

**CITY OF GRANBY, MISSOURI
ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS'
REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2015**

CITY OF GRANBY, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Alderpersons
City of Granby, MO

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Granby, Missouri, as of and for the year ended June 30, 2015, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Fund	Qualified
Street Fund	Unmodified
Cemetery Fund	Unmodified
TIF Fund	Qualified
Sanitation Fund	Unmodified
Gas System Fund	Unmodified
Waterworks System Fund	Unmodified
Sewer Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on General Fund and TIF Fund

The City was unable to provide adequate documentation on some of the expenditures as it relates to the General Fund. In addition the City did not allocate deposits from Tax Revenue to the TIF Fund and could not provide documentation to support how the allocation of monies was to be divided.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on General Fund and the TIF Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the City of Granby, Missouri, as of June 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the, the business-type activities, each major fund other than the General Fund and the TIF Fund, and the aggregate remaining fund information of the City of Granby, Missouri, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 35 through 41 and the schedule of changes in net pension liability and related ratios and the schedule of contributions on page 42 through 43 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

THE CPA GROUP, P.C.

The CPA Group, PC

Monett, Missouri
February 10, 2017

CITY OF GRANBY MISSOURI
STATEMENT OF NET POSITION

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 44,035	\$ 36,475	\$ 80,510
Investments	153,695	134,790	288,485
Internal balances	113,885	(113,885)	-
Prepaid Insurance	12,662	16,905	29,567
Taxes receivable	38,352	-	38,352
Accounts receivable, net	18,308	120,438	138,746
Total current assets	<u>380,937</u>	<u>194,723</u>	<u>575,660</u>
Restricted assets:			
Cash	252,673	25,006	277,679
Investments	371,414	218,996	590,410
Total restricted assets	<u>624,087</u>	<u>244,002</u>	<u>868,089</u>
Non-current assets:			
Capital assets:			
Land	265,220	65,965	331,185
Other capital assets, net of accumulated depreciation	1,317,713	3,873,810	5,191,523
Total capital assets	<u>1,582,933</u>	<u>3,939,775</u>	<u>5,522,708</u>
Intangible assets:			
Deferred bond costs, net of accumulated amortization	-	5,263	5,263
Total intangible assets	<u>-</u>	<u>5,263</u>	<u>5,263</u>
Total assets	<u>2,587,957</u>	<u>4,383,763</u>	<u>6,971,720</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of asset resources relating to pension	9,963	12,177	22,140
Property taxes receivable	10,719	-	10,719
Total deferred outflows of resources	<u>20,682</u>	<u>12,177</u>	<u>32,859</u>
Total assets and deferred outflows of resources	<u>\$ 2,608,639</u>	<u>\$ 4,395,940</u>	<u>\$ 7,004,579</u>

(Continued)

See accompanying notes to the basic financial statements.

STATEMENT 1
(Continued)

CITY OF GRANBY MISSOURI

STATEMENT OF NET POSITION

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,725	\$ 12,768	\$ 23,493
Accrued liabilities	22,388	18,041	40,429
Line of credit	-	10,364	10,364
Current maturities of long-term debt	22,303	183,238	205,541
Total current liabilities	55,416	224,411	279,827
Non-current liabilities:			
Meter deposits payable	-	61,286	61,286
Net pension liability	33,600	41,066	74,666
Lease payable	36,165	25,597	61,762
Bonds payable	-	970,000	970,000
Lease purchase agreement payable	-	265,000	265,000
Total non-current liabilities	69,765	1,362,949	1,432,714
Total liabilities	\$ 125,181	\$ 1,587,360	\$ 1,712,541
NET POSITION			
Net investment in capital assets	1,524,465	2,501,203	4,025,668
Nonspendable	255,681	-	255,681
Restricted for:			
Lease/bond requirements	-	213,108	213,108
Street maintenance and projects	268,823	-	268,823
Unrestricted	434,489	94,269	528,758
Total net position	\$ 2,483,458	\$ 2,808,580	\$ 5,292,038

See accompanying notes to the basic financial statements.

STATEMENT 2

CITY OF GRANBY MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General and administrative	\$ (215,409)	\$ -	\$ -	\$ -	\$ (215,409)
Public safety:					
Police department	(142,118)	28,230	5,444	-	(108,444)
Fire department	(57,584)	10,547	1,413	-	(45,624)
Animal control	-	378	-	-	378
Municipal court	(5,881)	-	-	-	(5,881)
Park department	(34,288)	-	-	-	(34,288)
Street	(240,356)	-	-	-	(240,356)
Cemetery	(37,858)	-	-	-	(37,858)
TIF	(48,352)	-	-	-	(48,352)
Total governmental activities	<u>(781,846)</u>	<u>39,155</u>	<u>6,857</u>	<u>-</u>	<u>(735,834)</u>
Business-type activities:					
Gas fund	(346,977)	404,646	-	-	57,669
Sewer fund	(365,594)	296,304	-	-	(69,290)
Sanitation fund	(134,813)	118,439	-	-	(16,374)
Water fund	(223,942)	206,041	-	-	(17,901)
Total business-type activities	<u>(1,071,326)</u>	<u>1,025,430</u>	<u>-</u>	<u>-</u>	<u>(45,896)</u>
Total primary government	<u>\$ (1,853,172)</u>	<u>\$ 1,064,585</u>	<u>\$ 6,857</u>	<u>\$ -</u>	<u>\$ (781,730)</u>

(Continued)

See accompanying notes to the basic financial statements.

STATEMENT 2

(Continued)

CITY OF GRANBY MISSOURI**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2015****Primary Government**

	Governmental Activities	Business-type Activities	Total
Net (expense) revenue	\$ (735,834)	\$ (45,896)	\$ (781,730)
General revenues:			
Taxes:			
Sales taxes:			
General	236,020	-	236,020
Fire	26,294	-	26,294
Park	36,678	-	36,678
Motor vehicle	26,249	-	26,249
TIF	22,503	-	22,503
Motor fuel taxes	56,394	-	56,394
Railroad and utility taxes	7,560	-	7,560
Property taxes	88,756	-	88,756
Franchise taxes (fees)	63,590	-	63,590
Licenses and permits	1,215	-	1,215
Intergovernmental rent	37,664	-	37,664
Equipment sales	1,883	13,160	15,043
Insurance Proceeds	6,083	17,445	23,528
Interest income	1,654	280	1,934
Miscellaneous	12,350	10,960	23,310
Net transfers	3,612	(3,612)	-
Total general revenues	628,505	38,233	666,738
Net position—beginning	2,617,203	2,848,529	5,465,732
Prior period adjustment	(26,414)	(32,283)	(58,697)
Rounding	(1)	(2)	(3)
Net position—adjusted beginning	2,590,788	2,816,244	5,407,032
Change in net position	(107,330)	(7,665)	(114,995)
Net position—ending	\$ 2,483,458	\$ 2,808,580	\$ 5,292,038

See accompanying notes to the basic financial statements.

STATEMENT 3

CITY OF GRANBY MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2015

	General Fund	Street Fund	Cemetery Fund	TIF Fund	Total Governmental Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 44,035	\$ -	\$ -	\$ -	\$ 44,035
Investments	153,695	-	-	-	153,695
Internal balances	-	149,885	-	37,051	186,936
Prepaid insurance	7,531	4,010	1,121	-	12,662
Taxes receivable	17,051	19,882	1,337	81	38,351
Accounts receivable, net	18,308	-	-	-	18,308
Total current assets	240,620	173,777	2,458	37,132	453,987
Restricted assets:					
Cash and cash equivalents	-	16,212	13,582	222,879	252,673
Investments	-	88,306	283,108	-	371,414
Total restricted assets	-	104,518	296,690	222,879	624,087
Total assets	\$ 240,620	\$ 278,295	\$ 299,148	\$ 260,011	\$ 1,078,074
LIABILITIES AND FUND BALANCES					
Current liabilities:					
Accounts payable	\$ 6,997	\$ 2,858	\$ 870	\$ -	\$ 10,725
Accrued liabilities	19,784	2,604	-	-	22,388
Internal balances	73,051	-	-	-	73,051
Total liabilities	99,832	5,462	870	-	106,164
Fund Balances:					
Unassigned	129,454	-	-	-	129,454
Assigned	7,531	4,010	29,967	260,011	301,519
Committed	3,803	-	12,630	-	16,433
Restricted	-	268,823	-	-	268,823
Nonspendable	-	-	255,681	-	255,681
Total fund balances	140,788	272,833	298,278	260,011	971,910
Total liabilities and fund balances	\$ 240,620	\$ 278,295	\$ 299,148	\$ 260,011	\$ 1,078,074

Reconciliation to Statement of Net Position:

Total fund balance - total governmental funds \$ 971,910

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

Capital assets used in governmental activities of \$6,429,291 are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$4,846,358 1,582,933

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 20,681

Other long-term liabilities are not paid with current assets and therefore are not reported in the funds. (92,067)

Round 1

Net position of governmental activities \$ 2,483,458

See accompanying notes to the basic financial statements.

STATEMENT 4

CITY OF GRANBY MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Street Fund	Cemetery Fund	TIF Fund	Total Governmental Funds
Revenues:					
Taxes	\$ 284,868	\$ 195,474	\$ 15,375	\$ 64,013	\$ 559,730
Police department	28,230	-	-	-	28,230
Fire department	10,547	-	-	-	10,547
Dog pound	378	-	-	-	378
Licenses and Permits	1,215	-	-	-	1,215
Intergovernmental rent	37,664	-	-	-	37,664
Interest income	585	358	355	356	1,654
Miscellaneous	20,270	(5,223)	12,125	4,314	31,486
Total revenues	383,757	190,609	27,855	68,683	670,904
Expenditures:					
Current					
General and administrative	224,992	-	-	-	224,992
Public Safety:					
Police department	137,249	-	-	-	137,249
Fire department	32,966	-	-	-	32,966
Municipal court	5,881	-	-	-	5,881
Park department	27,600	-	-	-	27,600
Streets	-	135,248	-	-	135,248
Cemetery	-	-	34,359	-	34,359
TIF	-	-	-	48,352	48,352
Capital outlay	-	20,000	12,400	-	32,400
Total expenditures	428,688	155,248	46,759	48,352	679,047
Excess (deficiency) of revenues over expenditures	(44,931)	35,361	(18,904)	20,331	(8,143)

(Continued)

See accompanying notes to the basic financial statements.

CITY OF GRANBY MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Street Fund	Cemetery Fund	TIF Fund	Total Governmental Funds
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	3,612	-	-	3,612
Total Other Financing Sources (Uses)	-	3,612	-	-	3,612
Net change in fund balances	(44,931)	38,973	(18,904)	20,331	(4,531)
Fund balances—beginning	167,464	226,006	298,830	242,200	934,500
Prior period adjustment	(21,131)	(5,283)	-	-	(26,414)
Fund balance—adjusted beginning	146,333	220,723	298,830	242,200	908,086
Rounding	(2)	-	-	-	(2)
Fund balances—ending	\$ 101,400	\$ 259,696	\$ 279,926	\$ 262,531	\$ 903,553

Reconciliation to the Statement of Activities:

Net change in fund balances - total governmental funds	\$ (44,931)	\$ 38,973	\$ (18,904)	\$ 20,331	\$ (4,531)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives on a straight-line basis and is reported as depreciation expense. The following is the detail of this effect:

Capital asset purchases capitalized	81,816
Depreciation expense	(184,613)
Rounding	(2)
	<u>(102,799)</u>

Change in net position of Governmental Activities	<u>\$ (107,330)</u>
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See accompanying notes to the basic financial statements.

CITY OF GRANBY MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2015

	Business-type Activities				
	Sanitation Fund	Gas System Fund	Waterworks System Fund	Sewer Revenue Fund	Total Proprietary Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 5,310	\$ 13,018	\$ 17,097	\$ 1,050	\$ 36,475
Investments	12,429	6,774	114,989	598	134,790
Internal balances	-	14,306	8,274	3,202	25,782
Prepaid Insurance	5,342	2,500	5,031	4,032	16,905
Accounts receivable, net	10,993	66,979	14,064	28,402	120,438
Total current assets	34,074	103,577	159,455	37,284	334,390
Restricted assets:					
Cash and cash equivalents	-	-	-	25,006	25,006
Grants receivable	-	-	-	-	-
Investments	-	93,894	-	125,102	218,996
Total restricted assets	-	93,894	-	150,108	244,002
Non-current assets:					
Capital assets:					
Land	-	11,050	31,250	23,665	65,965
Other capital assets, net of accumulated depreciation	81,559	753,514	195,772	2,842,965	3,873,810
Intangible assets:					
Deferred bond costs, net of accumulated amortization	-	5,263	-	-	5,263
Total non-current assets	81,559	769,827	227,022	2,866,630	3,945,038
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of asset resources relating to pension	-	3,542	7,749	886	12,177
Total deferred outflows of resources	-	3,542	7,749	886	12,177
Total assets and deferred outflows of resources	\$ 115,633	\$ 970,840	\$ 394,226	\$ 3,054,908	\$ 4,535,607

(Continued)

See accompanying notes to the basic financial statements.

STATEMENT 5

(Continued)

CITY OF GRANBY MISSOURI**STATEMENT OF NET POSITION
PROPRIETARY FUNDS****JUNE 30, 2015**

	Business-type Activities				Total Proprietary Funds
	Sanitation Fund	Gas System Fund	Waterworks System Fund	Sewer Revenue Fund	
LIABILITIES					
Current liabilities:					
Accounts payable	341	3,791	2,792	5,844	12,768
Accrued liabilities	581	-	9,041	8,419	18,041
Line of credit	-	-	-	10,364	10,364
Internal balances	2,635	116,267	5,000	15,765	139,667
Current maturities of long-term debt	14,354	104,442	9,442	55,000	183,238
Total current liabilities	17,911	224,500	26,275	95,392	364,078
Total liabilities					
Meter deposits payable	-	43,075	18,211	-	61,286
Net pension liability	-	11,946	26,133	2,987	41,066
Equipment lease payable	7,444	8,694	9,459	-	25,597
Bonds payable	-	-	-	970,000	970,000
Lease purchase agreement payable	-	265,000	-	-	265,000
Total non-current liabilities	7,444	328,715	53,803	972,987	1,362,949
Total liabilities	25,355	553,215	80,078	1,068,379	1,727,027
NET POSITION					
Net investment in capital assets	59,761	391,691	208,121	1,841,630	2,501,203
Restricted for:					
Lease/bond requirements	-	63,000	-	150,108	213,108
Unrestricted	30,517	(37,066)	106,027	(5,209)	94,269
Total net position	90,278	417,625	314,148	1,986,529	2,808,580
TOTAL LIABILITIES AND NET POSITION	\$ 115,633	\$ 970,840	\$ 394,226	\$ 3,054,908	\$ 4,535,607

See accompanying notes to the basic financial statements.

CITY OF GRANBY MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities				Total Proprietary Funds
	Sanitation Fund	Gas System Fund	Waterworks System Fund	Sewer Revenue Fund	
Operating Revenues					
Charges for services					
Gas	\$ -	\$ 390,015	\$ -	\$ -	\$ 390,015
Water	-	-	199,474	-	199,474
Sewer	-	-	-	286,647	286,647
Sanitation	114,815	-	-	-	114,815
Penalties	3,624	14,631	6,567	9,657	34,479
Miscellaneous	9,279	1,681	-	-	10,960
Total operating revenues	127,718	406,327	206,041	296,304	1,036,390
Operating Expenses					
Salaries	28,215	8,140	82,447	82,933	201,735
Payroll taxes	2,183	623	6,318	6,336	15,460
Contract Labor	85	1,456	1,405	4,533	7,479
Legal and audit	4,363	5,320	5,842	7,015	22,540
Office supplies	2,663	3,236	3,503	2,770	12,172
Advertising	57	102	102	297	558
Dues and subscriptions	989	4,959	1,672	1,396	9,016
Election Expense	-	-	819	-	819
Engineering	-	-	3,495	17,974	21,469
Fuel	7,168	1,378	2,019	3,384	13,949
Gas purchased	-	244,496	-	-	244,496
Insurance	13,425	7,252	16,968	16,167	53,812
Lagers	-	1,351	2,955	338	4,644
Landfill Expense	39,682	-	-	-	39,682
Miscellaneous	7,096	852	3,207	16,421	27,576
Rent	3,050	12,379	3,885	2,221	21,535
Repairs and maintenance	4,046	2,194	42,814	19,770	68,824
Telephone	-	1,124	2,826	2,175	6,125
Travel	-	266	1,040	32	1,338
Uniforms	1,067	450	847	819	3,183
Utilities	334	277	24,396	36,455	61,462
Amortization	-	310	-	-	310
Depreciation	17,308	35,720	17,341	108,471	178,840
Total operating expenses	131,731	331,885	223,901	329,507	1,017,024
Operating income (loss)	(4,013)	74,442	(17,860)	(33,203)	19,366
Non-Operating Revenues (Expenses):					
Interest and investment revenue	6	106	165	3	280
Equipment Sales	-	6,580	6,580	-	13,160
Insurance Proceeds	-	-	17,445	-	17,445
Interest expense	(3,082)	(15,092)	(41)	(36,087)	(54,302)
Total non-operating revenues (expenses)	(3,076)	(8,406)	24,149	(36,084)	(23,417)
Operating transfers out	(2,332)	(12,292)	-	-	(14,624)
Operating transfers in	-	-	6,032	4,980	11,012
Change in net position	(9,421)	53,744	12,321	(64,307)	(7,663)
Total net position - beginning	95,041	348,688	338,041	2,066,759	2,848,529
Prior period adjustment	-	(9,391)	(20,544)	(2,348)	(32,283)
Total net position - adjusted beginning	95,041	339,297	317,497	2,064,411	2,816,246
Rounding	(6)	-	-	(3)	(9)
Total net position - ending	\$ 85,614	\$ 393,041	\$ 329,818	\$ 2,000,101	\$ 2,808,574

See accompanying notes to the basic financial statements.

CITY OF GRANBY MISSOURI

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities				Total Proprietary Funds
	Sanitation Fund	Gas System Fund	Waterworks System Fund	Sewer Revenue Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 126,567	\$ 410,758	\$ 228,548	\$ 291,333	\$ 1,057,206
Cash paid to suppliers and employees	(122,416)	(356,836)	(209,669)	(245,429)	(934,350)
Net cash provided by operating activities	4,151	53,922	18,879	45,904	122,856
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Change in due to other funds	(4,433)	46,236	5,000	10,027	56,830
Change in due from other funds	2,412	(7,898)	(6,506)	5,327	(6,665)
Grant receivables	13,900	-	12,750	-	26,650
Net cash provided by (used in) noncapital financing activities	11,879	38,338	11,244	15,354	76,815
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on bonds, notes, and lease obligations	(12,941)	(158,000)	-	(55,000)	(225,941)
Net cash provided by (used in) capital and related financing activities	(12,941)	(158,000)	-	(55,000)	(225,941)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	-	77,642	65,112	(4,537)	138,217
Purchase of investments	-	(999)	(1,000)	(10,565)	(12,564)
Net cash provided by investing activities	-	76,643	64,112	(15,102)	125,653
Net increase (decrease) in cash and cash equivalents	3,089	10,903	94,235	(8,844)	99,383
Balances - beginning of the year	14,651	8,890	37,851	35,501	96,893
Rounding	(1)	(1)	-	(3)	(5)
Balances - end of the year	\$ 17,739	\$ 19,792	\$ 132,086	\$ 26,654	\$ 196,271

(Continued)

See accompanying notes to the basic financial statements.

STATEMENT 7

(Continued)

CITY OF GRANBY MISSOURI

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities				Total Proprietary Funds
	Sanitation Fund	Gas System Fund	Waterworks System Fund	Sewer Revenue Fund	
Net Income/Loss	\$ (9,421)	\$ 53,744	\$ 12,321	\$ (64,307)	\$ (7,663)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization expense	17,308	36,030	17,341	108,471	179,150
Change in assets and liabilities:					
Transfers	2,332	12,292	(6,032)	(4,980)	3,612
(Increase) decrease in accounts receivable	(1,431)	(3,947)	(721)	(5,705)	(11,804)
(Increase) decrease in prepaid expenses	274	1,692	(962)	731	1,735
Increase (decrease) in customer deposits payable	(1,153)	(2,819)	2,243	3,056	1,327
Increase (decrease) in accrued liabilities	-	(987)	(2,160)	(247)	(3,394)
Increase (decrease) in accounts payable	(3,758)	(42,083)	(3,151)	(1,479)	(50,471)
Increase (decrease) in line of credit	-	-	-	10,364	10,364
Net cash provided by operating activities	\$ 4,151	\$ 53,922	\$ 18,879	\$ 45,904	\$ 122,856

See accompanying notes to the basic financial statements.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Granby, Missouri operates as a fourth class city as provided for in Chapter 79 of the Missouri Revised Statutes. The City operates under an elected Mayor/Board of Alderpersons form of government. The City's major operations include public safety, public works, recreation and general administrative services.

As discussed further in Note 1.A., the financial statements of the Governmental Funds are presented on a modified accrual basis of accounting. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

1. A. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is a primary government which is governed by an elected Board of Alderpersons and an elected Mayor. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that no other outside entity meets the above criteria and therefore, no other entity has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity for which the City would be considered as a component unit of that entity.

1. A. 1. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the City as a whole. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. 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 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 fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The entity currently has eight major funds: the General Fund, Streets Fund, TIF Fund, Cemetery Fund, Water Fund, Sewer Fund, Sanitation Fund and the Gas Fund.

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 the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds:

Fund	Brief Description
Street Fund	Accounts for the portion of the general city sales tax earmarked for transportation and intergovernmental transfers from the State received for street improvements. This fund is classified as a major fund.
Cemetery Fund	Accounts for the portion of the general city sales tax earmarked for operation and maintenance of the city cemetery. This is not classified as a major fund.
TIF Fund	Accounts for the revenues and expenditures relating to tax increment financing projects which are restricted by state statute. This fund is not classified as a major fund.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Proprietary Funds

Enterprise Fund

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. The Enterprise funds applies all GASB pronouncements. The reporting entity includes the following enterprise funds that are reported as major funds:

<u>Fund</u>	<u>Brief Description</u>
Sanitation Fund	The Sanitation Fund was established to account for the sanitation collection system as well as the recycling center of the City of Granby.
Gas System Fund	The Gas Revenue Fund was established to account for operations of the gas system of the City of Granby.
Waterworks System Fund	The Water Revenue Fund was established to account for operations of the water system of the City of Granby. Enterprise Funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing services to the general public on a continuing basis will be recovered or financed primarily through user charges.
Sewer Revenue Fund	The Sewer Revenue Fund was established to account for operations of the sewer system of the City of Granby.

1. A. 2. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" 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 and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item "b." below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. Governmental fund financial statements use the current financial resources measurement focus and the modified accrual 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. The length of time used to define available for purposes of revenue recognition in the governmental fund financial statements is less than sixty days.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

- b. The proprietary fund statement incorporates the economic resources measurement focus and the accrual 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. Revenue is recognized when earned. Expenses are recorded when the liability is incurred or the economic asset used. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives is not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

1. A. 3. RISK MANAGEMENT

The City of Granby, Missouri is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except unemployment. The City retains the full risk of loss for unemployment. There were no claims outstanding at June 30, 2014 and settlement amounts for the current year have not been significant.

1. A. 4. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net pension of the Missouri Local Government Employees Retirement System (LAGERS) and additions to /deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are reported at fair value.

1. B. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. B. 1. CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three-months or less. They are stated at cost.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

1. B. 2. INVESTMENTS

Investments classified in the financial statements consist of certificates of deposit whose original maturity term exceeds three months, as well as monies held by Community Bank & Trust and First Bank of Missouri in Federated Treasury Obligations. Fair value approximates cost at year end.

1. B. 3. ACCOUNTS RECEIVABLE

Accounts Receivable is presented net of an allowance for doubtful accounts as follows:

<u>Fund</u>	<u>Gross receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
Sanitation	12,405	(1,412)	10,993
Sewer	31,234	(2,832)	28,402
Water	15,550	(1,486)	14,064
Gas	68,983	(2,004)	66,979
Total	128,175	(7,734)	120,438

The allowance amount is estimated using historical collectability.

1. B. 4. CAPITAL ASSETS

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation (with no expected salvage value). A capitalization threshold of \$1,000 is used to report capital assets. The range of useful lives by type of asset is as follows:

♦ Buildings	40-50 years
♦ Site Improvements	7-55 years
♦ Machinery, furniture and equipment	5-20 years
♦ Infrastructure	20-40 years
♦ Vehicles	5-10 years

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

1. B. 5. GOVERNMENTAL FUND BALANCES

As required as of June 30, 2015, the City of Granby applied GASB Statement No. 54 which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to observe constraints imposed upon the use of its resources reported in governmental funds. As such, the City has identified June 30, 2015 fund balances on the Balance Sheet as follows:

- a. The Cemetery Trust Fund balance is classified as nonspendable.
- b. The amounts shown as restricted reflect fund balances restricted for specific use by external resource providers.
- c. The amounts shown as committed are funds that have been committed to specific uses by a formal action of the Granby Board of Aldermen.
- d. The assigned amounts in funds other than the general fund represent resources intended for the respective fund uses.

The City of Granby considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

1. B. 6. DUE FROM/TO OTHER FUND

Interfund receivable and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, the amounts reported as intergovernmental activity and balances in the fund financial statements have been eliminated or reclassified. However, internal balances, amounts reported in the fund financial statements as intergovernmental receivables and payables reported as Due to or Due from other funds, are expected to be repaid to the lending Fund.

General Fund	
Due to TIF	(37,051)
Due to Street	(36,000)
Street Fund	
Due to Sanitation	2,635
Due from Gas	111,250
Due from General Fund	36,000
Sanitation Fund	
Due to Street	(2,635)
Due to Sewer	(3,201)
Due to Gas	(1,743)
Gas Fund	
Due to Street	(111,250)
Due from Sanitation	1,743
Due from Sewer	12,563
Due to Water	(3,274)
Water Fund	
Due from Sewer	5,000
Due from Gas	3,274
Sewer Fund	

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Due from Sanitation	3,201
Due to Water	(5,000)
Due to Gas	(12,563)
TIF Fund	
Due from General	37,051

1. C. REVENUES, EXPENDITURES, AND EXPENSES

1. C. 1. PROPERTY TAX

Property taxes are an enforceable lien on property as of January 1. Taxes are levied November 1 and are due and payable in full by December 31; unpaid taxes become delinquent after December 31. The assessed valuation of the tangible real property for the calendar year 2015 for the purposes of local taxation was:

Real Estate	\$7,250,910
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The tax levy of \$100.00 of the assessed valuation of tangible real property for the calendar year was:

General Revenue and Cemetery	\$.45
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1. C. 2. SALES TAX

The City levies 2.375% sales tax on taxable sales within the City and is designated as follows:

Park	0.125%
General Purpose	1.000%
Street Improvements	1.000%
Fire Station	0.250%

1. C. 3. OPERATING REVENUE 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 revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

1. C. 4. EXPENDITURES/EXPENSES

In the government-wide financial statement, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities. In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

1. D. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws, regulations, grants and contracts and demonstration of its stewardship of City resources follows:

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. A. REVENUE RESTRICTIONS

For the year ended June 30, 2015, the City appears to be in compliance with certain restrictions placed over revenue sources from state, local, or debt requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	To be allocated among general purpose, fire, parks and street improvements.
Motor Vehicle and Fuel Tax	To be used for the purpose of funding and maintaining streets and alleys.
Sewer, Water, Gas, and Sanitation Revenue	Utility operations and debt service.
TIF Funds	Special allocation funds legally restricted for the Granby Tax Increment Finance District.

2. B. DEBT RESTRICTIONS AND COVENANTS

Business-type Activity Debt

The lease agreement relating to the Gas Fund Certificates of Participation between the City and the Bank of Missouri contains a number of restrictions or covenants that are financially related. These include covenants such as a required flow of funds through special accounts, a coverage requirement and required reserve account balances.

1. Gas Fund Rate Covenants:

- a. The City will during any fiscal year have net revenues available to make rent payments (net revenues available shall mean revenues after deducting all costs of operation and maintenance of the System) in the amount not less than 125% of the amount required to be paid in such fiscal year as rent payments under this lease. If the revenues were less than 125%, the City is to hire a Consultant to do a rate study.
- b. The City will submit a statement of the number of customers served by the System at the beginning and end of each fiscal year.
- c. The City will submit a statement showing the amount and character of the insurance carried by the City on the property constituting the System and showing the names of the insurers, the expiration dates of the policies and premiums thereon.

For the year ended June 30, 2015, the net revenues (without regard to investment income) earned by the City's Gas System Fund did not meet the 125% requirement as stated in the Lease Purchase Agreement, and the City did not hire a Consultant to do a rate study.

2. Water & Sewer Fund Bond Covenants related to the WW & SS Ref. Rev. Bonds:

- a. The City's rates and charges will be sufficient to enable to City to have in each fiscal year Net Revenues not less than 125% of the debt service requirements for such fiscal year. The City met this covenant.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

- b. The City is required to deposit \$1,150 each month into the Debt Service Reserve Account until the amount on deposit in said account aggregates to the Debt Service Reserve Requirement of \$45,000. The City met this requirement because the required reserve amount is on deposit.
 - c. The City is also required to deposit \$1,150 each month into the Depreciation and Replacement Account. Once the Debt Service Reserve Account has initially reached the Debt Service Reserve Requirement of \$45,000, the sum of \$2,300 is required to be deposited into the Depreciation and Replacement Account as long as any of the Bonds remain outstanding. The city did not meet this covenant.
 - d. A sinking fund is to be established with monthly deposits of 1/12 of the annual principal and interest payments coming due. The City met this covenant.
3. Sewer Fund Bond Covenants related to the 2012 Certificates of Participation:
- a. The Declaration of Trust establishes a debt service reserve fund to be funded at the time of execution and delivery of the Certificates in an amount equal to \$67,500, the Reserve Fund Requirement. The City met this covenant. A reserve fund of the required amount to be maintained at First Bank of Missouri, the "Trustee".

NOTE 3. DETAILED NOTES ON FUNDS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

3. A. ASSETS

3. A. 1. DEPOSITS AND INVESTMENTS

Deposits

Missouri Statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2015, the carrying amount of the city's deposits was \$1,237,084 and the bank balance was \$1,261,949. Of the bank balances, \$1,237,084 was covered by federal depository insurance or securities held in the name of the City of Granby as collateral.

Investments

The City has invested their excess funds in Certificates of Deposit which historically have been maintained on a six-month maturity schedule. There is no formal investment policy.

Interest Rate Risk: The City does not limit investment maturities as a means of managing its exposure to fair value losses arising from fluctuating interest rates.

Credit Risk: The City has no policy regarding credit risk.

Custodial Credit Risk: Custodial credit risk is the risk that an entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In addition to monies held in locally owned FDIC-insured institutions, the City has \$944,186 held by Community Bank and Trust.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Concentration of Credit Risk: The City currently uses four local financial institutions as follows: Community Bank and Trust, First Community Bank, Southwest Missouri Bank, and the Corporate Trust Services of First Bank of Missouri.

3. A. 2. CAPITAL ASSETS

Capital asset activity resulting from accrual based transactions for the fiscal year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Deductions	Balance at June 30, 2015
<i>Governmental activities:</i>				
Land (non-depreciable)	\$ 265,220	\$ 0	\$ 0	\$ 265,220
Buildings	829,209	0	0	829,209
Machinery & Equipment	932,797	72,484	23,680	981,601
Infrastructure	4,333,260	20,000	0	4,353,260
Totals at historical cost	6,360,486	92,484	23,678	6,429,290
Less accumulated depreciation:				
Buildings	(441,947)	(21,200)	0	(463,147)
Machinery & Equipment	(691,824)	(54,488)	16,039	(730,273)
Infrastructure	(3,544,012)	(108,926)	0	(3,652,938)
Total accum. depreciation	(4,677,783)	(184,614)	16,039	(4,486,358)
Governmental activities capital assets, net	\$ 1,682,703	\$ (92,130)	\$ 7,639	\$ 1,582,933
<i>Business-type activities:</i>				
Land (non-depreciable)	\$ 65,965	\$ 0	\$ 0	\$ 65,965
Buildings	89,304	0	0	89,304
Machinery and Equipment	663,183	10,565	67,837	605,911
Infrastructure	6,978,196	0	0	6,978,196
Office Equipment	184,690	2,000	9,042	177,648
Totals at historical cost	7,981,338	12,565	76,879	7,917,024
Less accumulated depreciation:				
Buildings	(43,808)	(2,162)	0	(45,970)
Machinery and Equipment	(495,729)	(28,472)	67,838	(456,363)
Infrastructure – W/S	(3,189,774)	(140,160)	0	(3,329,934)
Office Equipment	(145,977)	(8,046)	9,042	(144,981)
Total accumulated depreciation	(3,875,288)	(178,840)	76,880	(3,977,248)
Business-type activities capital assets, net	\$ 4,106,050	\$ (166,275)	\$ 0	\$ 3,939,775
Total Assets (net)	\$ 5,788,753			\$ 5,522,708

Depreciation expense was charged to funds as follows in the Statement of Activities:

Governmental Activities

General Fund	\$76,007
Streets Fund	105,108
Cemetery Fund	3,499

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Business-Type Activities

Water Fund	\$17,341
Sewer Fund	108,471
Gas Fund	35,720
Sanitation Fund	17,308

3. A. 3. RESTRICTED ASSETS

Restricted assets include cash and investments that are legally restricted as to their use by statute or contract. The primary restricted assets are related to accounts restricted for bond repayment, bond covenants and debt service, along with the restrictions established by a vote of the people in approving taxes for specific purposes (i.e. Cemetery, TIF, etc.). Additionally, cash held by funds which are legally restricted as to the use of those funds are so identified. The amounts reported as restricted cash and investments are comprised of amounts held by the various funds. The following table shows the breakdown and classification of the amounts:

<u>Classification</u>	<u>Amount</u>
2012 Gas Trust – Principal Reserve	\$ 63,000
Gas Cash, CD's, and Savings	30,894
WW & SS Ref Rev Bond Reserve	45,000
Sewer Trust – Principal Reserve	67,500
Sewer Sinking Fund	25,006
Sewer Depreciation and Replacement	12,602
Street Cash, CD's and Savings	104,518
Cemetery Cash, CD's, Trust and Savings	296,690
TIF Cash	222,879
	<u>\$868,089</u>

3. B. LIABILITIES

3. B. 1. SHORT-TERM LIABILITIES - RESTRICTIONS

Refundable Deposits/Bonds:

Refundable deposits reported as a fund liability within the Statement of Net Position are comprised of the following:

Water Deposits Payable	\$18,211
Gas Meter Deposits Payable	\$43,075

In addition to restricted cash and investments as presented in Note 3.A.3, the net position of Special Revenue Funds are restricted by statute. Additionally, customer deposits are restricted for future application to customer accounts or to refunds when customers cease to need City utilities. The amounts above for Water deposits and Gas meter deposits fall under these restrictions.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

3. B. 2. LONG-TERM LIABILITIES AND CAPITAL LEASES

At year end, obligations consisted of the following:

Sewer Fund:

On October 23, 2012, the City entered into Certificates of Participation to refinance a lease purchase agreement with First Bank of Missouri (the "Trustee") for the purpose of expanding and upgrading the City's wastewater system. The Trustee issued \$675,000 in bonds to pay for this construction. Repayment is made with annual payments which include interest which is currently 1.0%. The rate increases incrementally every year until reaching 4.25% on Oct. 1, 2028. \$645,000

On March 25, 2015, the City obtained a Line of Credit from Arvest Bank for up to \$100,000 for the Sewer pump and lift station project. When the project is completed and vendor invoices are presented, the City will be have 5 annual installments of \$21,542 which includes an interest rate factor of 2.500% with a maturity date of March 25, 2020. As of the fiscal year, the City only borrowed \$10,363.17. 10,363

On October 9, 2012, the City authorized Combined Waterworks and Sewerage System Refunding Revenue Bonds in the amount of \$450,000. Repayments are made annually with payments of approximately \$35,000, which includes a variable interest factor of 1.0% to 3.7%. Maturity date Oct. 1, 2023. 380,000

Gas Fund:

On July 1, 2013, the City refinanced the 1998 Certificates of Participation with 2012 Certificates of Participation through a new lease purchase agreement with First Bank of Missouri (the "Trustee") in the amount of \$630,000. The City will make annual payments of approx. \$100,000 which includes interest of 3.75%. Maturity date Jan. 1, 2018 360,000

Sanitation Fund:

On November 15, 2009, the City obtained a capital lease for \$87,453 for a 2008 Rear Loader 25-Yard Packer, through Community First National Bank in

Manhattan, Kansas. In 2010, keeping the same lease terms, the 2008 Rear Loader was substituted with a 2006 model with better maneuverability. The lease, payable in monthly installments of \$1,233 includes an interest factor of 4.795% and matures December 15, 2016. There is a bargain purchase option at the end of the lease. 21,798

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

General Fund:

On October 15, 2014, the City obtained a Municipal lease purchase agreement with Arvest Bank to purchase a 2015 Ford F-250 for the Fire Department in the amount of \$22,967. The lease is payable in 3 annual installments of \$8,046.09 which includes an interest factor of 2.500% and matures on October 15, 2017 22,967

On November 1, 2014, the City obtained a Municipal lease purchase agreement with Arvest Bank to purchase a 2007 Chevy Impala and a 2008 Chevy Impala for the Police department in the amount of \$16,600. The lease is payable in 3 annual installments of \$5,815.52 which includes an interest factor of 2.500% and matures November 1, 2017 16,600

Water/Gas/Street Funds:

On June 26, 2014, the City obtained a capital lease for \$95,002 for a 580SN Backhoe, through Welch State Bank in Welch, Oklahoma. The lease, payable in yearly installments of \$29,065 includes an interest factor of 2.59% and matures June 26, 2016 at which time the equipment belongs to the City. 55,939

Total	\$1,512,667
Less lease portion considered current	(59,340)
Less portion considered current	(146,201)
Total Long-Term Liabilities	<u>\$1,307,126</u>

Maturities of long term debt for the next five years and forward are as follows:

Year Ending June 30	Notes Payable		Leases Payable	
	Principal	Interest	Principal	Interest
2016	150,000	48,769	65,905	2,470
2017	160,000	44,075	48,241	1,499
2018	225,000	39,000	13,521	342
2019	60,000	31,338	0	0
2020	60,000	29,712	0	0
2021-2025	350,000	115,594	0	0
2026-2029	380,000	35,912	0	0
Total	<u>\$ 1,385,000</u>	<u>\$ 344,400</u>	<u>\$ 127,667</u>	<u>\$ 4,311</u>

Total interest expense was \$54,302 during the year ended June 30, 2015. Lease amortization is included in depreciation totals.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 4. PENSION PLAN

4. A. PLAN DESCRIPTION

The City of Granby's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The [employer name] 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.

4. B. BENEFITS PROVIDED

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

2015 Valuation

Benefit Multiplier:	1.00%
Final Average Salary:	5 Years
Member Contributions:	4%

4. C. EMPLOYEES COVERED BY BENEFIT TERMS

At June 30, 2015 the following employees were covered by the benefit terms:

	General	Police
Retirees and Beneficiaries	0	0
Inactive, Nonretired members	1	0
Active members	8	4
	<u>9</u>	<u>4</u>

4. D. CONTRIBUTIONS

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 4.6% for general, and 4.1% for Police of the annual covered payroll.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

4. E. NET PENSION LIABILITY

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

4. F. ACTUARIAL ASSUMPTIONS

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table setback 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.00%
Fixed Income	25.00%	2.50%
Real Assets	20.00%	4.00%
Strategic Assets	6.50%	5.00%

4. G. DISCOUNT RATE

The discount rate used to measure the total pension liability is 7.25 %. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

GENERAL DIVISION

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2014	\$ 53,700	\$ 8,269	\$ 45,431
Changes for the year:			
Service Cost	13,356	-	13,356
Interest	4,363	-	4,363
Difference between expected and actual expense	19,363	-	19,363
Contributions – employer	-	9,385	(9,385)
Contributions – employee	-	8,532	(8,532)
Net investment income	-	1,147	(1,147)
Benefit payments, including refunds	(157)	(157)	-
Administrative expense	-	(559)	559
Other changes	-	4,804	(4,804)
Net Changes	\$ 36,925	\$ 23,152	\$ 13,773
Balances at June 30, 2015	\$ 90,625	\$ 31,421	\$ 59,204

POLICE DIVISION

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2014	\$ 15,856	\$ 4,046	\$ 11,810
Changes for the year:			
Service Cost	6,090	-	6,090
Interest	1,366	-	1,366
Difference between expected and actual expense	4,595	-	4,595
Contributions – employer	-	3,773	(3,773)
Contributions – employee	-	3,869	(3,869)
Net investment income	-	169	(169)
Benefit payments, including refunds	-	-	-
Administrative expense	-	(280)	280
Other changes	-	869	(869)
Net Changes	\$ 12,051	\$ 8,400	\$ 3,651
Balances at June 30, 2015	\$ 27,907	\$ 12,446	\$ 15,461

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

4. H. SENSATIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower 6.25% or one percentage point higher 8.25% than the current rate for both the General Division and Police Division.

GENERAL DIVISION			
	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Net Pension Liability	\$73,592	\$59,204	\$47,305

POLICE DIVISION			
	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Net Pension Liability	\$23,310	\$15,461	\$9,211

4. I. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended June 30, 2015 the employer recognized pension expense of \$5,588. The employer reported deferred outflows and inflows of resources related to pension from the following resources for the General Division and Police Division:

GENERAL DIVISION		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 17,381	\$ -
Differences in assumptions	-	-
Excess (deficit) investment returns	147	-
Contributions subsequent to the measurement date	-	-
Total	\$ 17,570	\$ -

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended 2015:	Net Deferred Outflows of Resources
2016	\$ 2,029
2017	2,029
2018	2,029
2019	2,030
2020	1,982
Thereafter	7,471
	<u>\$ 17,570</u>

POLICE DIVISION

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 4,236	\$ -
Differences in assumptions	-	-
Excess (deficit) investment returns	334	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 4,570</u>	<u>\$ -</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended 2015:	Net Deferred Outflows of Resources
2016	\$ 442
2017	442
2018	442
2019	444
2020	359
Thereafter	2,441
	<u>\$ 4,570</u>

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

4. J. CHANGE IN ACCOUNTING PRINCIPLE

Net position as of June 30, 2014 has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71.

Net position as previously reported on the Statement of Activities

	Governmental Activities	Business Type Activities	Total
Net position as previously reported at June 30, 2014	\$2,503,042	\$2,843,113	\$5,465,752
Prior period adjustment	(26,413)	(32,283)	(58,426)
Net Position as restated June 30, 2014	<u>\$2,476,629</u>	<u>\$2,810,830</u>	<u>\$5,407,326</u>

Net position as previously reported on the Statement of Revenues, Expenses and Changes in Fund
Net Position – Proprietary Funds

	Sanitation Fund	Gas System Fund	Waterworks System Fund	Sewer Revenue Fund	Total
Net position as previously reported at June 30, 2014	\$ 87,139	\$ 415,270	\$ 344,366	\$1,996,338	\$2,843,113
Prior period adjustment	-	(9,391)	(20,544)	(2,348)	(32,283)
Net Position as restated June 30, 2014	<u>\$ 87,139</u>	<u>\$ 405,879</u>	<u>\$ 323,822</u>	<u>\$1,993,990</u>	<u>\$2,810,830</u>

NOTE 5. OTHER NOTES

5. A. COMMITMENTS AND CONTINGENCIES

Management is not aware of any commitments or contingencies that affect the financial statements. In the normal course of business, the City is involved in various legal proceedings. Although the outcome of the proceedings is not presently determinable, it is the opinion of the City's legal counsel that the resolution of these matters will not have a material adverse effect on the City's financial position.

5. B. MACKS CREEK

Accounting of the percent of annual general operating revenue from fines and court costs for traffic violations (required by Section 302.341, RSMo). Threshold for 2015 is 30%.

1. Annual general operating revenue of political subdivision-	<u>\$326,431</u>
2. Fines and court costs from traffic violations, including amended charges from any charged traffic violation, which occurs within the political subdivision.	<u>\$28,230</u>
3. Percentage (line 2 divided by line 1)	<u>8.65%</u>

CITY OF GRANBY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

5. C. COMPENSATED ABSENCES

The City of Granby has a plan for compensated absences providing workers with a graduated scale of up to 20 paid vacation days awarded annually on the employees' anniversary date and which is to be used within the year. The City also provides for sick days up to 480 hours that may be carried over, however, no payment is allowed for sick days not taken. At year end, the liability for compensated absences was \$6,819.

5. D. ECONOMIC DEPENDENCY

The City of Granby currently purchases natural gas for sale to its customers from Constellation Energy as needed to handle anticipated demand. Gas is transported and stored on the City's behalf by Southern Star Energy.

5. E. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the Independent Auditor's Report date, the date which the financial statements were available to be issued.

**CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 167,464	\$ 167,464	\$ 167,464	\$ -
Prior Period Adjustment	-	(21,131)	(21,131)	-
Beg. Budgetary Fund Balance Adjusted:	167,464	146,333	146,333	-
Resources (inflows):				
Revenues:				
Sales Tax 2% Refund	-	844	844	-
Insurance Proceeds	-	6,083	6,083	-
Grant Revenue	26,400	6,856	6,856	-
Total Revenues	26,400	13,783	13,783	-
Taxes:				
Sales taxes:				
General	100,000	115,782	115,782	-
Fire	25,000	26,294	26,294	-
Park	12,500	36,678	36,678	-
Railroad and utility	7,000	7,560	7,560	-
Property taxes	31,000	34,964	34,964	-
Motor fuel	4,000	-	-	-
Franchise (fees):				
Franchise	64,800	63,590	63,590	-
Total Taxes	244,300	284,868	284,868	-
Intergovernmental:				
Rent	30,000	37,664	37,664	-
Charges for Services:				
Fire department	12,500	10,547	10,547	-
Fines and Forfeitures:				
Dog pound	-	378	378	-
Fines	30,000	28,230	28,230	-
Total Fines and Forfeitures	30,000	28,608	28,608	-
Licenses and Permits	1,700	1,215	1,215	-
Miscellaneous:				
Filing fees	150	208	208	-
Police	1,000	1,505	1,505	-
Other	9,800	8,423	8,423	-
Total Miscellaneous	10,950	10,136	10,136	-
Amounts available for appropriation	523,314	533,154	533,154	-

(Continued)

EXHIBIT 1
(Continued)

**CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to appropriations (outflows):				
General and Administrative				
Salaries:				
All salaries	9,960	26,989	26,989	-
Mayor and board	7,920	10,060	10,060	-
Payroll taxes	762	2,280	2,280	-
Contract Labor	3,950	15,469	15,469	-
Legal and audit	2,000	21,754	21,754	-
Election expense	1,000	-	-	-
Office supplies	2,000	4,361	4,361	-
\$1 per Sanitation customer	-	9,985	9,985	-
10% of 1 cent sales tax	-	8,475	8,475	-
Advertising	-	1,102	1,102	-
Bad debts	-	297	297	-
Dues and subscriptions	-	1,969	1,969	-
Fuel	-	5,271	5,271	-
Insurance	1,532	17,767	17,767	-
Lagers	438	3,710	3,710	-
Miscellaneous	1,000	10,558	10,558	-
Repairs and maintenance	6,000	14,173	14,173	-
Supplies	100	-	-	-
Telephone	-	6,648	6,648	-
Tax Levy Expense	-	471	471	-
TIF expense (city's portion of qtrly pmt)	5,000	9,094	9,094	-
Travel	-	583	583	-
Uniforms	-	1,261	1,261	-
Utilities	-	3,299	3,299	-
Capital outlay	-	49,416	49,416	-
Total General and Administrative	41,662	224,992	224,992	-

(Continued)

EXHIBIT 1
(Continued)

**CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Police Department:				
Salaries:				
All salaries	74,501	110,029	110,029	-
Payroll taxes	5,699	8,517	8,517	-
Legal and audit	-	545	545	-
Advertising	300	168	168	-
Central dispatch	9,000	-	-	-
Dues and subscriptions	100	820	820	-
Fuel	14,560	4,556	4,556	-
Insurance	17,989	6,083	6,083	-
Lagers	2,652	(671)	(671)	-
Miscellaneous	100	3,449	3,449	-
Office supplies	1,100	415	415	-
Repairs and maintenance	6,000	685	685	-
Telephone / utilities	4,000	2,147	2,147	-
Training	1,000	-	-	-
Uniforms	2,000	506	506	-
Capital outlay	30,000	-	-	-
Total Police Department	169,001	137,249	137,249	-
Fire department:				
Salaries:				
All salaries	3,600	3,900	3,900	-
Payroll taxes	275	275	275	-
Legal and audit	-	545	545	-
Contract Labor	15,000	9,780	9,780	-
Dues and subscriptions	100	545	545	-
Expenses	6,000	48	48	-
Fuel	10,000	1,984	1,984	-
Insurance	9,512	8,541	8,541	-
Miscellaneous	5,700	930	930	-
Repairs and maintenance	8,000	3,537	3,537	-
Telephone / Utilities	5,000	2,881	2,881	-
Capital outlay	40,000	-	-	-
Total Fire Department	103,187	32,966	32,966	-
Community building				
Fuel and repairs	1,000	-	-	-
Supplies	1,000	-	-	-
Utilities	1,000	-	-	-
Total Community Building	3,000	-	-	-

(Continued)

CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Animal Control:				
Miscellaneous	7,520	-	-	-
Total Animal Control	<u>7,520</u>	<u>-</u>	<u>-</u>	<u>-</u>
Municipal Court:				
Salaries:				
All salaries	4,800	4,704	4,704	-
Payroll taxes	367	360	360	-
Legal and audit	-	17	17	-
Contract Labor	7,800	750	750	-
Dues and subscriptions	100	-	-	-
Expenses	1,500	-	-	-
Insurance	100	-	-	-
Miscellaneous	200	50	50	-
Repairs and maintenance	100	-	-	-
Total Municipal Court	<u>14,967</u>	<u>5,881</u>	<u>5,881</u>	<u>-</u>
Park Department				
Fuel	-	420	420	-
Insurance	-	96	96	-
Miscellaneous	200	19,744	19,744	-
Office supplies	200	163	163	-
Repairs and maintenance	4,200	3,803	3,803	-
Telephone / Utilities	1,800	3,374	3,374	-
Capital outlay	100	-	-	-
Total Park Department	<u>6,500</u>	<u>27,600</u>	<u>27,600</u>	<u>-</u>
Non-Operating Revenues (Expenses)				
Interest expense	350	-	-	-
Interest and Investment Revenue	-	585	585	-
Loss on sale of asset	(6,000)	(3,649)	(3,649)	-
Total Non-Operating Revenues (Expenses)	<u>(5,650)</u>	<u>(3,064)</u>	<u>(3,064)</u>	<u>-</u>
Total charges to appropriations	351,487	431,752	431,752	-
Ending budgetary fund balance	<u>\$ 171,827</u>	<u>\$ 101,402</u>	<u>\$ 101,402</u>	<u>\$ -</u>

EXHIBIT 2

CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
STREET FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 226,006	\$ 226,006	\$ 226,006	\$ -
Prior Period Adjustment	-	(5,283)	(5,283)	-
Beg. Budgetary Fund Balance Adjusted:	226,006	220,723	220,723	-
Resources (inflows):				
Taxes:				
Sales taxes:				
General	110,000	112,831	112,831	-
Motor vehicle	-	26,249	26,249	-
Motor fuel	64,000	56,394	56,394	-
Gas excise tax refund	100	-	-	-
Total Taxes	174,100	195,474	195,474	-
Investment Income	1,500	-	-	-
Miscellaneous:				
Other	1,000	160	160	-
Total Miscellaneous	1,000	160	160	-
Amounts available for appropriation	402,606	416,357	416,357	-
Charges to appropriations (outflows):				
General and administrative				
Salaries:				
All salaries	68,452	27,458	27,458	-
Payroll taxes	5,257	1,944	1,944	-
Contract Labor	416	956	956	-
Legal and audit	2,000	4,590	4,590	-
Office supplies	100	175	175	-
Advertising	100	-	-	-
Dues and subscriptions	-	337	337	-
Fuel	2,000	7,013	7,013	-
Insurance	10,012	16,995	16,995	-
Lagers	2,728	760	760	-
Miscellaneous	300	9,277	9,277	-
Rent	2,500	14,265	14,265	-
Repairs and maintenance	1,000	3,664	3,664	-
Road materials	40,000	-	-	-
Supplies	100	-	-	-
Telephone	1,500	1,127	1,127	-
TIF expense	8,000	-	-	-
TIF expense (city's portion of qtrly pmt)	-	9,094	9,094	-
Travel	-	217	217	-
Uniforms	500	784	784	-
Utilities	27,000	36,592	36,592	-
Capital outlay	10,000	20,000	20,000	-
Total General and Administrative	181,965	155,248	155,248	-
Non-Operating Revenues (Expenses)				
Interest and Investment Revenue	-	358	358	-
Loss on sale of asset	(6,500)	(5,383)	(5,383)	-
Operating transfers out	-	(3,612)	(3,612)	-
Total Non-Operating Revenues (Expenses)	(6,500)	(8,637)	(8,637)	-
Total charges to appropriations	188,465	163,885	163,885	-
Ending budgetary fund balance	\$ 214,141	\$ 252,472	\$ 252,472	\$ -

EXHIBIT 3

**CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 298,830	\$ 298,830	\$ 298,830	\$ -
Resources (inflows):				
Property taxes	9,000	7,968	7,968	-
Gen. purpose 10% of \$0.01 sales tax	9,500	7,407	7,407	-
Gas excise tax refund	100	-	-	-
Total Taxes	18,600	15,375	15,375	-
Investment Income	100	-	-	-
Miscellaneous:				
Other	400	1,210	1,210	-
Total Miscellaneous	400	1,210	1,210	-
Amounts available for appropriation	317,930	315,415	315,415	-
Charges to appropriations (outflows):				
General and Administrative				
Contract Labor	12,000	17,471	17,471	-
Legal and audit	1,500	2,323	2,323	-
Office supplies	-	434	434	-
Advertising	-	600	600	-
Dues and subscriptions	-	63	63	-
Engineering	-	2,900	2,900	-
Fuel	1,500	1,223	1,223	-
Insurance	1,000	573	573	-
Miscellaneous	-	1,175	1,175	-
Rent	-	1,864	1,864	-
Repairs and maintenance	750	4,958	4,958	-
Supplies	450	-	-	-
Tax Levy Expense	-	127	127	-
Utilities	700	648	648	-
Capital outlay	-	12,400	12,400	-
Total General and Administrative	17,900	46,759	46,759	-
Non-operating revenues (expenses)				
Interest and investment revenue	-	355	355	-
Gain on sale of asset	-	10,915	10,915	-
Total non-operating revenues (expenses)	-	11,270	11,270	-
Total charges to appropriations	17,900	35,489	35,489	-
Ending budgetary fund balance	\$ 300,030	\$ 279,926	\$ 279,926	\$ -

**CITY OF GRANBY MISSOURI
BUDGETARY COMPARISON SCHEDULE
TIF FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 242,200	\$ 242,200	\$ 242,200	\$ -
Resources (inflows):				
Taxes:				
Sales taxes:				
General	9,510	4,314	4,314	-
Property taxes	40,000	64,013	64,013	-
Total Taxes	<u>49,510</u>	<u>68,327</u>	<u>68,327</u>	<u>-</u>
Investment Income	350	-	-	-
Total Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>292,060</u>	<u>310,527</u>	<u>310,527</u>	<u>-</u>
Charges to appropriations (outflows):				
General and Administrative				
Contract Labor	-	2,112	2,112	-
Legal and audit	-	7,206	7,206	-
Office supplies	150	642	642	-
Repairs and maintenance	15,000	26,322	26,322	-
TIF expense (city's portion of qtrly pmt)	-	12,070	12,070	-
Total general and administrative	<u>15,150</u>	<u>48,352</u>	<u>48,352</u>	<u>-</u>
Non-operating revenues (expenses)				
interest and investment revenue	-	356	356	-
Total non-operating revenues (expenses)	<u>-</u>	<u>356</u>	<u>356</u>	<u>-</u>
Total charges to appropriations	<u>15,150</u>	<u>47,996</u>	<u>47,996</u>	<u>-</u>
Ending budgetary fund balance	<u>\$ 276,910</u>	<u>\$ 262,531</u>	<u>\$ 262,531</u>	<u>\$ -</u>

EXHIBIT 5

CITY OF GRANBY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

<i>Fiscal year ending June 30,</i>	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 13,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	4,363	-	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	19,363	-	-	-	-	-	-	-	-	-
Assumption changes	-	-	-	-	-	-	-	-	-	-
Benefit payments	157	-	-	-	-	-	-	-	-	-
Refunds	-	-	-	-	-	-	-	-	-	-
Net Change in total pension liability	36,925	-	-	-	-	-	-	-	-	-
Total Pension Liability beginning	53,700	-	-	-	-	-	-	-	-	-
Total Pension Liability ending	\$ 90,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary net Position										
Contributions-employer	\$ 9,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions-employee	8,532	-	-	-	-	-	-	-	-	-
Pension Plan Net Investment Income	1,147	-	-	-	-	-	-	-	-	-
Benefit Payments	157	-	-	-	-	-	-	-	-	-
Refunds	-	-	-	-	-	-	-	-	-	-
Pension Plan Administrative Expense	559	-	-	-	-	-	-	-	-	-
Other	4,804	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	23,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position beginning	8,269	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position ending	31,421	-	-	-	-	-	-	-	-	-
Employer Net Pension Liability	59,204	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a percentage of covered employee payroll	35%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Covered Employee Payroll	\$ 212,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Net Pension Liability as a percentage of covered employee payroll	28%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CITY OF GRANBY
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

EXHIBIT 6

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	13,158	4,801	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	13,158	4,801	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Percent contributed	100%	100%	-	-	-	-	-	-	-	-
Covered-employee payroll	310,037	113,315	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	4.24%	4.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%