

CITY OF MOSCOW MILLS, MISSOURI
AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

CITY OF MOSCOW MILLS, MISSOURI
CASH BASIS FINANCIAL STATEMENTS
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CITY OF MOSCOW MILLS, MISSOURI

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Robert E. Croghan, Jr. CPA
Michael P. Croghan CPA
Cynthia Croghan Backes CPA



11007 Manchester Road
Kirkwood, Missouri 63122-1259
phone 314 966-6644
fax 314 966-3074

Robert E. Croghan CPA (Retired)

INDEPENDENT AUDITOR'S REPORT

Board of Aldermen
City of Moscow Mills, Missouri

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the City of Moscow Mills, Missouri, as of and for the year ended December 31, 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.

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 1; 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 also 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City'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 City'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 financial position-cash basis of the governmental activities, the business-type activities, and each major fund of the City of Moscow Mills, Missouri, as of December 31, 2018, and the respective changes in financial position-cash basis and where applicable, cash flows-cash basis, thereof for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 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 the matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moscow Mill's basic financial statements. The budgetary comparison information, combining street fund financial statements and management's discussion and analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information on pages 35 through 42 and combining street fund financial statements on pages 43 through 44 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 the auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and combining street fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The management's discussion and analysis on pages 3 through 9, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

Croghan + Croghan P.C.

Certified Public Accountants

Kirkwood, Missouri
August 20, 2019



*P.O. Box 36
Moscow Mills, MO 63362
Telephone 636-356-4220
Fax 636-356-4010
moscowmillsmo.com*

Management's Discussion and Analysis
for the Fiscal Year Ended December 31, 2018

This discussion and analysis is intended to be an overview of the City of Moscow Mills' financial activities for the fiscal year ended December 31, 2018. It should be read in conjunction with the City's financial statements.

The financial statements of the City have been prepared on the pure cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid rather than when incurred.

Financial Highlights

Key financial highlights for the fiscal year ended December 31, 2018 include the following:

Revenue:

- The City's property tax rates for 2018 stayed the same as 2017. The rates for 2018 were .4999 for the water works fund and .2554 for the general revenue fund. These amounts are per \$100 of assessed valuation.
- Sales tax and franchise tax experienced increases in revenues for 2018.
- Water and Sewer utility user fees rates were increased by 3% for FY 2018 due to a rate study the City performed and passed in late 2009 that became effective January 1, 2010.
- Grant funds were received in 2018 for road flares, safety cones, active shooter response kits, and flash lights for the Police Department.
- Park rental revenue, which is the main source of revenue for the park department, increased in comparison to the previous year. The building being was leased for \$1,400 per month starting in May of 2018. A contract for sale was also placed on the property with an expected closing date in 2019.
- The City continued under the agreements with Environmental Management Corporation and All Star Pumping and Sewer Service to allow them to haul waste to the Crooked Creek Wastewater Treatment Facility. These agreements resulted in \$27,200 of annual revenue for the Sewer Fund. The agreement with Environmental Management Corporation terminated in October 2017.
- 50% of the Fuel tax, Motor Vehicle Sales Tax, and Motor Vehicle Fee Increase revenues were deposited into the Street Fund for 2018, and 50% was deposited into the General Revenue Fund. In comparison, 70% was deposited into the Street Fund in 2017 and 30% into the General Revenue Fund. In the prior years of 2015 to 2011, 100% was deposited into the Street Fund.

Expenses:

- The City's engineer prepared semi-annual compliance reports for EPA and Mo DNR, continued the design for the elimination of the Northwest Wastewater Treatment Facility, did easement work for the project, and applied for the construction permit with Mo DNR. Renewal of the operating permit for the Crooked Creek Wastewater Treatment Facility was applied for. They also reviewed, approved and monitored building permits, site plans, and other development within the City.
- Purchases for the maintenance department were: Water meters and mxu's \$68,938.51, 2019 F-350 with salt spreader \$50,605.00, sewer pumps \$49,112.52, Sensus radio read equipment \$16,017.54, de-humidifier \$10,169.00, 2011 Artic Cat UTV \$7,900.00, eleven wreaths for light poles \$4,685.07, digital cylinder scale \$2,282.13, portable generator \$2,041.55, Hack LDO kit \$1,989.00, microscope \$1,906.03, transmitter for locator \$1,866.29, AED \$1,599.00, barricade kits \$1,290.58, two 1" centrifugal pumps \$810.38, two chain saws \$750.48, two trimmers \$739.98, computer and Microsoft Office software \$704.00, ammonia pocket colorimeter \$538.07, backpack blower \$499.99, fluke \$499.98, chlorine pocket colorimeter \$478.91, 30 gallon trailer sprayer \$299.99, and a portable hard drive \$79.00. Roads were patched, asphalted, and concrete sections replaced in various areas at a total cost of \$40,750.67, and \$14,028.63 was spent on ice control. New street signs were purchased at a cost of \$1,809.61.
- Purchases for the police department were: seven Glock service weapons \$3,084.50, clearing tap \$684.99, five shotgun slings \$203.00, five shotgun shell holders \$272.50, two airsoft pistols and two airsoft rifles \$877.15, shot timer \$124.00, tool box \$169.98, final lease payments were made for \$10,726.09 on the two 2016 Ford SUV's, the first two lease payments were made for \$24,243.92 on the three year leases for the two 2018 Ford SUV's, and \$13,489.42 to equip the two new vehicles and the Chief's used 2014 vehicle purchased at the end of 2017.
- The City Clerk's office purchased a printer \$382.03.
- The Court Department purchased a card processor for \$323.21.
- The City continued leasing the building at 995 Main Street.

Using the Basic Financial Statements

The City's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the cash basis operations of the City as a whole. The "Basic Financial Statements" section includes government-wide financial statements, fund financial statements and notes to financial statements. The government-wide financial statements, consisting of the Statement of Net Assets (Cash Basis) and the Statement of Activities (Cash Basis), provide highly consolidated cash basis financial information and render a government-wide perspective of the City's cash basis financial condition.

By showing the change in net assets (cash basis) for the year, the reader may ascertain whether the City's cash basis financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors, which may have an impact on the City's financial condition, include increases in or erosion of the property tax base, current property tax laws in Missouri restricting revenue growth, facility conditions, and other factors.

Government-wide Financial Analysis

Net assets of the governmental and business-type activities of the City at December 31, 2018 of \$4,239,162.85 reflect the City's total assets of cash and investments (net).

Governmental Activities	2017	2018
Revenues Collected		
Program Revenues Collected		
Charges for Services and Sales	\$ 272,529.36	\$ 267,001.68
Operating Grants	101,231.12	101,354.41
General Revenues Collected		
Property Taxes	76,891.08	91,093.53
Franchise & Public Services Taxes	130,531.38	163,143.53
Sales Tax	520,276.91	565,645.93
Investment Income	2,884.53	3,866.31
Miscellaneous	181,615.82	8,114.69
Total Revenues Collected	<u>1,285,960.20</u>	<u>1,200,220.08</u>
Expenses Paid		
General Government	334,512.72	324,285.08
Public Safety	511,190.94	533,324.45
Public Works - Streets	134,418.93	173,476.54
Park & Recreation	5,440.89	5,192.31
Capital Outlay	231,674.59	43,018.86
Debt Service		
Principal	25,040.20	37,856.20
Interest and Fees	6,011.98	6,713.81
Total Expenses Paid	<u>1,248,290.25</u>	<u>1,123,867.25</u>
Excess of Revenues Collected Over Expenses Paid	37,669.95	76,352.83
Net Position, January 1	<u>1,151,909.50</u>	<u>1,189,579.45</u>
Net Position, December 31	<u>\$ 1,189,579.45</u>	<u>\$ 1,265,932.28</u>

Business Type Activities Analysis

Business-Type Activities	2017	2018
Revenues Collected		
Program Revenues Collected		
Charges for Services and Sales	\$ 1,606,008.10	\$ 1,715,048.46
General Revenues Collected		
Property Taxes	150,504.35	178,299.45
Investment Income	6,356.74	8,444.88
Miscellaneous	30,031.63	28,066.50
Total Revenues Collected	<u>1,792,900.82</u>	<u>1,929,859.29</u>
Expenses Paid		
Water	352,331.90	418,812.17
Sewer	727,264.27	599,720.34
Water & Sewer Bond Debt Reserve	407,130.46	405,952.46
Water Repair & Replacement	261.51	591.17
Sewer Repair & Replacement	5,095.52	17,587.73
Trash	147,095.50	166,595.47
Total Expenses Paid	<u>1,639,179.16</u>	<u>1,609,259.34</u>
Net Income	153,721.66	320,599.95
Net Position, January 1	<u>2,498,908.96</u>	<u>2,652,630.62</u>
Net Position, December 31	<u>\$ 2,652,630.62</u>	<u>\$ 2,973,230.57</u>

The Water Fund experienced a 4.35% increase in operating revenues as compared to FY 2017. The water fund shows a net income of \$169,633.21 for 2018.

The Sewer Fund experienced a 7.39% increase in operating revenues as compared to FY 2017. The Sewer fund shows a net income of \$79,344.60 for 2018.

General Fund Budgetary Highlights

The City's annual budget covers the period January 1, 2018 to December 31, 2018.

The General Fund revenues exceeded budgetary projections by 8.3%. The expenditures came in at 9.65% under the anticipated expenditures.

Capital Assets and Debt Administration

The City operates under the cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

At year end the City had debt in the amount of \$ 6,932,452.19.

2016 Promissory Note-City Hall	\$ 132,659.04
1999 General Revenue Bonds	50,000.00
2014 General Revenue Bonds	3,883,318.00
2005 Lease Purchase for Mette Facility	2,821,684.64
2018 Capital Lease – vehicles	44,790.51

Budgetary Analysis

The City's 2019 budget process proved to be very challenging. With the City's growth comes a greater demand on the City's assets. The City has many needs to address and the FY2019 budget reflect our efforts to meet those objectives.

The City has budget funds for the departments as follows:

BUDGET GOALS FOR 2019

Maintenance Dept:

1. Continue resurfacing roads that are deteriorating and patching streets that need repairs.
2. Maintenance Superintendent to attend the annual MIRMA conference and MRWA conference in an effort to stay in compliance with new regulations, which will keep insurance premium costs down.
3. Update/replace worn road and traffic control signs.
4. Obtain easements, bid, and construct the water loop from the Hoelting property to Winchester Place.
5. Continue with upgrades and improvements as agreed to in the Administrative Order for Compliance upon Consent with the Environmental Protection Agency and continue to file semi-annual reports with EPA and DNR. This project is expected to be completed by the end of 2019.
6. Purchase a microscope, water testing equipment, digital cylinder scales, safety harnesses, meter pit pumps, a DO meter, a flow meter, sewer testing equipment, a trash pump, a cable machine, a salt spreader, a snow plow, traffic cones, and a small concrete mixer, a vactron, a mower, a tractor, winch and plow for the Arctic Cat, and two storm warning sirens.
7. Purchase the necessary items to start a sewer lab testing facility.

Police Dept:

8. Efficiently utilize the police training fund to keep all police personnel POST certified.
9. Purchase fire extinguishers for the vehicles, duty bags for the vehicles, five shotgun/rifle mounts for the vehicles, five cameras for evidence, two taser holsters, two computer docking stations for the vehicles, five body armor vests, a radar unit, a metal detector, eight Airsoft masks, two Airsoft pistols, two Airsoft rifles, lockers for officers, patrol rifles, and optics for patrol rifles. Make lease payments on the two 2018 vehicles, purchase new vehicle for Chief Foster's use.

Office Dept:

10. City Clerk to attend the MCCFOA Spring Conference, Fall Regionals, MIRMA Annual Conference, and MML Annual Conference.
11. Purchase or upgrade computers, printers, monitors as needed. Purchase a new color copier.
12. Completion of and payment for the 2018 audit.

Court Dept:

13. Deb Freise to attend the Court Clerk's annual conferences. The Judge to attend the Missouri Municipal and Associates Circuit Judges Association annual conference.
14. Purchase a printer.

Misc:

15. Three Board of Aldermen members to attend the annual MML Conference and two Board of Aldermen to attend the MML Elected Official Conference.
16. No employee wage/salary increases were initially included for 2019. This item was evaluated at the first quarter budget review and increases were given for most employees as of July 1st, 2019.
17. Obtain grants from local, state, and federal sources for the purpose of equipment acquisition and/or wages.
18. Remit payments when funds are available for the Site Lease/Lease Purchase agreement on the Mette Road facilities.
19. The budget will be reviewed by the Board of Aldermen on a quarterly basis.
20. Continue work on new policies and procedures and updates to city code.
21. Continue with renovations on the City Hall, Police, and Court building located at 995 Main Street.
22. Purchase seven tablets for use at City meetings.

Budgetary Restrictions for 2019

23. Hiring freeze in all departments unless prior permission is given by the Board of Alderman.
24. All overtime and compensatory time is to be kept to a minimum.
25. Department heads to carefully scrutinize all purchases and expenditures.
26. Monthly expenses to be reviewed by the Board of Alderman to determine budget compliance.
27. No amounts from the restricted cash accounts in General Revenue fund, Water Works fund, Sewer fund, and Street fund shall be expended without prior approval of the Board of Aldermen.

28. Beginning 2019 restricted cash balances for the General Revenue fund, Water Works fund, Sewer fund, and Street fund shall be set at the unencumbered beginning checking balance as of January 1, 2019, unless the attached budget requires partial use of that amount. Approximately \$86,000 to be transferred from the Street Fund to the Street Repair and replacement fund as of 1/2/19.
29. The General Revenue fund will continue to have a restricted cash reserve amount, set at \$521,000 for 2019, which is an amount equal to approximately six months of General Revenue operating expenses. This set amount will be reviewed annually. At the 2019 2nd quarter budget review the balance dipped to an estimated \$507,621.10. This balance will be closely monitored for the 2019 budget year.

Contacting the City's Financial Management

While this Management's Discussion & Analysis is designed to provide a general overview of the cash basis financial condition and operations of the City, citizens, tax payers and creditors may want further details. To obtain such details, please contact Patrick Flannigan, Mayor or Linda Haynes, City Clerk at Moscow Mills City Hall, P.O. Box 36, 995 Main Street, Moscow Mills, Missouri 63362 or call 636-356-4220 during regular office hours, Monday through Friday, 8:00 a.m. to 4:30 p.m.

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2018

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Investments	\$ 1,265,932.28	\$ 47,188.68	\$ 1,313,120.96
Restricted Assets:			
Cash and Investments	<u> </u>	<u>2,926,041.89</u>	<u>2,926,041.89</u>
Total Assets	<u>1,265,932.28</u>	<u>2,973,230.57</u>	<u>4,239,162.85</u>
 <u>NET POSITION</u>			
Restricted for:			
Streets	546,403.66	-	546,403.66
Debt Service		2,926,041.89	2,926,041.89
Unrestricted	<u>719,528.62</u>	<u>47,188.68</u>	<u>766,717.30</u>
 Total Net Position	\$ <u><u>1,265,932.28</u></u>	\$ <u><u>2,973,230.57</u></u>	\$ <u><u>4,239,162.85</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues Received			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 324,285.08	\$ 96,427.11	\$ -	\$ -	(227,857.97)	-	\$ (227,857.97)
Public Safety	533,324.45	156,674.57			(376,649.88)		(376,649.88)
Park and Recreation Program	5,192.31	13,900.00			8,707.69		8,707.69
Public Works - Streets	173,476.54	101,354.41			(72,122.13)		(72,122.13)
Capital Outlay	43,018.86				(43,018.86)		(43,018.86)
Debt Service							
Principal	37,856.20				(37,856.20)		(37,856.20)
Interest and Fees	6,713.81				(6,713.81)		(6,713.81)
Total governmental activities:	<u>1,123,867.25</u>	<u>267,001.68</u>	<u>101,354.41</u>	<u>-</u>	<u>(755,511.16)</u>	<u>-</u>	<u>(755,511.16)</u>
Business-type Activities:							
Water	418,812.17	659,711.32	-	-	-	240,899.15	240,899.15
Sewer	599,720.34	885,679.21				285,958.87	285,958.87
Water & Sewer Bond Debt Reserve	405,952.46					(405,952.46)	(405,952.46)
Water Repair and Replacement	591.17					(591.17)	(591.17)
Sewer Repair and Replacement	17,587.73	169,657.93				(17,587.73)	(17,587.73)
Trash	166,595.47	1,715,048.46				3,062.46	3,062.46
Total business-type activities:	<u>1,609,259.34</u>	<u>1,715,048.46</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,789.12</u>	<u>105,789.12</u>
Total City	<u>\$ 2,733,126.59</u>	<u>\$ 1,982,050.14</u>	<u>\$ 101,354.41</u>	<u>\$ -</u>	<u>(755,511.16)</u>	<u>105,789.12</u>	<u>(649,722.04)</u>
General Revenues:							
Taxes							
Property Taxes					91,093.53	178,299.45	269,392.98
Franchise and Public Service Taxes					163,143.53		163,143.53
Sales Tax					565,645.93		565,645.93
Investment Income					3,866.31	8,444.88	12,311.19
Miscellaneous					8,114.69	28,066.50	36,181.19
Total General Revenues					<u>831,863.99</u>	<u>214,810.83</u>	<u>1,046,674.82</u>
Change in Net Position					76,352.83	320,599.95	396,952.78
Net Position - beginning					1,189,579.45	2,652,630.62	3,842,210.07
Net Position - ending					<u>\$ 1,265,932.28</u>	<u>\$ 2,973,230.57</u>	<u>\$ 4,239,162.85</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
BALANCE SHEET - CASH BASIS -
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Combined Street</u>	
<u>ASSETS</u>			
Cash and Investments	\$ 719,528.62	\$ 546,403.66	\$ 1,265,932.28
Restricted Assets:			
Cash and Investments			
Total Assets	<u>\$ 719,528.62</u>	<u>\$ 546,403.66</u>	<u>\$ 1,265,932.28</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
None	\$ -	\$ -	\$ -
Fund Equity:			
Fund Balance:			
Restricted			
Streets	-	546,403.66	546,403.66
Unassigned	<u>719,528.62</u>		<u>719,528.62</u>
Total Fund Equity	<u>719,528.62</u>	<u>546,403.66</u>	<u>1,265,932.28</u>
Total Liabilities and Fund Equity	<u>\$ 719,528.62</u>	<u>\$ 546,403.66</u>	

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement
of net position are different because:

There are no adjustments -

Net position of governmental activities \$ 1,265,932.28

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	Major Funds		Total
	General	Combined Street	Governmental Funds
REVENUES:			
Taxes	\$ 639,239.86	\$ 180,643.13	\$ 819,882.99
Intergovernmental	50,677.21	50,677.20	101,354.41
Licenses, Permits and Fees	96,427.11		96,427.11
Interest	2,596.71	1,269.60	3,866.31
Fines and Forfeitures	156,674.57		156,674.57
Park and Recreation Program	13,900.00		13,900.00
Miscellaneous	8,114.69		8,114.69
Total Revenues	<u>967,630.15</u>	<u>232,589.93</u>	<u>1,200,220.08</u>
EXPENDITURES:			
Current:			
General Government	324,285.08	-	324,285.08
Public Safety	533,324.45		533,324.45
Parks and Recreation	5,192.31		5,192.31
Public Works - Streets		173,476.54	173,476.54
Capital Outlay	30,765.67	12,253.19	43,018.86
Debt Service:			
Principal	37,856.20		37,856.20
Interest and fees	6,713.81		6,713.81
Total Expenditures	<u>938,137.52</u>	<u>185,729.73</u>	<u>1,123,867.25</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>29,492.63</u>	<u>46,860.20</u>	<u>76,352.83</u>
FUND BALANCE, JANUARY 1, 2018	<u>690,035.99</u>	<u>499,543.46</u>	<u>1,189,579.45</u>
FUND BALANCE, DECEMBER 31, 2018	<u>\$ 719,528.62</u>	<u>\$ 546,403.66</u>	<u>\$ 1,265,932.28</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total governmental funds	\$	76,352.83
There are no adjustments		<u>-</u>
Change in Net Position of Governmental Activities	\$	<u><u>76,352.83</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Major Enterprise Funds						Total Enterprise Funds
	Water	Sewer	Trash	Bond Debt Reserve	Water & Sewer & Replacement	Sewer Repair & Replacement	
ASSETS							
Cash and Investments	\$ -	\$ -	\$ 47,188.68	\$ -	\$ -	\$ -	\$ 47,188.68
Restricted Assets:							
Cash and Investments	986,905.46	492,640.29		316,288.37	610,847.41	519,360.36	2,926,041.89
	<u>\$ 986,905.46</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>
NET POSITION							
Restricted for:							
Debt Service	\$ 986,905.46	\$ 492,640.29	\$ -	\$ 316,288.37	\$ 610,847.41	\$ 519,360.36	2,926,041.89
Unrestricted			47,188.68				47,188.68
Total Net Position	<u>\$ 986,905.46</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Major Enterprise Funds						Total Enterprise Funds
	Water	Sewer	Trash	Water & Sewer Bond Debt Reserve	Water Repair and Replacement	Sewer Repair and Replacement	
OPERATING REVENUES:							
Charges for Services	\$ 659,711.32	\$ 885,679.21	\$ 169,657.93	\$ -	\$ -	\$ -	\$ 1,715,048.46
Total Operating Revenues	<u>659,711.32</u>	<u>885,679.21</u>	<u>169,657.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,715,048.46</u>
OPERATING EXPENSES:							
Cost of Sales and Services:							
Salaries and Wages	100,597.63	106,044.44	2,494.35	-	-	-	209,136.42
Retirement Expenses	882.22	916.77	26.76				1,825.75
Payroll Taxes	7,012.67	7,433.84	176.75				14,623.26
Miscellaneous Insurance	23,309.47	24,839.39	579.51				48,728.37
Contracted Services	4,647.07	9,689.27					14,336.34
Solid Waste Expense			158,901.45				158,901.45
Engineering	552.50	83,685.49					84,237.99
Legal Fees	495.00	16,199.00					16,694.00
Uniforms	2,878.29	1,985.06					4,863.35
Utilities	47,283.45	77,117.80					124,401.25
Permits		500.00					500.00
Collector/Assessor Fees	10,923.61						10,923.61
Primacy/Connection Fees	3,787.53	1,258.50					5,046.03
Collection Agency Fees	25.70	20.59	7.17				53.46
Dues & Schooling	1,754.23	397.22	189.91				2,341.36
Postage	1,604.63	1,873.71	777.00				4,255.34
Fuel & Mileage	7,248.14	7,881.37					15,129.51
Debit/Credit Card Fees	6,418.22	6,418.23	3,209.15		591.17	591.17	16,045.60
Equipment Purchase	95,628.13	119,589.98					216,400.45
Equipment Repair	12,722.99	22,805.55					35,528.54
Building Maintenance	13,387.46	11,734.50					25,121.96
System		18,077.33				15,021.09	33,098.42
Billing Cards	466.81	466.81	233.42				1,167.04
Supplies	18,219.83	34,316.40				1,975.47	54,511.70
Lab Testing		11,812.00					11,812.00
Accountant Expense	3,062.50	3,062.50					6,125.00
Other	1,447.04	29,194.59			591.17		30,641.63
Total Operating Expenses	<u>364,355.12</u>	<u>597,320.34</u>	<u>166,595.47</u>	<u>-</u>	<u>591.17</u>	<u>17,587.73</u>	<u>1,146,449.83</u>
OPERATING INCOME (LOSS)	<u>295,356.20</u>	<u>288,358.87</u>	<u>3,062.46</u>	<u>-</u>	<u>(591.17)</u>	<u>(17,587.73)</u>	<u>568,598.63</u>
NON-OPERATING REVENUES (EXPENSES):							
Property Taxes	178,299.45	-	-	-	-	-	178,299.45
Interest	3,982.61	1,050.73	103.41	744.42	1,408.52	1,155.19	8,444.88
Other	866.50	27,200.00					28,066.50
Debt Service:							
Principal	(51,244.98)	(1,244.98)		(252,863.00)			(305,352.96)
Interest & Fees	(3,212.07)	(1,155.02)		(153,089.46)			(157,456.55)
Total Non-Operating Revenues (Expenses)	<u>128,691.51</u>	<u>25,850.73</u>	<u>103.41</u>	<u>(405,208.04)</u>	<u>1,408.52</u>	<u>1,155.19</u>	<u>(247,998.68)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>424,047.71</u>	<u>314,209.60</u>	<u>3,165.87</u>	<u>(405,208.04)</u>	<u>817.35</u>	<u>(16,432.54)</u>	<u>320,599.95</u>
OPERATING TRANSFERS	<u>(254,414.50)</u>	<u>(234,865.00)</u>	<u>-</u>	<u>409,000.00</u>	<u>49,914.50</u>	<u>30,365.00</u>	<u>-</u>
NET INCOME (LOSS) AFTER OPERATING TRANSFER	<u>169,633.21</u>	<u>79,344.60</u>	<u>3,165.87</u>	<u>3,791.96</u>	<u>50,731.85</u>	<u>13,932.46</u>	<u>320,599.95</u>
TOTAL NET POSITION, JANUARY 1, 2018	<u>817,272.25</u>	<u>413,295.69</u>	<u>44,022.81</u>	<u>312,496.41</u>	<u>560,115.56</u>	<u>505,427.90</u>	<u>2,652,630.62</u>
TOTAL NET POSITION, DECEMBER 31, 2018	<u>\$ 986,905.46</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF CASH FLOWS - CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Major Enterprise Funds					Total Enterprise Funds
	Water	Sewer	Trash	Bond Debt Reserve	Water Repair and Replacement	Sewer Repair and Replacement
Cash Flows from Operating Activities:						
Received from Customers	\$ 659,711.32	\$ 885,679.21	\$ 169,657.93	\$ -	\$ -	\$ 1,715,048.46
Payments to Suppliers for Goods and Services	(255,862.60)	(482,925.29)	(163,897.61)		(591.17)	(920,864.40)
Payments to Employees for Services	(108,492.52)	(114,395.05)	(2,697.86)			(225,585.43)
Net Cash Provided (Used) by Operating Activities	295,356.20	288,358.87	3,062.46	-	(591.17)	568,598.63
Cash Flows from Noncapital Financing Activities:						
Property Taxes	178,299.45	-	-	-	-	178,299.45
Other income	866.50	27,200.00				28,066.50
Operating Transfers	(254,414.50)	(234,865.00)		409,000.00	49,914.50	30,365.00
Net Cash Provided (Used) for Noncapital Financing Activities	(75,248.55)	(207,665.00)	-	409,000.00	49,914.50	206,365.95
Cash Flows from Capital and Related Financing Activities:						
Principal Paid on Bonds/Certificates	(51,244.98)	(1,244.98)	-	(252,863.00)	-	(305,352.96)
Interest and Fees Paid on Bonds/Certificates	(3,212.07)	(1,155.02)		(153,089.46)		(157,456.55)
Net Cash Used for Capital and Related Financial Activities	(54,457.05)	(2,400.00)	-	(405,952.46)	-	(462,809.51)
Cash Flows from Investing Activities:						
Interest Earned	3,982.61	1,050.73	103.41	744.42	1,408.52	8,444.88
Net Cash Provided by Investing Activities	3,982.61	1,050.73	103.41	744.42	1,408.52	8,444.88
Cash, Beginning of Year	817,272.25	413,295.69	44,022.81	312,496.41	560,115.56	2,652,630.62
Cash, End of Year	\$ 986,905.46	\$ 492,640.29	\$ 47,188.68	\$ 316,288.37	\$ 610,847.41	\$ 2,973,230.57
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income(Loss)	\$ 295,356.20	\$ 288,358.87	\$ 3,062.46	\$ -	\$ (591.17)	\$ 568,598.63
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities						
Changes in assets and liabilities:						
None						
Net Cash Provided (Used) by Operating Activities	\$ 295,356.20	\$ 288,358.87	\$ 3,062.46	\$ -	\$ (591.17)	\$ 568,598.63

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2018

<u>ASSETS</u>	<u>Agency Funds</u>
Restricted Assets:	
Cash and Investments	\$ <u>5,400.00</u>
 <u>LIABILITIES</u>	
Due to Others - Court Bonds	\$ <u>5,400.00</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MOSCOW MILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies

The City of Moscow Mills, Missouri, was established in 1821. The City operates under a Mayor-Board of Alderman form of government. The City's major operations include police, public works, and general administrative services. In addition, the City operates water, sewer, and sanitation systems.

The financial statements of the City of Moscow Mills, Missouri have been prepared on the cash basis of accounting. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Principals Used to Determine Scope of Entity

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by both GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The City has determined that no outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity which would exercise such oversight which would result in the City being considered a component unit of the entity.

Included within the reporting entity:

Tax Increment Financing Commission of the City of Moscow Mills, Missouri. The Tax Increment Financing Commission was formed to encourage economic development in the City. It is governed by a Board of Commissioners. The Commission oversees certain redevelopment activities. The Commission does not issue a separate financial statement.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position—Cash Basis and the Statement of Activities—Cash Basis present financial information about the City's government as a whole within the limitations of the cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities–Cash Basis presents a comparison between direct expenses and program revenue for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The City has the following program revenues in each activity:

General Government	Licenses and permits
Public Safety	Fine revenue
Park and Recreation	Rental and other income
Publics Works-Streets	Vehicle fees and sales tax and gasoline excise tax shared by the State

Fund Financial Statements

During the year, the City segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of the governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. A fund is considered major if it is the primary operating fund of the City, the City chooses the fund, or a fund meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of the 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds; governmental, proprietary, and fiduciary.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The following are the City’s governmental funds:

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 financial resources not accounted for and reported in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are either restricted or committed to expenditures for specified purposes other than debt service or capital projects.

GASB 54 clarifies the definitions of the governmental fund types. The following are reported as part of the Combined Street Fund for financial reporting purposes but are maintained individually for accounting purposes and budgetary comparisons of legally adopted budgets.

Street Fund-to account for certain sales tax and other revenues received by the City and those expenditures for the street department.

Street Repair and Replacement-to account for certain expenditures for the construction and maintenance of streets as well as certain equipment related to maintaining streets.

Proprietary Funds

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.

Water Fund-to account for the revenues and expenses of the operation of the water system.

Sewer Fund-to account for the revenues and expenses of the operation of the sewage system.

Trash Fund-to account for the revenues and expenses arising from the charges to patrons of the sanitation system.

Waterworks Repair and Replacement Fund-to account for an accumulation of resources as required by revenue bonds.

Sewer Repair and Replacement Fund-to account for an accumulation of resources as required by revenue bonds.

Water and Sewer Bond Debt Reserve Fund-to account for a portion of the proceeds of revenue bonds and the payment of interest and principal on those revenue bonds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and other operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Agency Fund

Municipal Court-represents monies that are held by the City's municipal court in a fiduciary capacity on behalf of various individuals and entities. This fund is not considered an operating fund of the City.

Major and Non-Major Funds

The funds are classified as major or non-major as follows:

Major Funds

Governmental Funds:

General Fund
Combined Street

Propriety Funds:

Water
Sewer
Trash
Water and Sewer Bond Debt Reserve
Sewer Repair and Replacement
Waterworks Repair and Replacement

Non-Major Funds

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position-Cash Basis and the Statement of Activities-Cash Basis, both governmental and business-like activities are presented using the “economic resources” measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the cash basis of accounting, is used as appropriate:

- a. All government funds utilize a “current financial resources” measurement focus within the limitations of the cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

- b. The proprietary funds utilize an “economic resources” measurement focus within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Basis of Accounting

The financial statements are presented in accordance with the cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB.

The cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the City utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. After the City Clerk receives budgets from each department head, the City Clerk, Budget Officer, and Mayor meet to formulate the proposed operating budget. Then the City Clerk submits to the Mayor and the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
2. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
3. The original budget was formally adopted on December 11, 2017.
4. Budgets for City funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.
5. Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen.

For the year ended December 31, 2018, the City complied, in all material respects, with applicable budget laws.

E. Cash and Cash Equivalents and Investments

Cash resources of the individual funds are combined to form a pool of cash which is managed by the City Clerk. Interest income earned is allocated to contributing funds based on cash balances.

For the purpose of the Statement of Net Position-Cash Basis, “cash and investments” includes all demand accounts and non-negotiable certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows-Cash Basis, “cash” includes all demand accounts and non-negotiable certificates of deposits.

F. Capital Assets

Capital outlays of the various funds are recorded as expenditures when incurred. These capital outlays represent the cost of land, buildings and improvements, and furniture and equipment. The City does not maintain a record of its capital assets.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

The restricted assets at December 31, 2018, are as follows:

Water Fund	\$ 986,905.46
Sewer Fund	492,640.29
Water & Sewer Bond Debt Reserve	316,288.37
Water Repair & Replacement	610,847.41
Sewer Repair & Replacement	519,360.36
	<u>\$ 2,926,041.89</u>

H. Governmental Fund Balances

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable-Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.

Restricted-Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed-Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action (ordinance) of the City's highest level of decision- making authority.

Assigned-Amounts constrained by the City's intent (resolution) to be used for specific purposes but that are neither restricted nor committed.

Unassigned-The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

It is the City's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also City policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The City has no formal minimum fund balance policies or any formal stabilization arrangement in place.

Fund balances of the City's governmental funds at December 31, 2018, are classified as follows regarding level of constraint:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Fund Balance:		
Restricted for:		
Streets	\$ -	\$ 546,403.66
Unassigned	719,528.62	
Total Fund Equity	<u>\$ 719,528.62</u>	<u>\$ 546,403.66</u>

I. Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

J. Interfund Activity

In the process of aggregating the financial information for the government-wide Statement of Net Position-Cash Basis and Statement of Activities-Cash Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. *Interfund loans.* Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. *Interfund services.* Sales or purchases of goods and services between funds are reported as revenues and expenditures or expenses.
- c. *Interfund reimbursement.* Repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures or expenses in the respective funds.
- d. *Interfund transfers.* Flow of assets from one fund to another when repayment is not expected and reported as transfers in and out.

Interfund activity and balances resulting from cash transaction or events, if any, are eliminated or reclassified in the government-wide financial statement as follows:

- a. *Interfund balances.* Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the "Governmental" and "Business-Type Activities" columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- b. *Internal activities.* Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds. See Note 6 for details of interfund transactions.

K. Fines and Court Costs

Missouri statute now requires municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for minor traffic violations. The City's fines, court costs and other revenues pertaining to minor traffic violations totaled \$121,971.95 for the fiscal year. "Annual general operating revenue" is defined in the statute and may or may not include various sources of the City's revenues. "General operating revenue" totaled \$899,075.68. The City's fines and court costs for minor traffic violations are 13.56% "annual general operating revenue."

L. Estimates

The preparation of the financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the final statements and accompanying notes. Actual results may differ from those estimates.

M. Adopting New Accounting Standards

The City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

The City also adopted GASB Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits

The City also adopted GASB Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt.

2. Cash and Investments

The City is governed by the deposit and investment limitations of City policy and state law. The depository banks are to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes.

The City may invest the funds in bonds or any instrument permitted by law for the investment of State monies in accordance with section 165.051 of the Missouri Revised Statutes.

The deposits and investments held at December 31, 2018, and reported at cost are as follows:

Type	Maturities	Carrying Value
Deposits:		
NOW Account		\$ 4,149,875.80
Non-negotiable certificates of deposit	Various	89,287.05
Total Deposits		<u>\$ 4,239,162.85</u>

Reconciliation to financial statements:

Current:

Cash and investments	\$ 1,313,120.96
Cash and investments-restricted	2,926,041.89
	<u>\$ 4,239,162.85</u>

Custodial Credit Risk – Deposits – Custodial credit is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a policy for addressing custodial credit risk for deposits. As of December 31, 2018, bank balances were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized by the pledging financial institution or its agent in the City's name.

The City has not formally adopted deposit and investment policies that limit the City’s allowable deposits or investments and address the specific types of risk to which the City is exposed.

3. Taxes

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

The assessed valuation of the tangible taxable property for the calendar year 2018 for purposes of local taxation was:

Residential	\$ 15,655,564
Agricultural	79,824
Commercial	8,750,725
Personal Property	10,083,570
Railroad and Utilities	604,880
	<u>\$ 35,174,563</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2018 for purposes of local taxation was:

General Revenue	\$ 0.2554
Waterworks	0.4999
	<u>\$ 0.7553</u>

4. Short-Term Debt

The City on September 1, 2018 modified a promissory note with a local bank used to finance the purchase of real estate.

Short-term debt activity for the year ended December 31, 2018, was as follows:

	<u>Balance Jan 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec 31, 2018</u>
Note Payable	<u>\$ 140,128.94</u>	<u>\$ -</u>	<u>\$ 7,469.44</u>	<u>\$ 132,659.50</u>

5. Long-Term Debt

The City's long-term debt arising from cash transactions is segmented between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

As of December 31, 2018, the long-term debt outstanding, arising from cash transactions, to be repaid from governmental funds consisted of the following:

Capital Lease Obligation:

2018 capital lease with Ford Motor Credit Company, for two Police Interceptors (cost \$66,698.00), payable in semi-annual installments of \$12,121.96, including principal and interest at 6.5%, final payment due November 2020:

\$ 44,790.51

Total capital lease obligations

\$ 44,790.51

Business-Type Activities

As of December 31, 2018, the long-term debt, arising from cash transactions, payable from proprietary fund resources consisted of the following:

Revenue Bonds:

\$365,000.00 revenue bonds due in varying annual installments through July 1, 2020; interest at 4.125% to 6.000%:

\$ 50,000.00

\$4,977,100.00 revenue bonds due in varying annual installments through July 1, 2030; interest at 3.810%:

3,883,318.00

Total Revenue Bonds:

\$ 3,933,318.00

Capital Lease Obligation:

2005 capital lease with Gerald P. Schoenfelder 2003 Real Property Trust for certain combined waterworks and sewerage system improvements (cost \$1,400,000.00), payable in quarterly installments of \$71,764.63, including principal and interest at 6%, final payment due January 1, 2026:

\$ 2,821,684.64

Total Capital Lease Obligations:

\$ 2,821,684.64

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2018.

<u>Type of Debt</u>	<u>Balance Jan 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec 31, 2018</u>	<u>Amount Due Within One Year</u>
Governmental Activities					
Capital Lease Obligations	\$ 10,423.78	\$ 67,243.00	\$ 32,876.27	\$ 44,790.51	\$ 21,679.19
Business Type Activities:					
Revenue Bonds	4,211,181.00		277,863.00	3,933,318.00	268,366.00
Capital Lease Obligations*	2,642,448.38	204,236.26	25,000.00	2,821,684.64	249,196.52
Total	<u>\$ 6,864,053.16</u>	<u>\$ 271,479.26</u>	<u>\$ 335,739.27</u>	<u>\$ 6,799,793.15</u>	<u>\$ 539,241.71</u>

* Partial principal or interest payments made through December 31, 2018; unpaid interest accrued through 2018 is added to principal; restated as of January 1, 2018.

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2018, are as follows:

Year ended Dec 31,	Governmental Activities Capital Leases		Business Type Activities Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 21,679.19	\$ 2,564.73	\$ 268,366.00	\$ 76,133.46
2020	23,111.32	1,132.60	284,938.00	139,400.93
2021			285,081.00	128,778.54
2022			296,702.00	117,916.94
2023			303,723.00	106,612.60
2024 - 2028			1,716,157.00	349,155.80
2029 - 2030			778,351.00	44,739.38
	<u>\$ 44,790.51</u>	<u>\$ 3,697.33</u>	<u>\$ 3,933,318.00</u>	<u>\$ 962,737.65</u>

Year ended Dec 31,	Business Type Activities Capital Leases **		Total Debt Service	
	Principal	Interest	Principal	Interest
2019	\$ 249,196.52	\$ 143,660.13	\$ 539,241.71	\$ 222,358.32
2020	350,057.95	146,570.69	658,107.27	287,104.22
2021	371,538.74	125,089.90	656,619.74	253,868.44
2022	394,337.68	102,290.96	691,039.68	220,207.90
2023	418,535.65	78,093.00	722,258.65	184,705.60
2024 - 2028	1,038,018.10	79,396.34	2,754,175.10	428,552.14
2029 - 2030			778,351.00	44,739.38
	<u>\$ 2,821,684.64</u>	<u>\$ 675,101.02</u>	<u>\$ 6,799,793.15</u>	<u>\$ 1,641,536.00</u>

** Includes unpaid interest accrued and added to principal through December 31, 2018.

Ordinances #98 and #686 of the City of Moscow Mills are concerned with the issuance of revenue bonds and requires that certain amounts be set aside from the operating accounts of the Water and Sewer Funds.

In connection with the 1999 Combined Waterworks and Sewerage System Revenue Bonds, the City received funds from a state revolving loan fund totaling \$121,875.74, which the City assigned to a trustee for its debt service reserve fund deposit. This fund's earnings are credited to the amount due on the 1999 revenue bonds.

Payments on the Governmental Activities-Capital Leases are paid from the General Fund.

Payments on the Revenue Bonds are paid from the Water Fund (\$365,000.00 issue) and from the Water and Sewer Bond Debt Reserve Fund (\$4,977,100.00 issue).

Payments on the Business-Type Activities-Capital Lease Obligation are paid from the Water Fund.

6. Interfund Transfers

Transfers between funds for the year ended for the year ended December 31, 2018, were as follows:

<u>Major Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Special Revenue Funds:		
Street	\$ -	\$ 121,699.37
Street Repair & Replacement	121,699.37	
	<u>121,699.37</u>	<u>121,699.37</u>
Enterprise Funds:		
Water	-	254,414.50
Sewer		234,865.00
Water & Sewer Bond Fund	409,000.00	
Water Repair & Replacement	49,914.50	
Sewer Repair & Replacement	30,365.00	
	<u>489,279.50</u>	<u>489,279.50</u>
Grand Totals	\$ <u>610,978.87</u>	\$ <u>610,978.87</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. Commitments and Contingencies

Commitments

The City contracts for the collection, removal and disposal of solid waste in the City. The agreement terminated December 31, 2018, with payments required monthly, based upon a rate schedule. Payments are approximately \$13,000.00 monthly.

Contingencies

The City is defendant in various litigation. The aggregate liability, after insurance coverage, is not determinable at this time. No provision has been made in the accompanying statements for settlement costs, if any. The City has signed a consent agreement and consent order of an environmental concern with the U.S. Environmental Protection Agency.

The City receives various federal or state grant/loan programs for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The City is not aware of any noncompliance with federal or state provisions that might require the City to provide reimbursement.

8. Segment Information-Enterprise Funds

The City maintains enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended December 31, 2018, is presented below.

	Water	Sewer	Trash	Water & Sewer Bond Debt Reserve	Water Repair & Replacement	Sewer Repair & Replacement	Total
Condensed Statement of Net Position							
Assets:							
Cash and Investments	\$ -	\$ -	\$ 47,188.68	\$ -	\$ -	\$ -	\$ 47,188.68
Restricted Assets:							
Cash and Investments	986,905.46	492,640.29		316,288.37	610,847.41	519,360.36	2,926,041.89
Total Assets	<u>\$ 986,905.46</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>
Net Position							
Restricted for:							
Debt Service	\$ 986,905.46	\$ 492,640.29	\$ -	\$ 316,288.37	\$ 610,847.41	\$ 519,360.36	\$ 2,926,041.89
Unrestricted			47,188.68				47,188.68
Total Net Position	<u>\$ 986,905.46</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position							
Operating Revenues	\$ 659,711.32	\$ 885,679.21	\$ 169,657.93	\$ -	\$ -	\$ -	\$ 1,715,048.46
Operating Expenses	364,355.12	597,320.34	166,595.47		591.17	17,587.73	1,146,449.83
Operating Income (Loss)	295,356.20	288,358.87	3,062.46	-	(591.17)	(17,587.73)	568,598.63
Nonoperating revenues (expenses)							
Property taxes	178,299.45	-	-	-	-	-	178,299.45
Interest	3,982.61	1,050.73	103.41	744.42	1,408.52	1,155.19	8,444.88
Other	866.50	27,200.00					28,066.50
Debt Service:							
Bond Principal	(51,244.98)	(1,244.98)		(252,863.00)			(305,352.96)
Bond Interest & Fees	(3,212.07)	(1,155.02)		(153,089.46)			(157,456.55)
Operating Transfers	(254,414.48)	(234,865.00)		409,000.00	49,914.50	30,365.00	
Change in Net Position	169,633.23	79,344.60	3,165.87	3,791.96	50,731.85	13,932.46	320,599.95
Beginning Net Position	817,272.25	413,295.69	44,022.81	312,496.41	560,115.56	505,427.90	2,652,630.62
Ending Net Position	<u>\$ 986,905.48</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>
Condensed Statement of Cash Flows							
Net Cash provided (used) by:							
Operating activities	\$ 295,356.20	\$ 288,358.87	\$ 3,062.46	\$ -	\$ (591.17)	\$ (17,587.73)	\$ 568,598.63
Noncapital financing activities	(75,248.55)	(207,665.00)		409,000.00	49,914.50	30,365.00	206,365.95
Capital & related financing activities	(54,457.05)	(2,400.00)		(405,952.46)			(462,809.51)
Investing activities	3,982.61	1,050.73	103.41	744.42	1,408.52	1,155.19	8,444.88
Net increase (decrease)	169,633.21	79,344.60	3,165.87	3,791.96	50,731.85	13,932.46	320,599.95
Beginning cash and cash equivalent	817,272.25	413,295.69	44,022.81	312,496.41	560,115.56	505,427.90	2,652,630.62
Ending cash and cash equivalents	<u>\$ 986,905.46</u>	<u>\$ 492,640.29</u>	<u>\$ 47,188.68</u>	<u>\$ 316,288.37</u>	<u>\$ 610,847.41</u>	<u>\$ 519,360.36</u>	<u>\$ 2,973,230.57</u>

This segment information has been prepared on the cash basis of accounting and does not include a record of its fixed assets and depreciation thereon.

9. Pledged Revenues

Utility Revenues Pledged

The City has pledged future water and sewer customer revenues to repay the 1999 and 2014 Combined Water and Sewerage System Bonds issued to improve and expand the water and sewer system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2030. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds is \$4,896,055.65. Principal and interest paid for the current year and total customer net revenues were \$434,212.59 and \$1,545,390.53, respectively.

10. Risk Management

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a protected self-insurance program of political subdivisions. The pool provides insurance coverage for workers' compensation, general liability, police liability, and property. The City does not pay premiums to purchase insurance policies, but pays an assessment to be a member of self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The pooling agreement requires the pool to be self-sustaining. The City believes it is not possible to estimate the range or contingent losses to be borne by the City. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in insurance coverage from the prior year.

11. Retirement Plan

The City began participating in the Missouri Local Government Employees Retirement System (LAGERS) effective November 1, 2018.

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

Funding Policy

Full-time employees contribute 4% of their gross pay to the pension plan. The December 31, 2018 statutorily required contribution rate is 10.1% (general) and 9.9% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by the state statute. For the year ended December 31, 2018, the City contributed \$8,869.06, as required.

12. Subsequent Events

On May 13, 2019, the City authorized a grant agreement not to exceed \$860,000.00 with the Missouri Department of Natural Resources.

On May 16, 2019, the City authorized not to exceed \$860,000.00 Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri-Direct Loan Program), Series 2019.

On June 27, 2019, the City issued \$1,758,700.00 Combined Water and Sewer Revenue bonds, Series 2019.

On July 17 and 18, 2019, the City sold real estate for \$226,300.00.

SUPPLEMENTARY INFORMATION

CITY OF MOSCOW MILLS, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

	Budget Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES:				
Taxes				
Personal Property Tax	\$ 25,200.00	\$ 27,000.00	\$ 29,750.07	\$ 2,750.07
Real Estate Taxes	49,400.00	57,500.00	61,343.46	3,843.46
Sales Tax	350,000.00	375,000.00	385,002.80	10,002.80
Franchise Tax	122,000.00	140,000.00	161,229.05	21,229.05
Financial Institution Tax	500.00	500.00		(500.00)
Surtax Revenue	1,500.00	1,914.00	1,914.48	0.48
	<u>548,600.00</u>	<u>601,914.00</u>	<u>639,239.86</u>	<u>37,325.86</u>
Intergovernmental				
Motor Vehicle Sales Tax	10,800.00	10,800.00	11,336.54	536.54
Gasoline Tax	33,250.00	33,250.00	33,688.99	438.99
Motor Vehicle Fees	5,350.00	5,350.00	5,651.68	301.68
Total Intergovernmental	<u>49,400.00</u>	<u>49,400.00</u>	<u>50,677.21</u>	<u>1,277.21</u>
Licenses, Permits, and Fees				
Merchants and Liquor Licenses	12,000.00	12,700.00	12,701.57	1.57
Development Fee	5,000.00	6,700.00	7,393.75	693.75
Dog Licenses & Fines	200.00	200.00	190.00	(10.00)
Building Permit	20,000.00	52,000.00	76,121.79	24,121.79
Filing Fee	20.00	20.00	20.00	
	<u>37,220.00</u>	<u>71,620.00</u>	<u>96,427.11</u>	<u>24,807.11</u>
Interest	<u>1,800.00</u>	<u>2,400.00</u>	<u>2,596.71</u>	<u>196.71</u>
Fines and Forfeitures				
Court Fines	145,000.00	115,000.00	124,306.90	9,306.90
Grants		4,200.00	4,200.85	0.85
Domestic Violence Shelter	2,000.00	1,550.00	1,714.00	164.00
Inmate Fee	3,000.00	2,100.00	2,441.00	341.00
Law Enforcement Training	3,000.00	2,350.00	2,497.60	147.60
Clerk Fee Revenue	12,000.00	9,500.00	10,292.00	792.00
Crime Victims Compensation	7,500.00	5,900.00	6,427.50	527.50
Peace Officers Standards	1,000.00	780.00	858.00	78.00
DWI Recoupments	178.00	20.00	19.50	(0.50)
Transport Fees	500.00	55.00	59.22	4.22
Police Report Revenue	200.00	200.00	305.00	105.00
Police Other Revenue		1,000.00	1,000.00	
Sheriff's Retirement System	3,000.00	2,330.00	2,553.00	223.00
	<u>177,378.00</u>	<u>144,985.00</u>	<u>156,674.57</u>	<u>11,689.57</u>
Park Revenue				
Deposits Held	-	-	1,400.00	1,400.00
Park Rental	4,600.00	13,900.00	12,500.00	(1,400.00)
	<u>4,600.00</u>	<u>13,900.00</u>	<u>13,900.00</u>	<u>-</u>
Miscellaneous				
Other Revenue	1,500.00	8,000.00	8,114.69	114.69
	<u>1,500.00</u>	<u>8,000.00</u>	<u>8,114.69</u>	<u>114.69</u>
Total Revenues	<u>820,498.00</u>	<u>892,219.00</u>	<u>967,630.15</u>	<u>75,411.15</u>

CITY OF MOSCOW MILLS, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

EXPENDITURES:	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General Government:				
Non-Departmental				
Unemployment	\$ 3,000.00	\$ 1,500.00	\$ -	\$ 1,500.00
Retirement Expenses			6,443.76	(6,443.76)
Contracted Services	3,520.00	4,930.00	3,083.50	1,846.50
Health Insurance	56,010.00	56,010.00	53,987.72	2,022.28
Miscellaneous Insurance	1,850.00		(1,346.00)	1,346.00
Development Fee	4,250.00	5,695.00	5,956.15	(261.15)
Utilities	14,000.00	16,000.00	14,801.69	1,198.31
Engineer Expense	12,000.00	12,000.00	8,655.17	3,344.83
Legal Fees	15,000.00	25,000.00	24,228.00	772.00
Accountant Fees	3,000.00	3,100.00	3,062.50	37.50
Supplies	1,000.00	1,000.00	556.25	443.75
Animal Control	400.00	400.00	60.50	339.50
Election Expense	2,500.00	1,580.00	1,575.55	4.45
Publication Expense	5,000.00	6,000.00	4,950.06	1,049.94
Drug & Alcohol Testing	2,000.00	2,000.00	1,889.55	110.45
Collector/Assessor Fees	5,000.00	6,000.00	5,580.86	419.14
Postage	1,100.00	1,350.00	1,143.91	206.09
Public & Community Relations	500.00	500.00	369.96	130.04
Permit Expense	17,000.00	57,856.00	71,540.26	(13,684.26)
Building Maintenance Expense	6,666.67	24,079.14	16,241.28	7,837.86
Recording Fees	150.00	150.00		150.00
Reserve Expense	5,000.00	20,000.00		20,000.00
Other Expense	1,000.00	18,000.00	12,562.74	5,437.26
	<u>159,946.67</u>	<u>263,150.14</u>	<u>235,343.41</u>	<u>27,806.73</u>
Maintenance				
Salaries and Wages	16,000.00	13,000.00	12,775.50	224.50
Payroll Taxes	1,224.00	994.50	932.15	62.35
Telephone	400.00	400.00	291.60	108.40
Equipment Repairs	1,800.00	1,800.00	409.96	1,390.04
Supplies	1,200.00	1,200.00	135.48	1,064.52
Miscellaneous Insurance	3,005.00	1,325.00	1,322.17	2.83
Fuel & Mileage	2,000.00	2,000.00	1,224.94	775.06
Other Expense	200.00	200.00		200.00
Capital Outlay/Equipment Purchases	6,000.00	7,986.00	6,660.07	1,325.93
	<u>31,829.00</u>	<u>28,905.50</u>	<u>23,751.87</u>	<u>5,153.63</u>
Office Department				
Salaries and Wages	40,000.00	40,000.00	39,900.04	99.96
Payroll Taxes	3,060.00	3,060.00	2,843.68	216.32
Telephone	750.00	750.00	597.68	152.32
Equipment Repair	500.00	500.00		500.00
Fuel & Mileage	1,000.00	1,000.00	448.45	551.55
Software Purchase	400.00	400.00	300.00	100.00
Supplies	200.00	200.00	14.52	185.48
Contracted Services	2,580.00	2,580.00	1,986.40	593.60
Miscellaneous Insurance	5,030.00	4,000.00	3,828.66	171.34
Office Supplies	800.00	800.00	509.76	290.24
Uniforms	600.00	600.00	453.85	146.15
Dues & Schooling	4,260.00	4,260.00	1,655.67	2,604.33
Other	50.00	50.00		50.00
Capital Outlay/Equipment Purchases	500.00	500.00		500.00
	<u>59,730.00</u>	<u>58,700.00</u>	<u>52,538.71</u>	<u>6,161.29</u>

CITY OF MOSCOW MILLS, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

EXPENDITURES (CONT.):	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General Government (Cont.):				
Council Department				
Salaries and Wages	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ -
Payroll Taxes	918.00	918.00	918.00	
Telephone Expense		200.00	166.93	33.07
Contracted Services	50.00	50.00	31.66	18.34
Office Supplies	100.00	500.00	394.07	105.93
Miscellaneous Insurance	1,490.00	1,160.00	1,158.74	1.26
Fuel & Mileage	700.00	1,000.00	1,065.37	(65.37)
Dues & Schooling	3,350.00	3,350.00	3,347.11	2.89
Other Expense	600.00	600.00	229.28	370.72
Capital Outlay	3,000.00	2,000.00	93.88	1,906.12
	<u>22,208.00</u>	<u>21,778.00</u>	<u>19,405.04</u>	<u>2,372.96</u>
Total General Government	<u>273,713.67</u>	<u>372,533.64</u>	<u>331,039.03</u>	<u>41,494.61</u>
Public Safety:				
Police				
Salaries and Wages	313,500.00	327,000.00	301,616.92	25,383.08
Payroll Taxes	23,982.75	25,015.50	21,889.92	3,125.58
Telephone	2,700.00	2,725.00	2,715.83	9.17
Legal Expense	14,400.00	14,400.00	14,400.00	
Equipment Repair	8,000.00	8,000.00	8,163.76	(163.76)
Software Purchase	500.00	500.00	309.87	190.13
Supplies	2,500.00	2,500.00	2,210.42	289.58
Office Supplies	800.00	800.00	391.95	408.05
Contracted Services	14,452.00	14,760.00	14,468.64	291.36
Miscellaneous Insurance	30,000.00	24,600.00	24,552.20	47.80
Uniforms	4,000.00	4,000.00	2,550.85	1,449.15
Inmate Fees Expense	300.00	300.00		300.00
Fuel & Mileage	10,000.00	10,000.00	9,083.68	916.32
Dues & Schooling	10,000.00	10,000.00	6,550.38	3,449.62
Postage	75.00	75.00		75.00
Public & Community Relations	750.00	750.00	248.51	501.49
Sheriff Dispatching Expense	47,520.00	46,425.00	46,421.44	3.56
Other	500.00	1,800.00	1,151.11	648.89
Capital Outlay/Equipment Purchases	45,870.00	63,500.00	23,688.51	39,811.49
	<u>529,849.75</u>	<u>557,150.50</u>	<u>480,413.99</u>	<u>76,736.51</u>
Court Department				
Salaries and Wages	49,000.00	52,000.00	48,036.23	3,963.77
Payroll Taxes	3,748.50	3,978.00	3,232.38	745.62
Telephone	1,200.00	1,300.00	1,228.62	71.38
Equipment Repairs	500.00	500.00		500.00
Software Purchase	300.00	300.00		300.00
Supplies	200.00	200.00	112.91	87.09
Office Supplies	600.00	600.00	265.23	334.77

STATEMENT 1
(CONTINUED)

CITY OF MOSCOW MILLS, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

EXPENDITURES (CONT.):	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Public Safety (Cont.):				
Court Department (Cont.)				
Contracted Services	\$ 4,200.00	\$ 4,200.00	\$ 3,161.00	\$ 1,039.00
Miscellaneous Insurance	6,250.00	4,800.00	4,779.38	20.62
Fuel & Mileage	600.00	600.00	432.19	167.81
Credit/Debit Card Fees	2,000.00	600.00	576.61	23.39
Inmate Fees	3,500.00	2,700.00	2,022.00	678.00
Domestic Violence	2,000.00	1,550.00	1,694.00	(144.00)
Dues & Schooling	2,000.00	2,000.00	1,260.18	739.82
Crime Victims Comp	7,290.00	5,723.00	6,046.24	(323.24)
Peace Officers Standards & Training	1,000.00	780.00	848.00	(68.00)
Postage	500.00	500.00	372.00	128.00
Sheriff's Retirement System	3,000.00	2,330.00	2,532.00	(202.00)
Other	50.00	7,250.00		7,250.00
Capital Outlay/Equipment Purchases	850.00	850.00	323.21	526.79
	<u>88,788.50</u>	<u>92,761.00</u>	<u>76,922.18</u>	<u>15,838.82</u>
Total Public Safety	<u>618,638.25</u>	<u>649,911.50</u>	<u>557,336.17</u>	<u>92,575.33</u>
Parks and Recreation:				
Park Department				
Utilities	4,400.00	3,500.00	3,235.94	264.06
Equipment Repair	500.00	500.00		500.00
Supplies	1,100.00	300.00	586.37	(286.37)
Cleaning	2,300.00	420.00	420.00	
Building Maintenance	1,700.00	500.00	150.00	350.00
Other Expense	300.00	1,100.00	800.00	300.00
Total Parks and Recreation	<u>10,300.00</u>	<u>6,320.00</u>	<u>5,192.31</u>	<u>1,127.69</u>
Debt Service:				
Principal	4,979.93	4,979.93	37,856.20	(32,876.27)
Interest and Fees	4,620.07	4,620.07	6,713.81	(2,093.74)
Total Debt Service	<u>9,600.00</u>	<u>9,600.00</u>	<u>44,570.01</u>	<u>(34,970.01)</u>
Total Expenditures	<u>912,251.92</u>	<u>1,038,365.14</u>	<u>938,137.52</u>	<u>100,227.62</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(91,753.92)</u>	<u>(146,146.14)</u>	<u>29,492.63</u>	<u>175,638.77</u>
FUND BALANCE, JANUARY 1, 2018	<u>690,035.99</u>	<u>690,035.99</u>	<u>690,035.99</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2018	<u>\$ 598,282.07</u>	<u>\$ 543,889.85</u>	<u>\$ 719,528.62</u>	<u>\$ 175,638.77</u>

CITY OF MOSCOW MILLS, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - BUDGET AND ACTUAL -
COMBINED STREET
YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes				
Sales Tax	\$ 158,700.00	\$ 170,000.00	\$ 180,643.13	\$ 10,643.13
Intergovernmental				
Gasoline Tax	33,250.00	33,250.00	33,688.98	438.98
Motor Vehicle Sales Tax	10,800.00	10,800.00	11,336.54	536.54
Motor Vehicle Fees	5,350.00	5,350.00	5,651.68	301.68
Total Intergovernmental	49,400.00	49,400.00	50,677.20	1,277.20
Interest	970.00	1,170.00	1,269.60	99.60
Total Revenues	209,070.00	220,570.00	232,589.93	12,019.93
EXPENDITURES:				
Public Works - Streets				
Salaries and Wages	45,000.00	43,500.00	40,541.40	2,958.60
Retirement Expense			599.55	(599.55)
Payroll Taxes	3,442.50	3,327.75	2,831.21	496.54
Health Insurance	8,800.00	8,800.00	5,425.33	3,374.67
Unemployment	2,000.00	2,000.00		2,000.00
Utilities	34,000.00	34,000.00	33,279.32	720.68
Telephone	550.00	550.00	463.87	86.13
Engineer Expense	2,000.00	2,000.00	1,396.00	604.00
Legal Expense	1,000.00	1,000.00	217.50	782.50
Accountant Expense	3,000.00	3,100.00	3,062.50	37.50
Uniforms	2,020.00	2,020.00	1,763.42	256.58
Supplies	8,000.00	8,000.00	3,757.10	4,242.90
Equipment Repair	13,000.00	13,000.00	13,994.50	(994.50)
Fuel & Mileage	5,000.00	5,000.00	3,998.23	1,001.77
Miscellaneous Insurance	4,800.00	2,800.00	2,769.63	30.37
Dues & Schooling	1,500.00	1,500.00	251.33	1,248.67
Rock Expense	3,500.00	3,500.00	2,596.75	903.25
Road Oil Expense	8,000.00	8,000.00	962.89	7,037.11
Asphalt & Concrete Expense	197,499.00	197,499.00	36597.51	160,901.49
Hauling Expense	20,000.00	20,000.00	593.52	19,406.48
Ice Control	20,000.00	20,000.00	14,028.63	5,971.37
Building Maintenance	600.00	3,250.00	1,605.49	1,644.51
Signs	3,000.00	3,000.00	1,809.61	1,190.39
Reserve Expense	37,412.50	48,712.25		48,712.25
Other	8,050.00	8,950.00	931.25	8,018.75
Capital Outlay/Equipment Purchases	21,700.00	21,700.00	12,253.19	9,446.81
Total Expenditures	453,874.00	465,209.00	185,729.73	279,479.27
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(244,804.00)	(244,639.00)	46,860.20	291,499.20
FUND BALANCE, JANUARY 1, 2018	499,543.46	499,543.46	499,543.46	-
FUND BALANCE, DECEMBER 31, 2018	\$ 254,739.46	\$ 254,904.46	\$ 546,403.66	\$ 291,499.20

CITY OF MOSCOW MILLS, MISSOURI
 SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 CASH BASIS - BUDGET AND ACTUAL -
 STREET FUND
 YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes				
Sales Tax	\$ 158,700.00	\$ 170,000.00	\$ 180,643.13	\$ 10,643.13
Intergovernmental				
Gasoline Tax	33,250.00	33,250.00	33,688.98	438.98
Motor Vehicle Sales Tax	10,800.00	10,800.00	11,336.54	536.54
Motor Vehicle Fees	5,350.00	5,350.00	5,651.68	301.68
Total Intergovernmental	49,400.00	49,400.00	50,677.20	1,277.20
Interest	75.00	100.00	152.27	52.27
Total Revenues	208,175.00	219,500.00	231,472.60	11,972.60
EXPENDITURES:				
Public Works - Streets				
Salaries and Wages	45,000.00	43,500.00	40,541.40	2,958.60
Retirement Expense			599.55	(599.55)
Payroll Taxes	3,442.50	3,327.75	2,831.21	496.54
Health Insurance	8,800.00	8,800.00	5,425.33	3,374.67
Unemployment	2,000.00	2,000.00		2,000.00
Utilities	34,000.00	34,000.00	33,279.32	720.68
Telephone	550.00	550.00	463.87	86.13
Engineer Expense	2,000.00	2,000.00	1,396.00	604.00
Legal Expense	1,000.00	1,000.00	217.50	782.50
Accountant Expense	3,000.00	3,100.00	3,062.50	37.50
Uniforms	2,020.00	2,020.00	1,763.42	256.58
Supplies	8,000.00	8,000.00	3,757.10	4,242.90
Equipment Repair	13,000.00	13,000.00	13,994.50	(994.50)
Fuel & Mileage	5,000.00	5,000.00	3,998.23	1,001.77
Miscellaneous Insurance	4,800.00	2,800.00	2,769.63	30.37
Dues & Schooling	1,500.00	1,500.00	251.33	1,248.67
Ice Control	20,000.00	20,000.00	14,028.63	5,971.37
Building Maintenance	600.00	3,250.00	1,605.49	1,644.51
Signs	3,000.00	3,000.00	1,809.61	1,190.39
Reserve Expense	33,412.50	44,712.25		44,712.25
Other	8,050.00	8,950.00	931.25	8,018.75
Capital Outlay/Equipment Purchases	9,000.00	9,000.00	12,253.19	(3,253.19)
Total Expenditures	208,175.00	219,510.00	144,979.06	74,530.94
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(10.00)	86,493.54	86,503.54
OTHER FINANCING SOURCES (USES):				
Operating Transfers	(105,000.00)	(121,699.37)	(121,699.37)	-
FUND BALANCE, JANUARY 1, 2018	141,699.37	141,699.37	141,699.37	-
FUND BALANCE, DECEMBER 31, 2018	\$ 36,699.37	\$ 19,990.00	\$ 106,493.54	\$ 86,503.54

CITY OF MOSCOW MILLS, MISSOURI
 SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 CASH BASIS - BUDGET AND ACTUAL -
 STREET REPAIR AND REPLACEMENT FUND
 YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 895.00	\$ 1,070.00	\$ 1,117.33	\$ 47.33
Total Revenues	895.00	1,070.00	1,117.33	47.33
EXPENDITURES:				
Public Works - Streets				
Rock Expense	3,500.00	3,500.00	2,596.75	903.25
Road Oil Expense	8,000.00	8,000.00	962.89	7,037.11
Asphalt & Concrete Expense	197,499.00	197,499.00	36,597.51	160,901.49
Hauling Expense	20,000.00	20,000.00	593.52	19,406.48
Reserve Expense	4,000.00	4,000.00		4,000.00
Capital Outlay	12,700.00	12,700.00		12,700.00
Total Expenditures	245,699.00	245,699.00	40,750.67	204,948.33
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(244,804.00)	(244,629.00)	(39,633.34)	204,995.66
OTHER FINANCING SOURCES (USES):				
Operating Transfers	105,895.00	121,699.37	121,699.37	-
FUND BALANCE, JANUARY 1, 2018	357,844.09	357,844.09	357,844.09	-
FUND BALANCE, DECEMBER 31, 2018	\$ 218,935.09	\$ 234,914.46	\$ 439,910.12	\$ (204,995.66)

CITY OF MOSCOW MILLS, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. After the City Clerk receives budgets from each department head, the City Clerk, Budget Officer, and Mayor meet to formulate the proposed operating budget. Then the City Clerk submits to the Mayor and the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
2. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
3. The original budget was formally adopted on December 11, 2017.
4. Budgets for City funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.
5. Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen.

For the year ended December 31, 2018, the City complied, in all material respects, with applicable budget laws.

CITY OF MOSCOW MILLS, MISSOURI
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - CASH BASIS - COMBINED STREET
DECEMBER 31, 2018

	<u>Street Fund</u>	<u>Street Repair & Replacement Fund</u>	<u>Total Street</u>
<u>ASSETS</u>			
Cash and Investments	\$ 106,493.54	\$ 439,910.12	\$ 546,403.66
Restricted Assets:			
Cash and Investments			
Total Assets	<u>\$ 106,493.54</u>	<u>\$ 439,910.12</u>	<u>\$ 546,403.66</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
None	\$ -	\$ -	\$ -
Fund Equity:			
Fund Balance:			
Restricted			
Streets	106,493.54	439,910.12	546,403.66
Unassigned			
Total Fund Equity	<u>106,493.54</u>	<u>439,910.12</u>	<u>546,403.66</u>
Total Liabilities and Fund Equity	<u>\$ 106,493.54</u>	<u>\$ 439,910.12</u>	<u>\$ 546,403.66</u>

CITY OF MOSCOW MILLS, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - CASH BASIS - COMBINED STREET
 YEAR ENDED DECEMBER 31, 2018

	<u>Street Fund</u>	<u>Street Repair & Replacement Fund</u>	<u>Total Street</u>
REVENUES:			
Taxes	\$ 180,643.13	\$ -	\$ 180,643.13
Intergovernmental	50,677.20		50,677.20
Interest	<u>152.27</u>	<u>1,117.33</u>	<u>1,269.60</u>
Total Revenues	<u>231,472.60</u>	<u>1,117.33</u>	<u>232,589.93</u>
EXPENDITURES:			
Current:			
Public Works - Streets	132,725.87	40,750.67	173,476.54
Capital Outlay	<u>12,253.19</u>		<u>12,253.19</u>
Total Expenditures	<u>144,979.06</u>	<u>40,750.67</u>	<u>185,729.73</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>86,493.54</u>	<u>(39,633.34)</u>	<u>46,860.20</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers	<u>(121,699.37)</u>	<u>121,699.37</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>(121,699.37)</u>	<u>121,699.37</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(35,205.83)	82,066.03	46,860.20
FUND BALANCE, JANUARY 1, 2018	<u>141,699.37</u>	<u>357,844.09</u>	<u>499,543.46</u>
FUND BALANCE, DECEMBER 31, 2018	<u>\$ 106,493.54</u>	<u>\$ 439,910.12</u>	<u>\$ 546,403.66</u>