

**ANNUAL REPORT OF
CITY OF MOBERLY, MISSOURI
YEAR ENDED JUNE 30, 2018**

CITY OF MOBERLY, MISSOURI

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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, 2018, 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, 2018, 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 combining and individual nonmajor fund financial statements and detailed major fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and detailed major fund budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2019, 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.



January 3, 2019

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

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)

As management of the City of Moberly, Missouri (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. 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 \$14,161,716 (net position). Of this amount, \$9,665,964 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$1,319,622.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,405,263. Of this amount \$2,473,993 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 \$2,473,993 or 31.5% of the total general fund expenditures.
- The City's bond payable decreased \$1,045,000 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, 2018
(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 13-15 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, 2018
(UNAUDITED)

The City maintains 23 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, City Transportation Trust, Parks & Recreation, Capital Improvements Trust, and Park Sales Tax Trust Funds, which are considered to be major funds. Data from the other 18 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16-23.

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 24-25 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 24-25 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 27-46.

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 47-64 of this report.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(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 \$14,161,716 as of June 30, 2018.

2018 Net Position

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,333,419	\$ 2,079,699	\$ 10,413,118
Restricted assets	507,191	3,241,407	3,748,598
Total Assets	<u>8,840,610</u>	<u>5,321,106</u>	<u>14,161,716</u>
Net Position:			
Restricted	942,538	3,553,214	4,495,752
Unrestricted	7,898,072	1,767,892	9,665,964
Total Net Position	<u>\$ 8,840,610</u>	<u>\$ 5,321,106</u>	<u>\$ 14,161,716</u>

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>

As of June 30, 2018, the City is able to report positive balances in both categories of net position for the government as a whole.

Analysis of the City's Operations - Overall the City had an increase in net position of \$1,319,622.

Governmental Activities: Governmental activities increased the net position by \$1,081,403.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)

Business-Type Activities: Net Position from business-type activities increased by \$238,219 from \$5,082,887 to \$5,321,106. 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, 2018 and 2017.

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 1,561,022	\$ 5,892,813	\$ 7,453,835
Capital grants and contributions	533,771	-	533,771
General Revenues:			
Property taxes	1,644,419	-	1,644,419
Sales and use taxes	6,499,691	-	6,499,691
Franchise taxes	2,176,480	-	2,176,480
Motor vehicle and fuel taxes	563,984	-	563,984
911 emergency phone taxes	198,177	-	198,177
Cigarette taxes	102,396	-	102,396
Lodging	116,989	-	116,989
Other taxes	17,996	-	17,996
Unrestricted investment earnings	75,036	384,210	459,246
Miscellaneous	223,455	-	223,455
Principal paid on bond	-	(1,045,000)	(1,045,000)
Lease proceeds	271,144	293,969	565,113
Transfers	(478,977)	478,977	-
Total Revenues	<u>13,505,583</u>	<u>6,004,969</u>	<u>19,510,552</u>
Expenses:			
General government	2,559,360	-	2,559,360
Public safety	4,728,548	-	4,728,548
Transportation	2,423,675	-	2,423,675
Economic and community development	530,386	-	530,386
Park and recreation	2,182,211	-	2,182,211
Combined waterworks and sewerage	-	5,058,952	5,058,952
Solid waste	-	707,798	707,798
Total Expenses	<u>12,424,180</u>	<u>5,766,750</u>	<u>18,190,930</u>
Increase (Decrease) in net position	1,081,403	238,219	1,319,622
Net Position - beginning of year	<u>7,759,207</u>	<u>5,082,887</u>	<u>12,842,094</u>
Net Position - end of year	<u>\$ 8,840,610</u>	<u>\$ 5,321,106</u>	<u>\$ 14,161,716</u>

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)

2017 Changes in Net Position

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for services	\$ 1,373,859	\$ 5,701,868	\$ 7,075,727
Operating grants and contributions	1,330,657	-	1,330,657
General Revenues:			
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	-
Total Revenues	13,326,563	5,539,264	18,865,827
Expenses:			
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
Total Expenses	14,502,048	5,120,129	19,622,177
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

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, 2018
(UNAUDITED)

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,405,263. Of this total amount \$2,473,993 constitutes unassigned fund balance.

In the general fund, the City budgeted for no change in the fund balance. Due to lease proceeds and transfers from other funds, the actual fund balance increase for fiscal year 2018 was \$125,800.

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 \$10,992,838. Of this amount, \$9,200,000 represents bonds secured solely by combined water and sewerage system revenues and \$1,792,838 represents capital lease obligations.

**2018 Outstanding Debt at Year End
Revenue Bonds and Capital Lease Debt**

	Governmental Activities	Business-Type	Total
Revenue bonds	\$ -	\$ 9,200,000	\$ 9,200,000
Capital lease	1,498,869	293,969	1,792,838
Total	<u>\$ 1,498,869</u>	<u>\$ 9,493,969</u>	<u>\$ 10,992,838</u>

**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>

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)

During the fiscal year, the City's total debt decreased by \$1,068,395 or 8.6%. The decrease was due to retirement of \$1,621,509 of outstanding debt, capital lease proceeds of \$565,113, and the decrease of \$11,999 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 37-41 of this report.

Economic Outlook

The budget for fiscal year 2018-2019 reflects recent positive increases in sales tax, property tax, and utility franchise fees. The economic outlook for the fiscal year is positive, lending credence to the forecast of additional revenues. The majority of fund balances increased in 2017-2018, a reflection of the economy maintaining a healthy state. In 2007 the City Council adopted a resolution to maintain the General Fund balance reserve at 15% - 20% of budgeted expenditures. The severe economic downturn in 2008 caused the fund balance to struggle to maintain the lower end of this range, but it has met or exceeded this benchmark for each of the past seven years. Although these factors supported budgeting increased revenues, the increases were carefully considered and incorporated conservatively.

Among the variables that impact the budgeting process are the previously discussed state, local and national economies, and new legislation at the federal, state and local levels. Of particular interest is the tax on internet sales. The citizens of Moberly wisely passed a use tax initiative in 2012, allowing the City to collect additional taxes on sales of products outside of Missouri for the past 5 years. The June 2018 Supreme Court ruling in the case of *South Dakota vs. Wayfair* finally provides substantiation to the argument that political subdivisions should have the right to tax sales regardless of their origin. There are indications that the Missouri legislature will look at this issue and also an emergency telephone service (commonly known as 9-1-1) fee on cellular telephone service in the 2019 legislative session. If these initiatives were to be adopted, the resulting revenues could greatly bolster to the City's revenue stream and allow additional project and personnel expenditure needs to be addressed.

The City's water and sewer infrastructure continues to be a worrisome problem, as it is in many municipalities throughout the United States of America. Many parts of these systems are more than 60 years old, and some portions are in excess of 100 years old. Funding for the repair or replacement of these systems requires major capital outlay. If money were no object to the citizens of the City, water and sewer user rates could simply be increased to pay for the needed repairs and replacements. In reality, there is a very fine line between what the citizens can afford versus the long list of repairs that need to be made.

CITY OF MOBERLY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)

One possible solution is to ask the citizens for approval to sell bonds to finance projects. This solution could be difficult for many of Moberly's citizens who are struggling to make ends meet before the additional burden that would be imposed by the issuance of additional debt. Current bond debt will mature between 2024 and 2028, freeing capacity for debt that would cause little to no increase in the water and sewer rate structure. In April 2018 the City's credit rating was again upgraded by Standard & Poor's to BBB, which will make accessing affordable financing possible. The City's credit rating was downgraded to C after the fall 2011 failure of the Mamtek sucralose facility project. The question remains, how much longer will the infrastructure remain serviceable? There is no quick answer to this question and City staff is working as quickly as possible to assess the possibilities and develop solutions to the problem.

The City of Moberly has been in a strong and stable financial condition for many years, and that trend is expected to continue for the foreseeable future. Stable fund balances demonstrate the ability of the City's management team to operate the City in an efficient and effective manner, while balancing the need for services to the community it serves. New initiatives have been initiated to address deterioration of the downtown area while maintaining and improving its appearance and usefulness. The 2018-2019 budget provides a vehicle to attain these goals while at the same time keeping Moberly an affordable community in which to live, work, and play.

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, 2018

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 8,143,940	\$ 2,269,178	\$ 10,413,118
Internal balances	189,479	(189,479)	-
Total Current Assets	<u>8,333,419</u>	<u>2,079,699</u>	<u>10,413,118</u>
Restricted Assets:			
Cash and cash equivalents	507,191	3,241,407	3,748,598
Total Restricted Assets	<u>507,191</u>	<u>3,241,407</u>	<u>3,748,598</u>
 Total Assets	 <u>8,840,610</u>	 <u>5,321,106</u>	 <u>14,161,716</u>
 <u>NET POSITION</u>			
Restricted but expendable for:			
Debt service	507,191	3,241,407	3,748,598
Other purposes	435,347	311,807	747,154
Unrestricted	<u>7,898,072</u>	<u>1,767,892</u>	<u>9,665,964</u>
Total Net Position	<u>\$ 8,840,610</u>	<u>\$ 5,321,106</u>	<u>\$ 14,161,716</u>

See Notes to the Financial Statements

CITY OF MOBERLY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2018

<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>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:						
General Government	\$ 2,559,360	\$ 936,288	\$ 23,698	\$ (1,599,374)	\$ -	\$ (1,599,374)
Total General Government	<u>2,559,360</u>	<u>936,288</u>	<u>23,698</u>	<u>(1,599,374)</u>	<u>-</u>	<u>(1,599,374)</u>
Public Safety:						
Police	2,833,239	-	-	(2,833,239)	-	(2,833,239)
Fire and Emergency Management	1,695,203	-	-	(1,695,203)	-	(1,695,203)
911 Emergency Service	82,512	-	-	(82,512)	-	(82,512)
Cemetery	117,594	20,435	-	(97,159)	-	(97,159)
Total Public Safety	<u>4,728,548</u>	<u>20,435</u>	<u>-</u>	<u>(4,708,113)</u>	<u>-</u>	<u>(4,708,113)</u>
Transportation:						
Streets and sidewalks	1,572,831	-	95,145	(1,477,686)	-	(1,477,686)
Airport	850,844	241,120	407,725	(201,999)	-	(201,999)
Total Transportation	<u>2,423,675</u>	<u>241,120</u>	<u>502,870</u>	<u>(1,679,685)</u>	<u>-</u>	<u>(1,679,685)</u>
Economic and Community Development:						
Economic and Community Development	530,386	-	-	(530,386)	-	(530,386)
Total Economic and Community Dev	<u>530,386</u>	<u>-</u>	<u>-</u>	<u>(530,386)</u>	<u>-</u>	<u>(530,386)</u>
Park and Recreation:						
Park	2,182,211	363,179	7,203	(1,811,829)	-	(1,811,829)
Total Park and Recreation	<u>2,182,211</u>	<u>363,179</u>	<u>7,203</u>	<u>(1,811,829)</u>	<u>-</u>	<u>(1,811,829)</u>
Total Governmental Activities	<u>12,424,180</u>	<u>1,561,022</u>	<u>533,771</u>	<u>(10,329,387)</u>	<u>-</u>	<u>(10,329,387)</u>
Business-Type Activities:						
Combined Waterworks and Sewerage	5,058,952	5,132,249	-	-	73,297	73,297
Solid Waste	707,798	760,564	-	-	52,766	52,766
Total Business-Type Activities	<u>5,766,750</u>	<u>5,892,813</u>	<u>-</u>	<u>-</u>	<u>126,063</u>	<u>126,063</u>
Total	<u>\$ 18,190,930</u>	<u>\$ 7,453,835</u>	<u>\$ 533,771</u>	<u>\$ (10,329,387)</u>	<u>\$ 126,063</u>	<u>\$ (10,203,324)</u>

CITY OF MOBERLY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS (CONT'D)
YEAR ENDED JUNE 30, 2018

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,644,419	-	1,644,419
Sales and use taxes	6,499,691	-	6,499,691
Franchise taxes	2,176,480	-	2,176,480
Motor vehicle and fuel taxes	563,984	-	563,984
911 Emergency phone	198,177	-	198,177
Cigarette taxes	102,396	-	102,396
Lodging	116,989	-	116,989
Other	17,996	-	17,996
Unrestricted investment earnings	75,036	384,210	459,246
Miscellaneous	223,455	-	223,455
Total general revenues	<u>11,618,623</u>	<u>384,210</u>	<u>12,002,833</u>
Change in net position before special items	<u>1,289,236</u>	<u>510,273</u>	<u>1,799,509</u>
Special items			
Principal paid on bonds	-	(1,045,000)	(1,045,000)
Lease proceeds	271,144	293,969	565,113
Eliminate interfund transfers	(478,977)	478,977	-
Total special items	<u>(207,833)</u>	<u>(272,054)</u>	<u>(479,887)</u>
Change in net position	1,081,403	238,219	1,319,622
Net position - beginning	<u>7,759,207</u>	<u>5,082,887</u>	<u>12,842,094</u>
Net position - ending	<u>\$ 8,840,610</u>	<u>\$ 5,321,106</u>	<u>\$ 14,161,716</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, 2018

	General Fund	Capital Improvement Trust Fund	Parks and Recreation Fund	City Transportation Trust Fund	Park Sales Tax Trust Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,447,167	\$ 1,038,280	\$ 21,451	\$ 1,322,616	\$ 1,050,317	\$ 1,828,762	\$ 7,708,593
Due from other funds	26,826	172,459	-	-	-	8,150	207,435
Total Current Assets	<u>\$ 2,473,993</u>	<u>\$ 1,210,739</u>	<u>\$ 21,451</u>	<u>\$ 1,322,616</u>	<u>\$ 1,050,317</u>	<u>\$ 1,836,912</u>	<u>\$ 7,916,028</u>
Restricted Assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 507,191	\$ -	\$ 507,191
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,191</u>	<u>-</u>	<u>507,191</u>
Total Assets	<u>\$ 2,473,993</u>	<u>\$ 1,210,739</u>	<u>\$ 21,451</u>	<u>\$ 1,322,616</u>	<u>\$ 1,557,508</u>	<u>\$ 1,836,912</u>	<u>\$ 8,423,219</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 16,496	\$ 37	\$ -	\$ 1,423	\$ 17,956
Total Liabilities	<u>-</u>	<u>-</u>	<u>16,496</u>	<u>37</u>	<u>-</u>	<u>1,423</u>	<u>17,956</u>
FUND BALANCES							
Restricted for debt service purposes	-	-	-	-	507,191	-	507,191
Assigned for special revenue purposes	-	1,210,739	4,955	1,322,579	1,050,317	1,835,489	5,424,079
Unassigned (Deficit)	2,473,993	-	-	-	-	-	2,473,993
Total Fund Balances	<u>\$ 2,473,993</u>	<u>\$ 1,210,739</u>	<u>\$ 4,955</u>	<u>\$ 1,322,579</u>	<u>\$ 1,557,508</u>	<u>\$ 1,835,489</u>	<u>\$ 8,405,263</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>435,347</u>
Net position of governmental activities	<u>\$ 8,840,610</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, 2018

	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
REVENUES COLLECTED							
Property taxes	\$ 1,124,963	\$ -	\$ 519,456	\$ -	\$ -	\$ -	\$ 1,644,419
Other taxes	5,347,570	1,166,827	5,759	1,166,944	1,271,396	717,217	9,675,713
Licenses, permits and fees	910,956	-	-	-	-	-	910,956
Charges for goods and services	24,345	-	363,179	-	-	262,542	650,066
Intergovernmental	23,698	-	7,203	72,320	-	430,550	533,771
Interest	16,171	11,458	-	10,620	14,373	13,797	66,419
Miscellaneous	151,023	7,360	30,823	6,426	-	27,823	223,455
Total Revenues Collected	<u>7,598,726</u>	<u>1,185,645</u>	<u>926,420</u>	<u>1,256,310</u>	<u>1,285,769</u>	<u>1,451,929</u>	<u>13,704,799</u>
EXPENDITURES PAID							
General government	2,018,958	428,570	-	-	-	89,013	2,536,541
Public safety	4,524,838	-	-	-	-	82,512	4,607,350
Economic and community development	519,039	-	-	-	-	-	519,039
Transportation	801,234	-	-	453,527	-	1,147,188	2,401,949
Parks and recreation	-	-	1,619,917	-	540,870	-	2,160,787
Total Expenditures Paid	<u>7,864,069</u>	<u>428,570</u>	<u>1,619,917</u>	<u>453,527</u>	<u>540,870</u>	<u>1,318,713</u>	<u>12,225,666</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(265,343)</u>	<u>757,075</u>	<u>(693,497)</u>	<u>802,783</u>	<u>744,899</u>	<u>133,216</u>	<u>1,479,133</u>
Other Financing Sources (Uses)							
Lease proceeds	271,144	-	-	-	-	-	271,144
Interfund transfers in (out)	119,999	(478,977)	695,008	(217,798)	(690,849)	93,640	(478,977)
Total Other Financing Sources (Uses)	<u>391,143</u>	<u>(478,977)</u>	<u>695,008</u>	<u>(217,798)</u>	<u>(690,849)</u>	<u>93,640</u>	<u>(207,833)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	<u>125,800</u>	<u>278,098</u>	<u>1,511</u>	<u>584,985</u>	<u>54,050</u>	<u>226,856</u>	<u>\$ 1,271,300</u>
Fund Balance, beginning 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>	
Fund Balance, end of year	<u>\$ 2,473,993</u>	<u>\$ 1,210,739</u>	<u>\$ 4,955</u>	<u>\$ 1,322,579</u>	<u>\$ 1,557,508</u>	<u>\$ 1,835,489</u>	

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, 2018

Net change in fund balances - total governmental funds	\$ 1,271,300
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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	1,371,050	
Interest income	8,617	
Health premiums, claims and administrative costs	<u>(1,569,564)</u>	<u>(189,897)</u>

Change in Net Position of Governmental Activities	<u>\$ 1,081,403</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 1,070,500	\$ 1,070,500	\$ 1,124,963	\$ 54,463
Other taxes	5,351,400	5,351,400	5,347,570	(3,830)
Licenses, permits and fees	1,043,598	1,043,598	910,956	(132,642)
Charges for services	35,000	35,000	24,345	(10,655)
Intergovernmental	57,400	57,400	23,698	(33,702)
Interest	17,337	17,337	16,171	(1,166)
Miscellaneous	81,500	81,500	151,023	69,523
Total Revenues Collected	<u>7,656,735</u>	<u>7,656,735</u>	<u>7,598,726</u>	<u>(58,009)</u>
EXPENDITURES PAID				
General government	1,765,581	1,765,581	2,018,958	(253,377)
Public safety	4,577,043	4,577,043	4,524,838	52,205
Economic and community development	590,238	590,238	519,039	71,199
Transportation	842,608	842,608	801,234	41,374
Total Expenditures Paid	<u>7,775,470</u>	<u>7,775,470</u>	<u>7,864,069</u>	<u>(88,599)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(118,735)</u>	<u>(118,735)</u>	<u>(265,343)</u>	<u>(146,608)</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	271,144	271,144
Interfund transfers in (out)	118,735	118,735	119,999	1,264
Total Other Financing Sources (Uses)	<u>118,735</u>	<u>118,735</u>	<u>391,143</u>	<u>272,408</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	-	-	125,800	<u>\$ 125,800</u>
Fund Balance, beginning of year	<u>2,348,193</u>	<u>2,348,193</u>	<u>2,348,193</u>	
Fund Balance, end of year	<u>\$ 2,348,193</u>	<u>\$ 2,348,193</u>	<u>\$ 2,473,993</u>	

See Notes to 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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,166,827	\$ 26,827
Miscellaneous	-	-	7,360	7,360
Interest income	7,000	7,000	11,458	4,458
Total Revenues	<u>1,147,000</u>	<u>1,147,000</u>	<u>1,185,645</u>	<u>38,645</u>
EXPENDITURES PAID				
General Government	1,158,483	1,158,483	428,570	729,913
Total Expenditures Paid	<u>1,158,483</u>	<u>1,158,483</u>	<u>428,570</u>	<u>729,913</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(11,483)</u>	<u>(11,483)</u>	<u>757,075</u>	<u>768,558</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	-	-	(478,977)	(478,977)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(478,977)</u>	<u>(478,977)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	<u>(11,483)</u>	<u>(11,483)</u>	<u>278,098</u>	<u>\$ 289,581</u>
Fund Balance, beginning of year	<u>932,641</u>	<u>932,641</u>	<u>932,641</u>	
Fund Balance, end of year	<u>\$ 921,158</u>	<u>\$ 921,158</u>	<u>\$ 1,210,739</u>	

See Notes to 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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 496,000	\$ 529,000	\$ 519,456	\$ (9,544)
Other taxes	5,000	5,000	5,759	759
Charges for services	288,000	343,000	363,179	20,179
Intergovernmental	-	-	7,203	7,203
Miscellaneous	9,000	28,000	30,823	2,823
Total Revenues Collected	<u>798,000</u>	<u>905,000</u>	<u>926,420</u>	<u>21,420</u>
EXPENDITURES PAID				
Parks and recreation	1,594,600	1,646,600	1,619,917	26,683
Total Expenditures Paid	<u>1,594,600</u>	<u>1,646,600</u>	<u>1,619,917</u>	<u>26,683</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(796,600)</u>	<u>(741,600)</u>	<u>(693,497)</u>	<u>48,103</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	796,600	796,600	695,008	(101,592)
Total Other Financing Sources (Uses)	<u>796,600</u>	<u>796,600</u>	<u>695,008</u>	<u>(101,592)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	-	55,000	1,511	<u>\$ (53,489)</u>
Fund Balance, beginning of year	<u>3,444</u>	<u>3,444</u>	<u>3,444</u>	
Fund Balance, end of year	<u>\$ 3,444</u>	<u>\$ 58,444</u>	<u>\$ 4,955</u>	

See Notes to 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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,166,944	\$ 26,944
Intergovernmental	737,640	737,640	72,320	(665,320)
Interest income	14,000	14,000	10,620	(3,380)
Miscellaneous	20,000	20,000	6,426	(13,574)
Total Revenues	<u>1,911,640</u>	<u>1,911,640</u>	<u>1,256,310</u>	<u>(655,330)</u>
EXPENDITURES PAID				
Transportation	1,836,125	1,836,125	453,527	1,382,598
Total Expenditures Paid	<u>1,836,125</u>	<u>1,836,125</u>	<u>453,527</u>	<u>1,382,598</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>75,515</u>	<u>75,515</u>	<u>802,783</u>	<u>727,268</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	(217,798)	(217,798)	(217,798)	-
Total Other Financing Sources (Uses)	<u>(217,798)</u>	<u>(217,798)</u>	<u>(217,798)</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	(142,283)	(142,283)	584,985	<u>\$ 727,268</u>
Fund Balance, beginning of year	<u>737,594</u>	<u>737,594</u>	<u>737,594</u>	
Fund Balance, end of year	<u>\$ 595,311</u>	<u>\$ 595,311</u>	<u>\$ 1,322,579</u>	

See Notes to 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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Other taxes	\$ 1,215,000	\$ 1,280,000	\$ 1,271,396	\$ (8,604)
Interest income	8,000	8,000	14,373	6,373
Total Revenues Collected	<u>1,223,000</u>	<u>1,288,000</u>	<u>1,285,769</u>	<u>(2,231)</u>
EXPENDITURES PAID				
Parks and Recreation	537,159	539,000	540,870	(1,870)
Total Expenditures Paid	<u>537,159</u>	<u>539,000</u>	<u>540,870</u>	<u>(1,870)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>685,841</u>	<u>749,000</u>	<u>744,899</u>	<u>(4,101)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)	(795,600)	(795,600)	(690,849)	104,751
Total Other Financing Sources (Uses)	<u>(795,600)</u>	<u>(795,600)</u>	<u>(690,849)</u>	<u>104,751</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(109,759)	(46,600)	54,050	<u>\$ 100,650</u>
Fund Balance, beginning of year	<u>1,503,458</u>	<u>1,503,458</u>	<u>1,503,458</u>	
Fund Balance, end of year	<u>\$ 1,393,699</u>	<u>\$ 1,456,858</u>	<u>\$ 1,557,508</u>	

See Notes to Financial Statements

CITY OF MOBERLY, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUND TYPES
JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>CWWSS</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Internal Service Fund</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,477,480	\$ 657,881	\$ 2,135,361	\$ 569,164
Total Current Assets	1,477,480	657,881	2,135,361	569,164
RESTRICTED ASSETS				
Cash and cash equivalents	3,241,407	-	3,241,407	-
Total Restricted Assets	3,241,407	-	3,241,407	-
 Total Assets	 4,718,887	 657,881	 5,376,768	 569,164
LIABILITIES				
Due to other funds	189,241	238	189,479	-
Total Liabilities	189,241	238	189,479	-
NET POSITION				
Restricted for debt service - expendable	3,241,407	-	3,241,407	-
Restricted for customers deposits - expendable	177,990	-	177,990	-
Unrestricted	1,110,249	657,643	1,767,892	569,164
Total Net Position	\$ 4,529,646	\$ 657,643	\$ 5,187,289	\$ 569,164

**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	133,817
Net position of business-type activities	<u>\$ 5,321,106</u>

CITY OF MOBERLY, MISSOURI
STATEMENT OF REVENUES COLLECTED, EXPENSES PAID
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities
	CWWSS	Solid Waste	Total	Internal Service Fund
Operating Revenues Collected				
Charges for services	\$ 5,087,916	\$ 760,564	\$ 5,848,480	\$ 1,729,908
Miscellaneous	44,333	-	44,333	-
Total Operating Revenues Collected	<u>5,132,249</u>	<u>760,564</u>	<u>5,892,813</u>	<u>1,729,908</u>
Operating Expenses Paid				
Salaries and payroll taxes	1,591,439	5,769	1,597,208	-
Supplies and materials	901,943	402	902,345	-
Repairs and maintenance	784,199	367	784,566	-
Contractual services	628,077	657,840	1,285,917	1,980,381
Capital outlay	495,356	-	495,356	-
Miscellaneous	88,964	43,232	132,196	-
Total Operating Expenses Paid	<u>4,489,978</u>	<u>707,610</u>	<u>5,197,588</u>	<u>1,980,381</u>
Operating Income (Loss)	<u>642,271</u>	<u>52,954</u>	<u>695,225</u>	<u>(250,473)</u>
Nonoperating Revenues (Expenses)				
Interest received	375,904	6,050	381,954	10,873
Lease proceeds	293,969	-	293,969	-
Principal paid	(1,045,000)	-	(1,045,000)	-
Interest and fees paid	(517,203)	-	(517,203)	-
Net Non-Operating Revenues (Expenses)	<u>(892,330)</u>	<u>6,050</u>	<u>(886,280)</u>	<u>10,873</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid Before Other Financing Sources (Uses)	<u>(250,059)</u>	<u>59,004</u>	<u>(191,055)</u>	<u>(239,600)</u>
Other Financing Sources (Uses)				
Operating Transfer In (Out)	478,977	-	478,977	-
Total Other Financing Sources (Uses)	<u>478,977</u>	<u>-</u>	<u>478,977</u>	<u>-</u>
Excess (Deficit) Operating Revenues Collected over Operating Expenses Paid and Other Sources (Uses)	<u>228,918</u>	<u>59,004</u>	<u>287,922</u>	<u>(239,600)</u>
Net Position, Beginning of Year	<u>4,300,728</u>	<u>598,639</u>	<u>4,899,367</u>	<u>808,764</u>
Net Position, End of Year	<u>\$ 4,529,646</u>	<u>\$ 657,643</u>	<u>\$ 5,187,289</u>	<u>\$ 569,164</u>

See Notes to 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, 2018

Net change in fund balances - total proprietary funds \$ 287,922

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	358,858	
Interest income	2,256	
Health premiums, claims and administrative costs	<u>(410,817)</u>	<u>(49,703)</u>

Change in Net Position of Business-Type Activities \$ 238,219

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2018

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, 2018

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, 2018**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major and Nonmajor Funds

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

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

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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
Downtown CID	Accounts for revenue and expenditures of the Downtown CID Fund

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2018, accumulated, but unused vacation and other time off for governmental funds and enterprise funds is \$241,913 and \$49,545, 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, 2018

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, 2018

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, 2018

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, 2018. Actual expenditures exceeded budgeted expenditures in the General and Park Sales Tax Funds.

**CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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, 2018 are shown below:

	Carrying Value
Deposits:	
Demand deposits	\$ 12,655,445
	12,655,445
U.S. Federal Obligations	1,506,271
	1,506,271
Total deposits and investments	\$ 14,161,716

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$11,848,114 at June 30, 2018, 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, 2018, are provided in the previous schedule.

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2018, 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, 2018:

	Business-Type Activities			Total Business-Type Activities
	Revenue Bonds Payable	Capital Lease Payable	Accrued Compensated Absences	
Balance, June 30, 2017	\$ 10,245,000	\$ -	\$ 47,694	\$ 10,292,694
Revenue bond proceeds	-	-	-	-
Revenue bond payments	(1,045,000)	-	-	(1,045,000)
Lease proceeds	-	293,969	-	293,969
Lease payments	-	-	-	-
Note payment	-	-	-	-
Increase in compensated absences	-	-	40,912	40,912
Decrease in compensated absences	-	-	(39,061)	(39,061)
Balance, June 30, 2018	<u>\$ 9,200,000</u>	<u>\$ 293,969</u>	<u>\$ 49,545</u>	<u>\$ 9,543,514</u>
Amount due within one year	<u>\$ 1,080,000</u>	<u>\$ 78,594</u>	<u>\$ 40,000</u>	<u>\$ 1,198,594</u>

	Governmental Activities			Total
	Capital Lease Payable	Accrued Compensated Absences	Total Governmental Activities	
Balance, June 30, 2017	\$ 1,804,234	\$ 255,763	\$ 2,059,997	\$ 12,352,691
Revenue bond proceeds	-	-	-	-
Revenue bond payments	-	-	-	(1,045,000)
Lease proceeds	271,144	-	271,144	565,113
Lease payments	(576,509)	-	(576,509)	(576,509)
Note payment	-	-	-	-
Increase in compensated absences	-	176,164	176,164	217,076
Decrease in compensated absences	-	(190,014)	(190,014)	(229,075)
Balance, June 30, 2018	<u>\$ 1,498,869</u>	<u>\$ 241,913</u>	<u>\$ 1,740,782</u>	<u>\$ 11,284,296</u>
Amount due within one year	<u>\$ 1,181,203</u>	<u>\$ 240,000</u>	<u>\$ 1,421,203</u>	<u>\$ 2,619,797</u>

**CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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, 2018:

	Business-Type Activities Revenue
Debt payable, July 1, 2017	\$ 10,245,000
Debt issued	-
Debt retired	(1,045,000)
Debt payable, June 30, 2018	\$ 9,200,000

Debt payable at June 30, 2018, 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%.	\$ 2,590,000
\$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%.	2,335,000
\$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%.	2,755,000
\$2,560,000 2008A Combined waterworks and sewerage system revenue bonds due in annual installments through January 1, 2029; interest at 2.010% to 4.410%.	1,520,000
Total	\$ 9,200,000

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

Annual requirements to amortize long-term debt principal and interest at June 30, 2018:

Year Ending June 30,	Principal	Interest	Total
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	1,180,000	227,104	1,407,104
2024-2028	3,405,000	399,722	3,804,722
2029	155,000	8,912	163,912
Total	<u>\$ 9,200,000</u>	<u>\$ 2,114,712</u>	<u>\$ 11,314,712</u>

Restricted Funds available to service debt:

Sinking	\$ 764,378
Reserve	234,702
Total	<u>\$ 999,080</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, 2018, the Constitutional general obligation debt limit, based on the assessed valuation at December 31, 2017, of approximately \$158,741,850 was \$31,748,370 which, after reduction for outstanding general obligation bonds of \$0, provides a general obligation debt margin of \$31,748,370.

**CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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, 2018, 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, 2018 assuming noncancellation:

Year Ended June 30,	Certificates of			Total
	Participation	Equipment	Equipment	
2019	\$ 1,075,594	\$ 62,084	\$ 43,525	\$ 1,181,203
2020	-	62,083	43,525	105,608
2021	-	62,083	43,525	105,608
2022	-	-	43,525	43,525
2023	-	-	43,525	43,525
2024	-	-	43,525	43,525
2025	-	-	43,525	43,525
	1,075,594	186,250	304,675	1,566,519
Less - Amount Representing Interest	(25,594)	(8,525)	(33,531)	(67,650)
Net Minimum Lease Payments	<u>\$ 1,050,000</u>	<u>\$ 177,725</u>	<u>\$ 271,144</u>	<u>\$ 1,498,869</u>

**CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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.

On November 1, 2017, the City entered into a lease/purchase agreement to finance the purchase of equipment. The agreement requires seven annual payments. The interest rate is 2.96%. Equipment is pledged as collateral. The lease is subject to an annual non-appropriation termination rider.

E. Leases – Business-Type Activities

On May 8, 2018, the City entered into a lease/purchase agreement to finance the purchase of equipment. The agreement requires four annual payments. The interest rate is 2.7% and equipment is pledged as collateral. The lease is subject to an annual non-appropriation termination rider.

The following is a summary of the future minimum lease payments under the lease as of June 30, 2018, assuming noncancellation:

Year Ending June 30,	Equipment
2019	\$ 78,594
2020	78,594
2021	78,594
2022	78,594
	314,376
Less - Amount Representing Interest	(20,407)
Net Minimum Lease Payments	\$ 293,969

CITY OF MOBERLY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

F. Interfund Transfers

Interfund transfers during the year ended June 30, 2018 were as follows:

Disbursing Fund	Receiving Fund	Amount
Perpetual Care Principal (Non-Major)	Perpetual Care Interest (Non-Major)	\$ 20,000
Perpetual Care Interest (Non-Major)	General (Major)	4,264
City Transportation Trust (Major)	Airport (Non-Major)	217,798
Capital Improvement (Major)	CWWSS (Major)	478,977
911 Phone (Non-Major)	General (Major)	115,735
Park Sales Tax (Major)	Parks & Recreation (Major)	690,849
Non-Resident Lodging (Non-Major)	Parks & Recreation (Major)	4,159
		<u>\$ 1,531,782</u>

Disbursing Fund	Receiving Fund	Purpose of Transfer
Non-Resident Lodging (Non-Major)	Parks & Recreation (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
911 Phone (Non-Major)	General (Major)	Operational expenses/fund balance

G. Restricted Net Position (Governmental Activities)

Activity	Restricted by	Amount
Health Account	Council action	\$ 435,347
Debt Service	Law	507,191
		<u>\$ 942,538</u>

H. Fund Balance

Classifications of fund balances at June 30, 2018 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	-	-	-	-	507,191	-	507,191
Committed	-	-	-	-	-	-	-
Assigned for special revenue purposes	-	1,210,739	4,955	1,322,579	1,050,317	1,835,489	5,424,079
Unassigned	<u>2,473,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,473,993</u>
	<u>\$ 2,473,993</u>	<u>\$ 1,210,739</u>	<u>\$ 4,955</u>	<u>\$ 1,322,579</u>	<u>\$ 1,557,508</u>	<u>\$ 1,835,489</u>	<u>\$ 8,405,263</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, 2018

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 30th statutorily required contribution rates are 8.8% (General), 11.7% (Police), and 12.9% (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 \$438,526 to LAGERS (Employer Contribution) in fiscal year 2018.

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 2017 were \$158,741,850.

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, 2018

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, 2018 totaled \$237,696.

The City of Moberly issues special tax bills each year in relation to mowing and debris removal. There is \$38,666 due at June 30, 2018.

The City of Moberly issues special tax bills each year for the sidewalk replacement program. There is \$17,090 due at June 30, 2018.

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 \$21,667 due at June 30, 2018.

D. Post-Employment Health Care Benefits

For personnel hired prior to July 1, 2017, 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, 2018, there were fourteen 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 2018 was \$80,890.32.

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, 2018

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, 2018, 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, 2018

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 and a capital lease that were issued for system improvements and equipment purchases. The bonds and lease are payable solely from CWW&SS net revenues and are payable through 2029. Annual principal and interest payments in fiscal year 2018 on the bonds and lease required 100% of net revenues. The total principal and interest to be paid on the bonds and lease is \$11,629,088. Principal and interest paid for the current year and total CWW&SS net revenues for the current year were \$1,553,759 and \$1,077,179, 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 2025. Annual principal and interest payments in fiscal year 2018 on the capital leases required 57% of net revenues. The total principal and interest remaining to be paid on the leases is \$1,566,519. Principal and interest paid for the current year and total net revenues for the two funds listed above for the current year were \$645,622 and \$1,125,178, respectively.

J. Fines and Court Costs Revenue

Fines and court costs revenue for the year ended June 30, 2018 was \$42,366, which is 0.6% of total general fund revenues.

K. Tax Abatements

The City has adopted GASB 77, *Tax Abatement Disclosures*. 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 2018, was \$3,221,720. The total property taxes relating to the City that were abated for the Enterprise Zone in fiscal year 2018, were \$33,899. The assessed value of the property included in the Urban Redevelopment for fiscal year 2018, was \$5,819,760. The total property taxes relating to the City that were abated for the Urban Redevelopment in fiscal year 2018, were \$61,236.

L. Consideration of Subsequent Events

Subsequent events have been evaluated through January 3, 2019, 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
Downtown CID	Accounts for revenues and expenditures of the Downtown CID 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 Lucille Manor CDBG Grant	Accounts for revenues and expenditures of the
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, 2018

	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 407,687	\$ 1,361	\$ 450,000	\$ 21,252
Due from other funds	-	-	-	-
Total Current Assets	<u>407,687</u>	<u>1,361</u>	<u>450,000</u>	<u>21,252</u>
TOTAL ASSETS	<u><u>\$ 407,687</u></u>	<u><u>\$ 1,361</u></u>	<u><u>\$ 450,000</u></u>	<u><u>\$ 21,252</u></u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Assigned for special revenue purposes	407,687	1,361	450,000	21,252
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u><u>\$ 407,687</u></u>	<u><u>\$ 1,361</u></u>	<u><u>\$ 450,000</u></u>	<u><u>\$ 21,252</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, 2018**

	911 Emergency Telephone Service	Use Tax Trust Fund	Airport Operating Fund	Hwy. 63 Waterline Relocation	Downtown CID
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 238,105	\$ 242,707	\$ 6,467	\$ -	\$ 23,727
Due from other funds	-	-	113	8,037	-
Total Current Assets	<u>238,105</u>	<u>242,707</u>	<u>6,580</u>	<u>8,037</u>	<u>23,727</u>
TOTAL ASSETS	<u><u>\$ 238,105</u></u>	<u><u>\$ 242,707</u></u>	<u><u>\$ 6,580</u></u>	<u><u>\$ 8,037</u></u>	<u><u>\$ 23,727</u></u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 1,423	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,423</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Assigned for special revenue purposes	238,105	242,707	5,157	8,037	23,727
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	<u><u>\$ 238,105</u></u>	<u><u>\$ 242,707</u></u>	<u><u>\$ 5,157</u></u>	<u><u>\$ 8,037</u></u>	<u><u>\$ 23,727</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, 2018**

	Non-Resident Lodging Fund	Project Residuals	Veterans' Flag Project	ICSC/ Buxton	Inmate Security
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 174,904	\$ 46,549	\$ 37,812	\$ 3,975	\$ 11,419
Due from other funds	-	-	-	-	-
Total Current Assets	174,904	46,549	37,812	3,975	11,419
TOTAL ASSETS	\$ 174,904	\$ 46,549	\$ 37,812	\$ 3,975	\$ 11,419
LIABILITIES					
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCE					
Assigned for special revenue purposes	174,904	46,549	37,812	3,975	11,419
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	\$ 174,904	\$ 46,549	\$ 37,812	\$ 3,975	\$ 11,419

**CITY OF MOBERLY, MISSOURI
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES ARISING FROM CASH TRANSACTIONS (CONT'D)
JUNE 30, 2018**

	Railcar Preservation	Lucille Manor CDBG Grant	Community Betterment	Police Forfeiture	Totals (Memorandum Only)
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 429	\$ 157,558	\$ 490	\$ 4,320	\$ 1,828,762
Due from other funds	-	-	-	-	8,150
Total Current Assets	429	157,558	490	4,320	1,836,912
TOTAL ASSETS	\$ 429	\$ 157,558	\$ 490	\$ 4,320	\$ 1,836,912
LIABILITIES					
Due to other funds	-	-	-	-	1,423
TOTAL LIABILITIES	-	-	-	-	1,423
FUND BALANCE					
Assigned for special revenue purposes	429	157,558	490	4,320	1,835,489
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	\$ 429	\$ 157,558	\$ 490	\$ 4,320	\$ 1,835,489

CITY OF MOBERLY, MISSOURI
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2018

	<u>Street Improvements</u>	<u>Perpetual Care Cemetery Principal</u>	<u>Perpetual Care Cemetery Interest</u>	<u>MODAG Grant/Loan</u>
REVENUES COLLECTED				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	374,478	-	-	-
Charges for goods and services	-	20,435	-	-
Federal and state grants	-	-	-	-
Interest income	-	-	4,264	200
Miscellaneous	8,811	-	-	-
Total Revenues Collected	<u>383,289</u>	<u>20,435</u>	<u>4,264</u>	<u>200</u>
EXPENDITURES PAID				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	297,563	-	-	-
Park and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures Paid	<u>297,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>85,726</u>	<u>20,435</u>	<u>4,264</u>	<u>200</u>
Other Financing Sources (Uses)				
Loan proceeds	-	-	-	-
Interfund transfers in (out)	-	(20,000)	15,736	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,000)</u>	<u>15,736</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	85,726	435	20,000	200
Fund Balance, beginning of year	<u>321,961</u>	<u>926</u>	<u>430,000</u>	<u>21,052</u>
Fund Balance, end of year	<u>\$ 407,687</u>	<u>\$ 1,361</u>	<u>\$ 450,000</u>	<u>\$ 21,252</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, 2018**

	911 Emergency Telephone Service	Use Tax Trust Fund	Airport Operating Fund	Hwy. 63 Waterline Relocation	Downtown CID
REVENUES COLLECTED					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	198,177	-	-	-	27,573
Charges for goods and services	-	-	241,120	-	-
Federal and state grants	-	-	407,725	-	-
Interest income	2,967	2,335	-	-	54
Miscellaneous	-	-	10,387	-	-
Total Revenues Collected	<u>201,144</u>	<u>2,335</u>	<u>659,232</u>	<u>-</u>	<u>27,627</u>
EXPENDITURES PAID					
General government	-	-	-	-	3,900
Public safety	82,512	-	-	-	-
Transportation	-	-	849,625	-	-
Park and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Total Expenditures Paid	<u>82,512</u>	<u>-</u>	<u>849,625</u>	<u>-</u>	<u>3,900</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>118,632</u>	<u>2,335</u>	<u>(190,393)</u>	<u>-</u>	<u>23,727</u>
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Interfund transfers in (out)	(115,735)	-	217,798	-	-
Total Other Financing Sources (Uses)	<u>(115,735)</u>	<u>-</u>	<u>217,798</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	2,897	2,335	27,405	-	23,727
Fund Balance, beginning of year (deficit)	<u>235,208</u>	<u>240,372</u>	<u>(22,248)</u>	<u>8,037</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 238,105</u>	<u>\$ 242,707</u>	<u>\$ 5,157</u>	<u>\$ 8,037</u>	<u>\$ 23,727</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, 2018

	Non-Resident Lodging Fund	Project Residuals	Veterans' Flag Project	ICSC/ Buxton	Inmate Security
REVENUES COLLECTED					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	116,989	-	-	-	-
Charges for goods and services	-	-	-	-	987
Federal and state grants	-	-	-	-	-
Interest income	1,641	455	344	34	103
Miscellaneous	-	-	3,625	5,000	-
Total Revenues Collected	<u>118,630</u>	<u>455</u>	<u>3,969</u>	<u>5,034</u>	<u>1,090</u>
EXPENDITURES PAID					
General government	78,962	750	475	4,372	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Park and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Total Expenditures Paid	<u>78,962</u>	<u>750</u>	<u>475</u>	<u>4,372</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>39,668</u>	<u>(295)</u>	<u>3,494</u>	<u>662</u>	<u>1,090</u>
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Interfund transfers in (out)	(4,159)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(4,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	35,509	(295)	3,494	662	1,090
Fund Balance, beginning of year	<u>139,395</u>	<u>46,844</u>	<u>34,318</u>	<u>3,313</u>	<u>10,329</u>
Fund Balance, end of year	<u>\$ 174,904</u>	<u>\$ 46,549</u>	<u>\$ 37,812</u>	<u>\$ 3,975</u>	<u>\$ 11,419</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, 2018

	Railcar Preservation	Lucille Manor CDBG Grant	Community Betterment	Police Forfeiture	Totals (Memorandum Only)
REVENUES COLLECTED					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	717,217
Charges for goods and services	-	-	-	-	262,542
Federal and state grants	-	22,825	-	-	430,550
Interest income	6	1,394	-	-	13,797
Miscellaneous	-	-	-	-	27,823
Total Revenues Collected	<u>6</u>	<u>24,219</u>	<u>-</u>	<u>-</u>	<u>1,451,929</u>
EXPENDITURES PAID					
General government	554	-	-	-	89,013
Public safety	-	-	-	-	82,512
Transportation	-	-	-	-	1,147,188
Park and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Total Expenditures Paid	<u>554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,318,713</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(548)</u>	<u>24,219</u>	<u>-</u>	<u>-</u>	<u>133,216</u>
Other Financing Sources (Uses)					
Loan proceeds	-	-	-	-	-
Interfund transfers in (out)	-	-	-	-	93,640
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,640</u>
Excess (Deficit) of Revenue Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(548)</u>	<u>24,219</u>	<u>-</u>	<u>-</u>	<u>226,856</u>
Fund Balance, beginning of year	<u>977</u>	<u>133,339</u>	<u>490</u>	<u>4,320</u>	<u>1,608,633</u>
Fund Balance, end of year	<u>\$ 429</u>	<u>\$ 157,558</u>	<u>\$ 490</u>	<u>\$ 4,320</u>	<u>\$ 1,835,489</u>

SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL SCHEDULES

MAJOR GOVERNMENTAL FUNDS

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property Taxes				
Real estate and personal	\$ 1,070,500	\$ 1,070,500	\$ 1,124,963	\$ 54,463
Total Property Taxes	<u>1,070,500</u>	<u>1,070,500</u>	<u>1,124,963</u>	<u>54,463</u>
Other Taxes				
Sales and use	2,835,000	2,835,000	2,866,951	31,951
Franchise	2,210,000	2,210,000	2,176,480	(33,520)
Motor vehicle sales	185,000	185,000	189,506	4,506
Cigarette	110,000	110,000	102,396	(7,604)
Other	11,400	11,400	12,237	837
Total Other Taxes	<u>5,351,400</u>	<u>5,351,400</u>	<u>5,347,570</u>	<u>(3,830)</u>
Charges for Services				
Grave openings	30,000	30,000	23,370	(6,630)
Weed mowing	5,000	5,000	975	(4,025)
Total Charges for Services	<u>35,000</u>	<u>35,000</u>	<u>24,345</u>	<u>(10,655)</u>
Licenses, Permits and Fees				
Merchants license and permits	288,500	288,500	281,695	(6,805)
Liquor license	20,500	20,500	19,284	(1,216)
Permits	47,300	47,300	55,851	8,551
Fees	687,298	687,298	554,126	(133,172)
Total Licenses, Permits and Fees	<u>1,043,598</u>	<u>1,043,598</u>	<u>910,956</u>	<u>(132,642)</u>
Intergovernmental				
Federal and state grants	57,400	57,400	23,698	(33,702)
Total Intergovernmental	<u>57,400</u>	<u>57,400</u>	<u>23,698</u>	<u>(33,702)</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, 2018**

	<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	17,337	17,337	16,171	(1,166)
Total Interest	<u>17,337</u>	<u>17,337</u>	<u>16,171</u>	<u>(1,166)</u>
Miscellaneous				
Reimbursement	40,000	40,000	43,412	3,412
Miscellaneous	41,500	41,500	107,611	66,111
Total Miscellaneous	<u>81,500</u>	<u>81,500</u>	<u>151,023</u>	<u>69,523</u>
Total Revenues Collected	<u>7,656,735</u>	<u>7,656,735</u>	<u>7,598,726</u>	<u>(58,009)</u>
EXPENDITURES PAID				
General Government				
Finance				
Salaries and payroll taxes	150,432	150,432	150,325	107
Supplies and materials	5,475	5,475	4,430	1,045
Contractual services	1,950	1,950	2,560	(610)
Miscellaneous	1,350	1,350	1,875	(525)
Total Finance	<u>159,207</u>	<u>159,207</u>	<u>159,190</u>	<u>17</u>
Personnel and Municipal Court				
Salaries and payroll taxes	155,891	155,891	163,524	(7,633)
Supplies and materials	40,400	40,400	36,412	3,988
Contractual services	93,250	93,250	118,304	(25,054)
Capital outlay	-	-	8,114	(8,114)
Miscellaneous	2,650	2,650	1,400	1,250
Total Personnel and Municipal Court	<u>292,191</u>	<u>292,191</u>	<u>327,754</u>	<u>(35,563)</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, 2018**

	<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	128,517	128,517	122,592	5,925
Supplies and materials	4,450	4,450	3,835	615
Contractual services	4,900	4,900	9,494	(4,594)
Miscellaneous	8,750	8,750	9,487	(737)
Total City Clerk	<u>146,617</u>	<u>146,617</u>	<u>145,408</u>	<u>1,209</u>
City Manager				
Salaries and payroll taxes	190,842	190,842	192,581	(1,739)
Supplies and materials	5,250	5,250	5,787	(537)
Contractual services	15,750	15,750	17,456	(1,706)
Capital outlay	-	-	16,500	(16,500)
Miscellaneous	5,000	5,000	6,234	(1,234)
Total City Manager	<u>216,842</u>	<u>216,842</u>	<u>238,558</u>	<u>(21,716)</u>
City Hall				
Supplies and materials	21,500	21,500	20,312	1,188
Contractual services	32,500	32,500	27,734	4,766
Capital outlay	48,878	48,878	46,460	2,418
Total City Hall	<u>102,878</u>	<u>102,878</u>	<u>94,506</u>	<u>8,372</u>
General Services				
Salaries and payroll taxes	66,446	66,446	66,514	(68)
Supplies and materials	179,000	179,000	172,180	6,820
Contractual services	447,950	447,950	459,888	(11,938)
Capital outlay	1,350	1,350	33,100	(31,750)
Miscellaneous	52,100	52,100	99,459	(47,359)
Total General Services	<u>746,846</u>	<u>746,846</u>	<u>831,141</u>	<u>(84,295)</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, 2018**

	<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	101,000	101,000	222,401	(121,401)
Total Legal Staff	<u>101,000</u>	<u>101,000</u>	<u>222,401</u>	<u>(121,401)</u>
 Total General Government	 <u>1,765,581</u>	 <u>1,765,581</u>	 <u>2,018,958</u>	 <u>(253,377)</u>
 Public Safety				
Police				
Salaries and payroll taxes	2,306,173	2,306,173	2,211,237	94,936
Supplies and materials	128,900	128,900	114,233	14,667
Contractual services	145,500	145,500	103,164	42,336
Capital outlay	67,300	67,300	321,303	(254,003)
Miscellaneous	7,500	7,500	11,368	(3,868)
Total Police	<u>2,655,373</u>	<u>2,655,373</u>	<u>2,761,305</u>	<u>(105,932)</u>
 Fire and Emergency Management				
Salaries and payroll taxes	1,560,261	1,560,261	1,449,244	111,017
Supplies and materials	99,600	99,600	77,269	22,331
Contractual services	57,200	57,200	54,769	2,431
Capital outlay	67,084	67,084	62,084	5,000
Miscellaneous	6,500	6,500	4,692	1,808
Total Fire and Emergency Management	<u>1,790,645</u>	<u>1,790,645</u>	<u>1,648,058</u>	<u>142,587</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, 2018**

	<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	77,275	77,275	65,128	12,147
Supplies and materials	8,000	8,000	9,006	(1,006)
Contractual services	34,750	34,750	32,668	2,082
Capital outlay	9,000	9,000	8,100	900
Miscellaneous	2,000	2,000	573	1,427
Total Cemetery	<u>131,025</u>	<u>131,025</u>	<u>115,475</u>	<u>15,550</u>
 Total Public Safety	 <u>4,577,043</u>	 <u>4,577,043</u>	 <u>4,524,838</u>	 <u>52,205</u>
 Economic and Community Development				
Salaries and payroll taxes	367,738	367,738	348,796	18,942
Supplies and materials	11,500	11,500	13,885	(2,385)
Contractual services	113,000	113,000	109,648	3,352
Capital outlay	93,000	93,000	40,619	52,381
Miscellaneous	5,000	5,000	6,091	(1,091)
Total Economic and Community Development	<u>590,238</u>	<u>590,238</u>	<u>519,039</u>	<u>71,199</u>
 Transportation				
Salaries and payroll taxes	679,908	679,908	630,377	49,531
Supplies and materials	86,000	86,000	79,499	6,501
Contractual services	71,200	71,200	84,236	(13,036)
Miscellaneous	5,500	5,500	7,122	(1,622)
Total Transportation	<u>842,608</u>	<u>842,608</u>	<u>801,234</u>	<u>41,374</u>
 TOTAL EXPENDITURES PAID	 <u>7,775,470</u>	 <u>7,775,470</u>	 <u>7,864,069</u>	 <u>(88,599)</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, 2018**

	<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>(118,735)</u>	<u>(118,735)</u>	<u>(265,343)</u>	<u>(146,608)</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	271,144	271,144
Interfund transfers in (out)				
911 Fund	115,735	115,735	115,735	-
Perpetual Care Cemetery - Interest	<u>3,000</u>	<u>3,000</u>	<u>4,264</u>	<u>1,264</u>
Total Other Financing Sources (Uses)	<u>118,735</u>	<u>118,735</u>	<u>391,143</u>	<u>1,264</u>
Excess (Deficit) Revenues Collected Over Expenditures Paid and Other Financing Sources (Uses)	-	-	125,800	<u>\$ (145,344)</u>
Fund Balance, beginning of year	<u>2,348,193</u>	<u>2,348,193</u>	<u>2,348,193</u>	
Fund Balance, end of year	<u>\$ 2,348,193</u>	<u>\$ 2,348,193</u>	<u>\$ 2,473,993</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Sales and use taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,166,827	\$ 26,827
Miscellaneous	-	-	7,360	7,360
Interest income	7,000	7,000	11,458	4,458
Total Revenues Collected	<u>1,147,000</u>	<u>1,147,000</u>	<u>1,185,645</u>	<u>38,645</u>
EXPENDITURES PAID				
General Government				
Contractual services	182,166	182,166	340,896	(158,730)
Capital outlay	-	-	87,674	(87,674)
Principal and interest	976,317	976,317	-	976,317
Total Expenditures Paid	<u>1,158,483</u>	<u>1,158,483</u>	<u>428,570</u>	<u>729,913</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>(11,483)</u>	<u>(11,483)</u>	<u>757,075</u>	<u>768,558</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
CWWSS Fund	-	-	(478,977)	(478,977)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(478,977)</u>	<u>(478,977)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	<u>(11,483)</u>	<u>(11,483)</u>	<u>278,098</u>	<u>\$ 289,581</u>
Fund Balance, beginning of year	<u>932,641</u>	<u>932,641</u>	<u>932,641</u>	
Fund Balance, end of year	<u>\$ 921,158</u>	<u>\$ 921,158</u>	<u>\$ 1,210,739</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Property taxes	\$ 496,000	\$ 529,000	\$ 519,456	\$ (9,544)
Other taxes	5,000	5,000	5,759	759
Charges for services	288,000	343,000	363,179	20,179
Federal and state grants	-	-	7,203	7,203
Miscellaneous	9,000	28,000	30,823	2,823
Total Revenues Collected	<u>798,000</u>	<u>905,000</u>	<u>926,420</u>	<u>21,420</u>
EXPENDITURES PAID				
Parks and recreation				
Salaries and payroll taxes	745,758	745,758	757,085	(11,327)
Supplies and materials	273,900	295,900	316,042	(20,142)
Repairs and maintenance	346,375	346,375	226,981	119,394
Contractual services	135,217	135,217	151,090	(15,873)
Capital outlay	61,000	91,000	139,065	(48,065)
Miscellaneous	32,350	32,350	29,654	2,696
Total Expenditures Paid	<u>1,594,600</u>	<u>1,646,600</u>	<u>1,619,917</u>	<u>26,683</u>
Excess (Deficit) of Revenues				
Collected over Expenditures Paid	<u>(796,600)</u>	<u>(741,600)</u>	<u>(693,497)</u>	<u>(5,263)</u>
Other Financing Sources (Uses)				
Interfund Transfers in (out)				
Non-resident lodging fund	1,000	1,000	4,159	3,159
Park sales tax trust fund	795,600	795,600	690,849	(104,751)
Total Other Financing sources (Uses)	<u>796,600</u>	<u>796,600</u>	<u>695,008</u>	<u>(101,592)</u>
Excess (Deficit) of Revenues Collected				
over Expenditures Paid and Other				
Financing Sources (Uses)	-	55,000	1,511	<u>\$ (106,855)</u>
Fund Balance, beginning of year	<u>3,444</u>	<u>3,444</u>	<u>3,444</u>	
Fund Balance, end of year	<u>\$ 3,444</u>	<u>\$ 58,444</u>	<u>\$ 4,955</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Sales and use taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,166,944	\$ 26,944
Federal and state grants	737,640	737,640	72,320	(665,320)
Interest income	14,000	14,000	10,620	(3,380)
Miscellaneous	20,000	20,000	6,426	(13,574)
Total Revenues Collected	<u>1,911,640</u>	<u>1,911,640</u>	<u>1,256,310</u>	<u>(655,330)</u>
EXPENDITURES PAID				
Transportation				
Contractual services	1,084,125	1,084,125	132,097	952,028
Capital outlay	750,000	750,000	312,045	437,955
Miscellaneous	2,000	2,000	9,385	(7,385)
Total Expenditures Paid	<u>1,836,125</u>	<u>1,836,125</u>	<u>453,527</u>	<u>1,382,598</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>75,515</u>	<u>75,515</u>	<u>802,783</u>	<u>727,268</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
Airport Operating Fund	(217,798)	(217,798)	(217,798)	-
Total Other Financing Sources (Uses)	<u>(217,798)</u>	<u>(217,798)</u>	<u>(217,798)</u>	<u>-</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(142,283)	(142,283)	584,985	<u>\$ 727,268</u>
Fund Balance, beginning of year	<u>737,594</u>	<u>737,594</u>	<u>737,594</u>	
Fund Balance, end of year	<u>\$ 595,311</u>	<u>\$ 595,311</u>	<u>\$ 1,322,579</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES COLLECTED				
Sales taxes	\$ 1,215,000	\$ 1,280,000	\$ 1,271,396	\$ (8,604)
Interest income	8,000	8,000	14,373	6,373
Total Revenues Collected	<u>1,223,000</u>	<u>1,288,000</u>	<u>1,285,769</u>	<u>(2,231)</u>
EXPENDITURES PAID				
Parks and Recreation				
Lease payments	534,659	536,500	538,397	(1,897)
Miscellaneous	2,500	2,500	2,473	27
Total Expenditures Paid	<u>537,159</u>	<u>539,000</u>	<u>540,870</u>	<u>(1,870)</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>685,841</u>	<u>749,000</u>	<u>744,899</u>	<u>(4,101)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in (out)				
Parks and Recreation Fund	(795,600)	(795,600)	(690,849)	104,751
Total Other Financing Sources (Uses)	<u>(795,600)</u>	<u>(795,600)</u>	<u>(690,849)</u>	<u>104,751</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Financing Sources (Uses)	(109,759)	(46,600)	54,050	<u>\$ 100,650</u>
Fund Balance, beginning of year	<u>1,503,458</u>	<u>1,503,458</u>	<u>1,503,458</u>	
Fund Balance, end of year	<u>\$ 1,393,699</u>	<u>\$ 1,456,858</u>	<u>\$ 1,557,508</u>	

COMPLIANCE AND INTERNAL CONTROL

**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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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, 2018, 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 3, 2019. 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 responses that we consider to be a significant deficiency (2018-001).

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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* (2018-002).

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



January 3, 2019

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

CITY OF MOBERLY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

2018-001	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 City precludes the application of internal accounting control procedures possible in a larger organization.
Context:	During our audit we reviewed City policies and procedures and determined adequate segregation of duties did not exist.
Effect:	A small number of employees perform several accounting duties.
Cause:	The City does not have the financial resources to hire enough personnel to segregate duties.
Recommendation:	The City should segregate duties wherever possible and implement other controls to compensate for the lack of segregation of duties.
View of Responsible Officials & Planned Corrective Action:	Financial transactions will be reviewed by the Finance Director to ensure completeness and validity.

CITY OF MOBERLY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
JUNE 30, 2018

2018-002	Budgeting
Criteria:	State statute, Chapter 67, requires that each political subdivision is prohibited from expending public monies unless those expenditures have been authorized as provided in Chapter 67.
Condition:	The City's actual expenditures in the General Fund and Park Sales Tax Fund exceeded final budgeted expenditures by \$88,599 and \$1,870, respectively.
Context:	The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the General Fund by \$88,599 and in the Park Sales Tax Fund by \$1,870.
Effect:	The City violated state statute RSMo 67.
Cause:	The City budgeted too few expenditures in the General Fund and Park Sales Tax Fund.
Recommendation:	The City should ensure actual expenditures do not exceed budgeted expenditures in any funds.
View of Responsible Officials & Planned Corrective Action:	The City will more closely monitor the overall budget and take corrective action when necessary to ensure that future expenditures fall within budgetary limits.