><u>\$ 34,318</u></b>	<b><u>\$ 3,313</u></b>	<b><u>\$ 10,329</u></b>

**CITY OF MOBERLY, MISSOURI  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM CASH TRANSACTIONS (CONT'D)  
JUNE 30, 2017**

	<u>Railcar Preservation</u>	<u>Lucille Manor CDBG Grant</u>	<u>Community Betterment</u>	<u>Police Forfeiture</u>	<u>Totals (Memorandum Only)</u>
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 977	\$ 133,339	\$ 490	\$ 4,320	\$ 1,622,844
Due from other funds	-	-	-	-	8,150
Total Current Assets	<u>977</u>	<u>133,339</u>	<u>490</u>	<u>4,320</u>	<u>1,630,994</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 977</u></u>	<u><u>\$ 133,339</u></u>	<u><u>\$ 490</u></u>	<u><u>\$ 4,320</u></u>	<u><u>\$ 1,630,994</u></u>
<b>LIABILITIES</b>					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>22,361</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,361</u>
<b>FUND BALANCE</b>					
Assigned for special revenue purposes	977	133,339	490	4,320	1,630,881
Unassigned (Deficit)	-	-	-	-	(22,248)
<b>TOTAL FUND BALANCE</b>	<u><u>\$ 977</u></u>	<u><u>\$ 133,339</u></u>	<u><u>\$ 490</u></u>	<u><u>\$ 4,320</u></u>	<u><u>\$ 1,608,633</u></u>

**CITY OF MOBERLY, MISSOURI**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2017**

	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	375,274	-	-	-
Charges for goods and services	-	27,055	-	-
Federal and state grants	-	-	-	-
Interest income	2,801	-	3,312	180
Miscellaneous	13,980	-	-	-
Total Revenues Collected	<u>392,055</u>	<u>27,055</u>	<u>3,312</u>	<u>180</u>
<b>EXPENDITURES PAID</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	304,142	-	-	-
Park and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures Paid	<u>304,142</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>87,913</u>	<u>27,055</u>	<u>3,312</u>	<u>180</u>
Other Financing Sources (Uses)				
Loan proceeds	-	-	-	-
Interfund transfers in (out)	(61,508)	(30,000)	26,688	-
Total Other Financing Sources (Uses)	<u>(61,508)</u>	<u>(30,000)</u>	<u>26,688</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	26,405	(2,945)	30,000	180
Fund Balance, beginning of year	<u>295,556</u>	<u>3,871</u>	<u>400,000</u>	<u>20,872</u>
Fund Balance, end of year	<u>\$ 321,961</u>	<u>\$ 926</u>	<u>\$ 430,000</u>	<u>\$ 21,052</u>

**CITY OF MOBERLY, MISSOURI  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES COLLECTED,  
EXPENDITURES PAID AND CHANGES IN FUND BALANCES (CONT'D)  
YEAR ENDED JUNE 30, 2017**

	<b>911 Emergency Telephone Service</b>	<b>Use Tax Trust Fund</b>	<b>Airport Operating Fund</b>	<b>Hwy. 63 Waterline Relocation</b>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	232,742	-	-	-
Charges for goods and services	-	-	173,753	-
Federal and state grants	-	-	944,919	-
Interest income	2,830	2,056	-	-
Miscellaneous	-	-	11,003	-
Total Revenues Collected	<u>235,572</u>	<u>2,056</u>	<u>1,129,675</u>	<u>-</u>
<b>EXPENDITURES PAID</b>				
General government	-	-	-	-
Public safety	160,516	-	-	-
Transportation	-	-	1,251,491	-
Park and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures Paid	<u>160,516</u>	<u>-</u>	<u>1,251,491</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>75,056</u>	<u>2,056</u>	<u>(121,816)</u>	<u>-</u>
Other Financing Sources (Uses)				
Loan proceeds	-	-	-	-
Interfund transfers in (out)	(135,000)	-	154,727	-
Total Other Financing Sources (Uses)	<u>(135,000)</u>	<u>-</u>	<u>154,727</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	(59,944)	2,056	32,911	-
Fund Balance, beginning of year	<u>295,152</u>	<u>238,316</u>	<u>(55,159)</u>	<u>8,037</u>
Fund Balance, end of year	<u>\$ 235,208</u>	<u>\$ 240,372</u>	<u>\$ (22,248)</u>	<u>\$ 8,037</u>

**CITY OF MOBERLY, MISSOURI**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID AND CHANGES IN FUND BALANCES (CONT'D)**  
**YEAR ENDED JUNE 30, 2017**

	<b>Non-Resident Lodging Fund</b>	<b>Project Residuals</b>	<b>Veterans' Flag Project</b>	<b>ICSC/ Buxton</b>	<b>Inmate Security</b>
<b>REVENUES COLLECTED</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	103,514	-	-	-	-
Charges for goods and services	-	-	-	-	1,426
Federal and state grants	-	-	-	-	-
Interest income	1,185	574	283	22	79
Miscellaneous	-	-	5,668	10,000	-
Total Revenues Collected	<u>104,699</u>	<u>574</u>	<u>5,951</u>	<u>10,022</u>	<u>1,505</u>
<b>EXPENDITURES PAID</b>					
General government	100,054	-	4,149	6,709	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Park and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Total Expenditures Paid	<u>100,054</u>	<u>-</u>	<u>4,149</u>	<u>6,709</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>4,645</u>	<u>574</u>	<u>1,802</u>	<u>3,313</u>	<u>1,505</u>
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Interfund transfers in (out)	-	(26,310)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	4,645	(25,736)	1,802	3,313	1,505
Fund Balance, beginning of year	<u>134,750</u>	<u>72,580</u>	<u>32,516</u>	<u>-</u>	<u>8,824</u>
Fund Balance, end of year	<u>\$ 139,395</u>	<u>\$ 46,844</u>	<u>\$ 34,318</u>	<u>\$ 3,313</u>	<u>\$ 10,329</u>

**CITY OF MOBERLY, MISSOURI  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES COLLECTED,  
EXPENDITURES PAID AND CHANGES IN FUND BALANCES (CONT'D)  
YEAR ENDED JUNE 30, 2017**

	<b>Railcar Preservation</b>	<b>Lucille Manor CDBG Grant</b>	<b>Community Betterment</b>	<b>Police Forfeiture</b>	<b>Totals (Memorandum Only)</b>
<b>REVENUES COLLECTED</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	711,530
Charges for goods and services	-	-	-	-	202,234
Federal and state grants	-	22,825	-	-	967,744
Interest income	10	1,034	-	-	14,366
Miscellaneous	-	-	-	-	40,651
Total Revenues Collected	<u>10</u>	<u>23,859</u>	<u>-</u>	<u>-</u>	<u>1,936,525</u>
<b>EXPENDITURES PAID</b>					
General government	-	-	-	-	110,912
Public safety	-	-	-	-	160,516
Transportation	-	-	-	-	1,555,633
Park and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Total Expenditures Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,827,061</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>10</u>	<u>23,859</u>	<u>-</u>	<u>-</u>	<u>109,464</u>
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Interfund transfers in (out)	-	-	-	-	(71,403)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,403)</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>10</u>	<u>23,859</u>	<u>-</u>	<u>-</u>	<u>38,061</u>
Fund Balance, beginning of year	<u>967</u>	<u>109,480</u>	<u>490</u>	<u>4,320</u>	<u>1,570,572</u>
Fund Balance, end of year	<u>\$ 977</u>	<u>\$ 133,339</u>	<u>\$ 490</u>	<u>\$ 4,320</u>	<u>\$ 1,608,633</u>

**SUPPLEMENTARY INDIVIDUAL FUND  
FINANCIAL SCHEDULES**

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

These supplementary schedules are 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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES COLLECTED</b>				
<b>Property Taxes</b>				
Real estate and personal	\$ 1,039,500	\$ 1,039,500	\$ 1,062,931	\$ 23,431
Intangible	5,500	5,500	6,297	797
Total Property Taxes	<u>1,045,000</u>	<u>1,045,000</u>	<u>1,069,228</u>	<u>24,228</u>
<b>Other Taxes</b>				
Sales	2,395,000	2,395,000	2,322,067	(72,933)
Franchise	2,210,000	2,210,000	2,058,101	(151,899)
Motor vehicle sales	175,000	175,000	183,269	8,269
Cigarette	116,000	116,000	106,711	(9,289)
Other	589,300	589,300	409,684	(179,616)
Total Other Taxes	<u>5,485,300</u>	<u>5,485,300</u>	<u>5,079,832</u>	<u>(405,468)</u>
<b>Charges for Services</b>				
Grave openings	27,500	27,500	29,500	2,000
Weed mowing	5,000	5,000	4,269	(731)
Total Charges for Services	<u>32,500</u>	<u>32,500</u>	<u>33,769</u>	<u>1,269</u>
<b>Licenses, Permits and Fees</b>				
Merchants license and permits	263,500	263,500	259,817	(3,683)
Liquor license	20,200	20,200	19,213	(987)
Permits	39,350	39,350	47,382	8,032
Fees	512,575	512,575	505,490	(7,085)
Total Licenses, Permits and Fees	<u>835,625</u>	<u>835,625</u>	<u>831,902</u>	<u>(3,723)</u>
<b>Intergovernmental</b>				
Federal and state grants	68,000	68,000	19,457	(48,543)
Total Intergovernmental	<u>68,000</u>	<u>68,000</u>	<u>19,457</u>	<u>(48,543)</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED (cont'd)				
Interest				
Interest	10,000	10,000	16,997	6,997
Total Interest	<u>10,000</u>	<u>10,000</u>	<u>16,997</u>	<u>6,997</u>
Miscellaneous				
Reimbursement	5,000	5,000	68,100	63,100
Miscellaneous	31,500	31,500	34,854	3,354
Total Miscellaneous	<u>36,500</u>	<u>36,500</u>	<u>102,954</u>	<u>66,454</u>
Total Revenues Collected	<u>7,512,925</u>	<u>7,512,925</u>	<u>7,154,139</u>	<u>(358,786)</u>
EXPENDITURES PAID				
General Government				
Finance				
Salaries and payroll taxes	58,679	58,679	84,884	(26,205)
Supplies and materials	8,975	8,975	5,039	3,936
Contractual services	2,150	2,150	1,991	159
Miscellaneous	1,550	1,550	833	717
Total Finance	<u>71,354</u>	<u>71,354</u>	<u>92,747</u>	<u>(21,393)</u>
Personnel and Municipal Court				
Salaries and payroll taxes	196,370	196,370	172,196	24,174
Supplies and materials	60,050	60,050	43,856	16,194
Contractual services	63,500	63,500	52,536	10,964
Miscellaneous	2,850	2,850	-	2,850
Total Personnel and Municipal Court	<u>322,770</u>	<u>322,770</u>	<u>268,588</u>	<u>54,182</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
City Clerk				
Salaries and payroll taxes	127,005	127,005	127,924	(919)
Supplies and materials	5,350	5,350	5,525	(175)
Contractual services	6,400	6,400	7,798	(1,398)
Miscellaneous	10,800	10,800	7,476	3,324
Total City Clerk	<u>149,555</u>	<u>149,555</u>	<u>148,723</u>	<u>832</u>
City Manager				
Salaries and payroll taxes	180,211	180,211	181,831	(1,620)
Supplies and materials	4,250	4,250	5,511	(1,261)
Contractual services	4,600	4,600	5,146	(546)
Miscellaneous	7,100	7,100	7,701	(601)
Total City Manager	<u>196,161</u>	<u>196,161</u>	<u>200,189</u>	<u>(4,028)</u>
City Hall				
Supplies and materials	22,000	22,000	21,197	803
Contractual services	31,500	31,500	39,504	(8,004)
Capital outlay	48,773	48,773	49,710	(937)
Total City Hall	<u>102,273</u>	<u>102,273</u>	<u>110,411</u>	<u>(8,138)</u>
General Services				
Salaries and payroll taxes	54,918	54,918	53,589	1,329
Supplies and materials	188,500	188,500	187,206	1,294
Contractual services	439,200	439,200	463,474	(24,274)
Capital outlay	46,454	46,454	452,531	(406,077)
Miscellaneous	79,600	79,600	84,918	(5,318)
Total General Services	<u>808,672</u>	<u>808,672</u>	<u>1,241,718</u>	<u>(433,046)</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, 2017**

	<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	76,000	76,000	154,882	(78,882)
Total Legal Staff	<u>76,000</u>	<u>76,000</u>	<u>154,882</u>	<u>(78,882)</u>
 Total General Government	 <u>1,726,785</u>	 <u>1,726,785</u>	 <u>2,217,258</u>	 <u>(490,473)</u>
 Public Safety				
Police				
Salaries and payroll taxes	2,331,520	2,331,520	2,155,348	176,172
Supplies and materials	136,600	136,600	106,482	30,118
Contractual services	136,000	136,000	93,320	42,680
Capital outlay	68,300	68,300	65,340	2,960
Miscellaneous	10,700	10,700	8,440	2,260
Total Police	<u>2,683,120</u>	<u>2,683,120</u>	<u>2,428,930</u>	<u>254,190</u>
 Fire and Emergency Management				
Salaries and payroll taxes	1,375,456	1,375,456	1,281,986	93,470
Supplies and materials	91,750	91,750	84,794	6,956
Contractual services	50,600	50,600	43,332	7,268
Capital outlay	72,084	72,084	62,084	10,000
Miscellaneous	7,600	7,600	6,680	920
Total Fire and Emergency Management	<u>1,597,490</u>	<u>1,597,490</u>	<u>1,478,876</u>	<u>118,614</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES PAID (cont'd)				
Cemetery				
Salaries and payroll taxes	81,985	81,985	76,682	5,303
Supplies and materials	10,500	10,500	9,312	1,188
Contractual services	43,750	43,750	39,541	4,209
Capital outlay	9,000	9,000	6,780	2,220
Miscellaneous	2,050	2,050	922	1,128
Total Cemetery	<u>147,285</u>	<u>147,285</u>	<u>133,237</u>	<u>14,048</u>
Total Public Safety	<u>4,427,895</u>	<u>4,427,895</u>	<u>4,041,043</u>	<u>386,852</u>
Economic and Community Development				
Salaries and payroll taxes	383,011	383,011	367,247	15,764
Supplies and materials	11,200	11,200	14,449	(3,249)
Contractual services	163,250	163,250	171,494	(8,244)
Capital outlay	62,000	62,000	25,428	36,572
Miscellaneous	3,750	3,750	4,008	(258)
Total Economic and Community Development	<u>623,211</u>	<u>623,211</u>	<u>582,626</u>	<u>40,585</u>
Transportation				
Salaries and payroll taxes	746,791	746,791	627,890	118,901
Supplies and materials	104,550	104,550	66,693	37,857
Contractual services	76,800	76,800	78,066	(1,266)
Capital outlay	-	-	-	-
Miscellaneous	5,900	5,900	4,251	1,649
Total Transportation	<u>934,041</u>	<u>934,041</u>	<u>776,900</u>	<u>157,141</u>
TOTAL EXPENDITURES PAID	<u>7,711,932</u>	<u>7,711,932</u>	<u>7,617,827</u>	<u>94,105</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficit) Revenues Collected Over Expenditures Paid	<u>(199,007)</u>	<u>(199,007)</u>	<u>(463,688)</u>	<u>(264,681)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)				
Project Residuals	-	-	26,310	26,310
911 Fund	135,000	135,000	135,000	-
Street Improvements	61,507	61,507	61,508	1
Perpetual Care Cemetery - Interest	<u>2,500</u>	<u>2,500</u>	<u>3,312</u>	<u>812</u>
Total Other Financing Sources (Uses)	<u>199,007</u>	<u>199,007</u>	<u>226,130</u>	<u>27,123</u>
Excess (Deficit) Revenues Collected Over Expenditures Paid and Other Financing Sources (Uses)	-	-	(237,558)	<u>\$ (237,558)</u>
Fund Balance, beginning of year	<u>2,585,751</u>	<u>2,585,751</u>	<u>2,585,751</u>	
Fund Balance, end of year	<u>\$ 2,585,751</u>	<u>\$ 2,585,751</u>	<u>\$ 2,348,193</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, 2017**

	<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 and use taxes	\$ 1,137,000	\$ 1,137,000	\$ 1,112,745	\$ (24,255)
Miscellaneous	-	-	22	22
Interest income	6,500	6,500	6,595	95
Total Revenues Collected	<u>1,143,500</u>	<u>1,143,500</u>	<u>1,119,362</u>	<u>(24,138)</u>
<b>EXPENDITURES PAID</b>				
General Government				
Contractual services	477,000	477,000	436,516	40,484
Principal and interest	514,182	514,182	-	514,182
Total Expenditures Paid	<u>991,182</u>	<u>991,182</u>	<u>436,516</u>	<u>554,666</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>152,318</u>	<u>152,318</u>	<u>682,846</u>	<u>530,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)				
CWWSS Fund	-	-	(456,092)	(456,092)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(456,092)</u>	<u>(456,092)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>152,318</u>	<u>152,318</u>	<u>226,754</u>	<u>\$ 74,436</u>
Fund Balance, beginning of year	<u>705,887</u>	<u>705,887</u>	<u>705,887</u>	
Fund Balance, end of year	<u>\$ 858,205</u>	<u>\$ 858,205</u>	<u>\$ 932,641</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, 2017**

	<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	\$ 486,000	\$ 501,000	\$ 491,832	\$ (9,168)
Other taxes	4,500	4,500	5,035	535
Charges for services	275,750	295,750	305,954	10,204
Federal and state grants	38,000	38,000	37,953	(47)
Miscellaneous	9,000	20,550	26,134	5,584
Total Revenues Collected	<u>813,250</u>	<u>859,800</u>	<u>866,908</u>	<u>7,108</u>
<b>EXPENDITURES PAID</b>				
Parks and recreation				
Salaries and payroll taxes	717,035	717,035	721,980	(4,945)
Supplies and materials	276,550	276,550	272,229	4,321
Repairs and maintenance	284,375	284,375	241,625	42,750
Contractual services	112,384	112,384	117,907	(5,523)
Capital outlay	116,000	236,000	258,547	(22,547)
Miscellaneous	31,750	31,750	35,263	(3,513)
Total Expenditures Paid	<u>1,538,094</u>	<u>1,658,094</u>	<u>1,647,551</u>	<u>10,543</u>
Excess (Deficit) of Revenues				
Collected over Expenditures Paid	<u>(724,844)</u>	<u>(798,294)</u>	<u>(780,643)</u>	<u>(3,435)</u>
Other Financing Sources (Uses)				
Interfund Transfers in (out)				
Park sales tax trust fund	<u>724,844</u>	<u>724,844</u>	<u>781,137</u>	<u>56,293</u>
Total Other Financing sources (Uses)	<u>724,844</u>	<u>724,844</u>	<u>781,137</u>	<u>56,293</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)				
	-	(73,450)	494	<u>\$ 52,858</u>
Fund Balance, beginning of year	<u>2,950</u>	<u>2,950</u>	<u>2,950</u>	
Fund Balance, end of year (Deficit)	<u>\$ 2,950</u>	<u>\$ (70,500)</u>	<u>\$ 3,444</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, 2017**

	<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 and use taxes	\$ 1,137,000	\$ 1,137,000	\$ 1,112,873	\$ (24,127)
Federal and state grants	740,000	740,000	305,503	(434,497)
Interest income	11,000	11,000	10,450	(550)
Miscellaneous	20,000	20,000	40,278	20,278
Total Revenues Collected	<u>1,908,000</u>	<u>1,908,000</u>	<u>1,469,104</u>	<u>(438,896)</u>
<b>EXPENDITURES PAID</b>				
Transportation				
Contractual services	1,319,941	1,319,941	987,867	332,074
Capital outlay	750,000	975,000	1,267,148	(292,148)
Miscellaneous	2,000	2,000	15,509	(13,509)
Total Expenditures Paid	<u>2,071,941</u>	<u>2,296,941</u>	<u>2,270,524</u>	<u>26,417</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(163,941)</u>	<u>(388,941)</u>	<u>(801,420)</u>	<u>(412,479)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)				
Airport Operating Fund	<u>(341,820)</u>	<u>(341,820)</u>	<u>(154,727)</u>	<u>(187,093)</u>
Total Other Financing Sources (Uses)	<u>(341,820)</u>	<u>(341,820)</u>	<u>(154,727)</u>	<u>(187,093)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(505,761)</u>	<u>(730,761)</u>	<u>(956,147)</u>	<u>\$ (599,572)</u>
Fund Balance, beginning of year	<u>1,693,741</u>	<u>1,693,741</u>	<u>1,693,741</u>	
Fund Balance, end of year	<u>\$ 1,187,980</u>	<u>\$ 962,980</u>	<u>\$ 737,594</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, 2017**

	<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	\$ 1,279,000	\$ 1,279,000	\$ 1,214,065	\$ (64,935)
Interest income	4,500	4,500	8,132	3,632
Total Revenues Collected	<u>1,283,500</u>	<u>1,283,500</u>	<u>1,222,197</u>	<u>(61,303)</u>
<b>EXPENDITURES PAID</b>				
Parks and Recreation				
Lease payments	533,500	533,500	533,646	(146)
Miscellaneous	2,500	3,500	2,291	1,209
Total Expenditures Paid	<u>536,000</u>	<u>537,000</u>	<u>535,937</u>	<u>1,063</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>747,500</u>	<u>746,500</u>	<u>686,260</u>	<u>(60,240)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)				
Parks and Recreation Fund	(723,844)	(723,844)	(781,137)	(57,293)
Total Other Financing Sources (Uses)	<u>(723,844)</u>	<u>(723,844)</u>	<u>(781,137)</u>	<u>(57,293)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	23,656	22,656	(94,877)	<u>\$ (117,533)</u>
Fund Balance, beginning of year	<u>1,598,335</u>	<u>1,598,335</u>	<u>1,598,335</u>	
Fund Balance, end of year	<u>\$ 1,621,991</u>	<u>\$ 1,620,991</u>	<u>\$ 1,503,458</u>	

## **COMPLIANCE AND INTERNAL CONTROL**



GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants

**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**

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Boonville, MO 65233  
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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 aggregate remaining fund information of the City of Moberly, Missouri (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 18, 2018. 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.

PARTNERS

*Fred W. Korte, Jr.*  
*Joseph E. Chitwood*  
*Travis W. Hundley*  
*Jeffrey A. Chitwood*  
*Amy L. Watson*  
*Heidi N. Ross*

PARTNER EMERITUS

*Robert A. Gerding*

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2017-001).

#### Compliance and Other Matters

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

#### City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### 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.



January 18, 2018

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



GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### Report on Compliance for Each Major Federal Program

We have audited the City of Moberly, Missouri's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### PARTNERS

Fred W. Korte, Jr.  
Joseph E. Chitwood  
Travis W. Hundley  
Jeffrey A. Chitwood  
Amy L. Watson  
Heidi N. Ross

### Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### PARTNER EMERITUS

Robert A. Gerding

## Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



January 18, 2018

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

**CITY OF MOBERLY, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**

<u>Grantor Agency</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>U.S. Department of Transportation</b>				
Passed through the Missouri	Airport Improvement Program	20.106	AIRE 013-034A-1	\$ 6,018
Department of Transportation	Airport Improvement Program	20.106	AIRE 015-034A-1	488,306
			Subtotal Airport	<u>494,324</u>
	Traffic Engineering Assistance Program	20.205	TEAP 4500(208)	8,000
	Surface Transportation Program	20.205	STP 4500(207)	30,074
	Surface Transportation Program	20.205	STP 4500(206)	236,169
Passed through Missouri	Recreation Trails Program	20.219	2015-10	37,953
Department of Natural Resources				
Passed through the University	DWI Enforcement/	20.607	16-154-AL-141	1,029
of Central Missouri	Sobriety Checkpoints			
	Youth Seat Belt Enforcement	20.616	16-M2HVE-05-002	<u>469</u>
			Total U.S. Department of Transportation	<u>808,018</u>
<b>U.S. General Services Administration</b>				
Passed through the State Agency				
for Surplus Property	Surplus Property	39.003		<u>101</u>
			Total U.S. General Services Administration	<u>101</u>
<b>U.S. Department of Commerce</b>				
Direct Award	Infrastructure Improvements to	11.300	05-01-05595	<u>45,081</u>
	Support Industrial Expansion			
			Total U.S. Department of Commerce	<u>45,081</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u><u>\$ 853,200</u></u>

CITY OF MOBERLY, MISSOURI  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2017

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The Schedule includes all federal awards administered by the City of Moberly, Missouri.

OMB Compliance Supplement includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food, commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under-grants or contracts, used to buy goods or services from vendors.

Accordingly, the Schedule includes expenditures of both cash and noncash awards.

CITY OF MOBERLY, MISSOURI  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)  
JUNE 30, 2017

B. Basis of Accounting

Expenditures reported on the Schedule are reported on the cash basis of accounting, which recognizes expenditures in the period the liabilities are paid. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

2. Subrecipients

The City provided no federal awards to subrecipients during the year ended June 30, 2017.

CITY OF MOBERLY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS  
JUNE 30, 2017

Section I: Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: unmodified on the cash basis of accounting

Internal control over financial reporting:

Material weakness(es) identified?                     Yes    No

Significant deficiency(ies) identified that are  
not considered to be material weaknesses?        Yes    None Reported

Noncompliance material to financial statement noted?    Yes    No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?                     Yes    No

Significant deficiency(ies) identified that  
are not considered to be material weaknesses?        Yes    None Reported

Type of auditor's reports issued on compliance for major programs: unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR 200.516(a)?     Yes    No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?                     Yes    No

CITY OF MOBERLY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND  
SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)  
JUNE 30, 2017

Section II: Financial Statement Findings

2017-001                      Accounting Personnel/Segregation of Duties

Criteria:                      Proper segregation of duties reduces the risk of errors and fraud and is an important internal control.

Condition:                      It is recognized that the small number of accounting and clerical personnel of the Municipal Court precludes the application of internal accounting control procedures possible in a larger organization.

Context:                        During our audit we reviewed Municipal Court policies and procedures and determined adequate segregation of duties did not exist.

Effect:                         A small number of employees perform several accounting duties.

Cause:                         The Municipal Court does not have the financial resources to hire enough personnel to segregate duties.

Recommendation:              The Municipal Court should segregate duties wherever possible and implement other controls to compensate for the lack of segregation of duties.

Views of Responsible  
Officials and Planned  
Corrective Action:              Financial transactions will be reviewed by the Finance Director to ensure completeness and validity.

Section III: Federal Award Findings and Questioned Costs

None

CITY OF MOBERLY, MISSOURI  
CORRECTIVE ACTION PLAN  
JUNE 30, 2017

Finding: 2017-001  
Accounting Personnel/Segregation of Duties

Criteria: Auditing standards state that a lack of adequate segregation of duties is a weakness in internal control.

Condition: The Municipal Court does not have adequate segregation of duties regarding their accounting procedures.

Cause: The Municipal Court lacks the personnel necessary to adequately segregate financial and accounting duties.

Effect: Financial records and assets at the Municipal Court without adequate segregation of duties are at more risk for misstatement due to fraud or errors.

Recommendation: The Municipal Court may consider and implement additional internal control procedures to ensure adequate segregation of duties in all departments. In lieu of additional controls, the Municipal Court may rely on continued or increased involvement by the appropriate committees.

Management's Response: Financial transactions will be reviewed by the Finance Director to ensure completeness and validity.

Official Responsible for Ensuring Corrective Action Plan: Finance Director

Planned Completion Date For the Corrective Action Plan: June 30, 2017