
**CITY OF BELLEFONTAINE
NEIGHBORS, MISSOURI**

FINANCIAL REPORT
(Audited)

Year Ended June 30, 2013

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

November 18, 2013

Honorable Mayor and Board of Aldermen
CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI** (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

- 16100 Chesterfield Parkway W., Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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 of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, 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 supplemental 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.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

This Management's Discussion and Analysis (MD&A) is intended to be an overview of the City of Bellefontaine Neighbors, Missouri's (the City) financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the City's financial statements (attached).

FINANCIAL HIGHLIGHTS

Net position increased by \$190,156 and fund balances increased by \$185,802. This was primarily due to an increase in court fines and reduced expenditures for street improvements. The fund balances are adequate for the City to operate efficiently and provide service to its citizens.

At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$2,661,992, an increase of \$185,802 in comparison with the prior year. Approximately 58% of this amount (\$1,502,480) is available for spending at the government's discretion (*unassigned fund balance*).

The General Fund had a reduction in fund balances of \$115,789 and \$126,048 in the current and prior year, respectively. The City's budget had reflected an anticipated deficit of \$80,701 in the original budget and a deficit of \$447,015 in the final budget.

The Capital Improvement Fund had an increase in fund balance of \$272,714 compared to a decrease in fund balance of \$51,623 in the prior year. The increase was primarily due to capital leases being paid off in the prior year as well as reduced capital outlay expenditures.

The Debt Service Fund had an increase in fund balance of \$49,150 and \$35,566 in the current and prior year, respectively. The increase was primarily due to an increase in tax revenue.

The Sewer Lateral Fund had a reduction in fund balance of \$20,273 and \$44,716 in the current and prior year, respectively. Sewer Lateral Fund revenue was \$123,533 and sewer repair costs were \$143,806.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplemental information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Note that the government-wide financial statements exclude fiduciary fund activities.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, building, police, street, recreation center, and court, as well as interest on long-term debt. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. It should be noted that the City does not have any proprietary funds.

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund, Debt Service Fund, and Habilitation Fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund, Capital Improvement Fund, Sewer Lateral Fund, and Debt Service Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental funds financial statements can be found on pages 11 through 14 of this report.

Fiduciary fund. The fiduciary fund is used to account for resources held for the benefit of parties outside the City. The fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

for the fiduciary fund is much like that used for proprietary funds. The fiduciary fund financial statement can be found on page 15 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplemental information. In addition to the basic financial statements and accompanying notes, certain required and other supplemental information can be found after the basic financial statements.

CONDENSED FINANCIAL STATEMENTS

The City presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is also included in this report.

A condensed version of the statement of net position follows:

| | June 30 | |
|----------------------------------|---------------------|-------------------|
| | 2013 | 2012 |
| ASSETS | | |
| Cash and other current assets | \$ 3,451,944 | 3,031,716 |
| Capital assets | <u>7,468,765</u> | <u>7,677,475</u> |
| Total Assets | <u>10,920,709</u> | <u>10,709,191</u> |
| LIABILITIES | | |
| Current liabilities | 491,113 | 299,486 |
| Long-term liabilities | <u>5,197,292</u> | <u>5,367,557</u> |
| Total Liabilities | <u>5,688,405</u> | <u>5,667,043</u> |
| NET POSITION | | |
| Net investment in capital assets | 2,708,430 | 2,701,318 |
| Restricted | 879,908 | 486,151 |
| Unrestricted | <u>1,643,966</u> | <u>1,854,679</u> |
| Total Net Position | <u>\$ 5,232,304</u> | <u>5,042,148</u> |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets exceeded liabilities by \$5,232,304 at June 30, 2013.

A portion of the City's net position (31%) may be used to meet the City's ongoing obligations to citizens and creditors. Additionally, a portion of the City's governmental activities net position (\$879,908) represents resources that are subject to external restrictions on how they may be used.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

The remaining portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed version of the statement of activities follows:

| | For The Years | |
|------------------------------------|----------------------|------------------|
| | Ended June 30 | |
| | <u>2013</u> | <u>2012</u> |
| REVENUES | | |
| Program revenues: | | |
| Charges for services | \$1,117,575 | 975,650 |
| Operating grants and contributions | 758,696 | 574,059 |
| Capital grants and contributions | 133,335 | 40,245 |
| General revenues | <u>4,358,557</u> | <u>4,325,674</u> |
| Total Revenues | <u>6,368,163</u> | <u>5,915,628</u> |
| EXPENSES | | |
| General government | 1,467,913 | 823,065 |
| Building | 162,284 | 172,655 |
| Police | 2,482,237 | 2,740,725 |
| Street | 1,015,365 | 1,130,150 |
| Recreation center | 752,597 | 811,470 |
| Court | 110,817 | 107,289 |
| Interest on long-term debt | <u>186,794</u> | <u>187,845</u> |
| Total Expenses | <u>6,178,007</u> | <u>5,973,199</u> |
| CHANGE IN NET POSITION | 190,156 | (57,571) |
| NET POSITION, JULY 1 | <u>5,042,148</u> | <u>5,099,719</u> |
| NET POSITION, JUNE 30 | <u>\$5,232,304</u> | <u>5,042,148</u> |

SIGNIFICANT CHANGES IN NET POSITION

Revenues increased by 7.6% from the previous year while expenses increased by 3.4% from the previous year accounting for the increase in net position of \$190,156.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund exceeded projections during 2013 mainly due to street expenditures coming in lower than expected. The total revenue variance was favorable by 6.7% and the expenditures variance was favorable by 0.6%. The City increased the original budgeted expenditures by \$366,314.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The City has invested, net of accumulated depreciation, \$7,468,765 at June 30, 2013, in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure. This amount represents a net decrease of \$208,710 for the current fiscal year (including additions and deductions).

The City's capital assets, net of accumulated depreciation, consisted of:

| | <u>June 30</u> | |
|--------------------------|--------------------|------------------|
| | <u>2013</u> | <u>2012</u> |
| Land | \$ 467,275 | 467,275 |
| Construction in progress | 131,936 | - |
| Buildings | 236,912 | 202,516 |
| Vehicles | 217,027 | 317,893 |
| Equipment | 879,052 | 954,472 |
| Infrastructure | <u>5,536,563</u> | <u>5,735,319</u> |
| Total Capital Assets | <u>\$7,468,765</u> | <u>7,677,475</u> |

The City's long-term debt consists of the Series 2009 general obligation bonds in the amount of \$4,760,335 and future liabilities for compensated absences including compensatory and vacation time payable in the amount of \$119,622.

Additional information on the City's capital assets and long-term debt can be found in Note C and Note G, respectively, in the notes to financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bellefontaine Neighbors, Missouri, Office of the City Clerk, 9641 Bellefontaine Road, Bellefontaine Neighbors, MO 63137.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI

STATEMENT OF NET POSITION

JUNE 30, 2013

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash | \$ 290,856 |
| Investments | 1,842,902 |
| Receivables: | |
| Municipal taxes | 566,567 |
| Court, net of allowance | 246,829 |
| Intergovernmental | 139,529 |
| Gross receipts taxes | 123,897 |
| Inventory | 24,452 |
| Prepaid items | 216,912 |
| Capital assets: | |
| Land and construction in progress | 599,211 |
| Other capital assets, net of accumulated depreciation | 6,869,554 |
| Total Assets | <u>10,920,709</u> |
| LIABILITIES | |
| Accounts payable | 305,910 |
| Accrued interest payable | 63,272 |
| Accrued payroll | 76,149 |
| Telephone taxes in protest | 27,201 |
| Unearned revenue | 5,556 |
| Other liabilities | 13,025 |
| Noncurrent liabilities: | |
| Due within one year | 244,906 |
| Due in more than one year | 4,635,051 |
| Due in more than one year - net pension obligation | 317,335 |
| Total Liabilities | <u>5,688,405</u> |
| NET POSITION | |
| Net investment in capital assets | 2,708,430 |
| Restricted for: | |
| Debt service | 379,439 |
| Sewer lateral | 77,620 |
| Capital improvements | 347,240 |
| Federal forfeitures | 20,479 |
| Police training | 5,130 |
| Unrestricted | 1,693,966 |
| Total Net Position | <u>\$ 5,232,304</u> |

See notes to financial statements

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

| | | Program Revenues | | | Net Revenues (Expenses) And Change In Net Position |
|--------------------------------|--------------|----------------------------|--|--|---|
| FUNCTIONS/PROGRAMS | Expenses | Charges For Services | Operating Grants And Contributions | Capital Grants And Contributions | Governmental Activities |
| Governmental Activities | | | | | |
| General government | \$ 1,467,913 | - | 165,056 | - | (1,302,857) |
| Building | 162,284 | 72,019 | - | - | (90,265) |
| Police | 2,482,237 | 749,252 | 121,248 | 17,735 | (1,594,002) |
| Street | 1,015,365 | 123,081 | 472,392 | 115,600 | (304,292) |
| Recreation center | 752,597 | 173,223 | - | - | (579,374) |
| Court | 110,817 | - | - | - | (110,817) |
| Interest on long-term debt | 186,794 | - | - | - | (186,794) |
| Total Governmental Activities | \$ 6,178,007 | 1,117,575 | 758,696 | 133,335 | (4,168,401) |
| General Revenues | | | | | |
| Property taxes | | | | | 720,694 |
| Sales taxes | | | | | 2,124,751 |
| Gross receipts taxes | | | | | 1,436,414 |
| Licenses | | | | | 52,432 |
| Investment income | | | | | 8,772 |
| Miscellaneous | | | | | 15,494 |
| Total General Revenues | | | | | 4,358,557 |
| CHANGE IN NET POSITION | | | | | 190,156 |
| NET POSITION, JULY 1 | | | | | 5,042,148 |
| NET POSITION, JUNE 30 | | | | | \$ 5,232,304 |

See notes to financial statements

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

| | <u>General</u> | <u>Capital Improvement</u> | <u>Debt Service</u> | <u>Habilitation</u> | <u>Nonmajor Sewer Lateral</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--------------------------------|-------------------------|---------------------|---------------------------------------|---|
| ASSETS | | | | | | |
| Cash | \$ 290,831 | - | - | 25 | - | 290,856 |
| Investments | 1,161,128 | 315,572 | 265,248 | - | 100,954 | 1,842,902 |
| Receivables: | | | | | | |
| Municipal taxes | 337,374 | 99,647 | 128,730 | - | 816 | 566,567 |
| Court, net of allowance | 246,829 | - | - | - | - | 246,829 |
| Intergovernmental | 13,171 | - | - | 126,358 | - | 139,529 |
| Gross receipts taxes | 123,897 | - | - | - | - | 123,897 |
| Due from other funds | 49,068 | - | - | - | - | 49,068 |
| Inventory | 24,452 | - | - | - | - | 24,452 |
| Prepaid items | 216,912 | - | - | - | - | 216,912 |
| | <u>\$ 2,463,662</u> | <u>415,219</u> | <u>393,978</u> | <u>126,383</u> | <u>101,770</u> | <u>3,501,012</u> |
| Total Assets | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 129,552 | 50,000 | - | 126,358 | - | 305,910 |
| Accrued payroll | 68,524 | 7,625 | - | - | - | 76,149 |
| Due to other funds | - | 10,354 | 14,539 | 25 | 24,150 | 49,068 |
| Telephone taxes in protest | 27,201 | - | - | - | - | 27,201 |
| Other liabilities | 13,025 | - | - | - | - | 13,025 |
| Unearned revenue - other | 5,556 | - | - | - | - | 5,556 |
| Total Liabilities | <u>243,858</u> | <u>67,979</u> | <u>14,539</u> | <u>126,383</u> | <u>24,150</u> | <u>476,909</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - court | 246,829 | - | - | - | - | 246,829 |
| Unavailable revenue - property taxes | 47,407 | - | 117,875 | - | - | 165,282 |
| Total Deferred Inflows Of Resources | <u>294,236</u> | <u>-</u> | <u>117,875</u> | <u>-</u> | <u>-</u> | <u>412,111</u> |
| FUND BALANCES | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | 216,912 | - | - | - | - | 216,912 |
| Inventory | 24,452 | - | - | - | - | 24,452 |
| Restricted for: | | | | | | |
| Debt service | - | - | 261,564 | - | - | 261,564 |
| Sewer lateral | - | - | - | - | 77,620 | 77,620 |
| Police training | 5,130 | - | - | - | - | 5,130 |
| Federal forfeitures | 20,479 | - | - | - | - | 20,479 |
| Capital improvement | - | 347,240 | - | - | - | 347,240 |
| Assigned for subsequent year's budget | 156,115 | - | - | - | - | 156,115 |
| Unassigned | 1,502,480 | - | - | - | - | 1,502,480 |
| Total Fund Balances | <u>1,925,568</u> | <u>347,240</u> | <u>261,564</u> | <u>-</u> | <u>77,620</u> | <u>2,611,992</u> |
| | | | | | | |
| Total Liabilities, Deferred Inflows Of Resources, And Fund Balances | <u>\$ 2,463,662</u> | <u>415,219</u> | <u>393,978</u> | <u>126,383</u> | <u>101,770</u> | <u>3,501,012</u> |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

| | |
|--|--------------|
| Total Fund Balances - Governmental Funds | \$ 2,611,992 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$14,614,303 and the accumulated depreciation is \$7,145,538. | 7,468,765 |
| Property taxes and municipal court receivables are assessed by or due to the City, but the amounts not collected as of August 31, 2013 (within 60 days) are deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements. | 412,111 |
| Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of: | |
| Accrued interest payable | (63,272) |
| Accrued compensated absences | (119,622) |
| Net pension obligation | (317,335) |
| General obligation bonds | (4,760,335) |
| | (5,260,564) |
| Total Net Position Of Governmental Activities | \$ 5,232,304 |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | General | Capital Improvement | Debt Service | Habilitation | Nonmajor Sewer Lateral | Total Governmental Funds |
|-----------------------------------|----------------------------|------------------------|-----------------------|-----------------|------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 2,142,071 | 676,273 | 452,538 | - | 123,081 | 3,393,963 |
| Gross receipts taxes | 1,436,414 | - | - | - | - | 1,436,414 |
| Licenses | 52,432 | - | - | - | - | 52,432 |
| Permits and inspections | 72,019 | - | - | - | - | 72,019 |
| Recreation center | 173,223 | - | - | - | - | 173,223 |
| Fines and forfeitures | 749,252 | - | - | - | - | 749,252 |
| Miscellaneous | 15,494 | - | - | - | - | 15,494 |
| Investment income | 5,534 | 1,758 | 1,028 | - | 452 | 8,772 |
| Grants | 271,871 | - | - | 147,768 | - | 419,639 |
| Total Revenues | <u>4,918,310</u> | <u>678,031</u> | <u>453,566</u> | <u>147,768</u> | <u>123,533</u> | <u>6,321,208</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Administration | 1,220,910 | - | - | - | - | 1,220,910 |
| Building | 157,742 | - | - | - | - | 157,742 |
| Police | 2,355,172 | 21,809 | - | - | - | 2,376,981 |
| Street | 526,215 | 67,644 | - | - | - | 593,859 |
| Court | 110,817 | - | - | - | - | 110,817 |
| Recreation center | 461,549 | 215,178 | - | - | - | 676,727 |
| Sewer lateral | - | - | - | - | 143,806 | 143,806 |
| Habilitation | - | - | - | 147,768 | - | 147,768 |
| Capital outlay | 201,694 | 100,686 | - | - | - | 302,380 |
| Debt service: | | | | | | |
| Principal | - | - | 210,000 | - | - | 210,000 |
| Interest | - | - | 194,416 | - | - | 194,416 |
| Total Expenditures | <u>5,034,099</u> | <u>405,317</u> | <u>404,416</u> | <u>147,768</u> | <u>143,806</u> | <u>6,135,406</u> |
| NET CHANGE IN FUND BALANCE | (115,789) | 272,714 | 49,150 | - | (20,273) | 185,802 |
| FUND BALANCES, JULY 1 | <u>2,041,357</u> | <u>74,526</u> | <u>212,414</u> | <u>-</u> | <u>97,893</u> | <u>2,426,190</u> |
| FUND BALANCES, JUNE 30 | <u><u>\$ 1,925,568</u></u> | <u><u>347,240</u></u> | <u><u>261,564</u></u> | <u><u>-</u></u> | <u><u>77,620</u></u> | <u><u>2,611,992</u></u> |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

| | |
|---|------------|
| Net Change In Fund Balances - Governmental Funds | \$ 185,802 |
| <p>Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$451,762 exceeded the amount of capital outlays over the capitalization threshold of \$243,052 in the current period.</p> | |
| | (208,710) |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p> | |
| | 41,399 |
| <p>The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p> | |
| Amortization of premium | 5,822 |
| General obligation bond payments | 210,000 |
| <p>Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:</p> | |
| Accrued compensated absences | 43,131 |
| Accrued interest on debt | 1,400 |
| Accrued net pension obligation | (88,688) |
| | (88,688) |
| Change In Net Position Of Governmental Activities | \$ 190,156 |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND
JUNE 30, 2013

ASSETS

Cash \$ 53,818

LIABILITIES

Due to others 53,818

NET POSITION

\$ -

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI** (the City) was incorporated on June 19, 1950 and established a mayor/city council form of government. The City's major operations include police protection, street maintenance and improvements, parks and recreation, general administrative services, legislative services, judicial services, and planning.

The significant accounting policies applied by the City in the preparation of the accompanying basic financial statements are summarized below:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period, if any. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Fund -- The Capital Improvement Fund is a Special Revenue Fund that is used to account for financial resources and expenditures for certain capital improvements and maintenance.

Debt Service Fund -- The Debt Service Fund provides funding for payment of principal, interest, and other related costs from outstanding bond indebtedness.

Habilitation Fund -- The Habilitation Fund is a special revenue fund that is used to account for financial resources and expenditures for a certain state-funded project.

Fiduciary Fund

Agency Fund -- The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The City's Agency Fund consists of the assets of the Bail Bond Fund.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value or cost which approximates fair value.

5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance restriction which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), if any, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City has elected not to record the historical cost of infrastructure placed in service prior to July 1, 2003.

Depreciation is being computed on the straight-line method, using asset lives as follows:

| Assets | Years |
|----------------|--------------|
| Buildings | 25 - 50 |
| Vehicles | 5 - 20 |
| Equipment | 5 - 25 |
| Infrastructure | 20 - 40 |

7. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to restrict that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year-end are reported as restrictions of fund balances, if any.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Due To/From Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

9. Compensated Absences

Under terms of the City’s personnel policy, employees are granted vacations based on length of service and compensatory time is granted to all nonexempt employees for hours worked in excess of a normal work week. Vacations accrue on January 1 of each year. Upon termination, the employee is paid for unused vacation and accrued compensatory time. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. A portion of sick leave may be payable to employees upon termination, but it is not vested. Vested or accumulated vacation leave and compensatory time accrued at year-end are expected to be used by the employee during the following fiscal year.

10. Property Taxes

The City levies a tax on the assessed value of all real and personal property located within the City as of January 1 each year. Taxes are levied in October and are considered delinquent if not paid by December 31. St. Louis County assesses property values, collects the tax, and remits collected amounts to the City.

11. Allowance for Doubtful Accounts

Management believes accounts receivable for taxes and grants to be fully collectible; accordingly, no allowance for doubtful accounts is needed. Management estimates 50% or \$246,829 of the municipal court fines outstanding to be uncollectible.

12. Grant Revenue

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as unearned revenue or amounts receivable from the grantor.

13. Fund Balances

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balances (Continued)

Restricted -- The portion of fund balance that is subject to external restrictions, and constrained to specific purposes, imposed by agreement through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the Board of Aldermen, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen by ordinance has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

The City's policy is to maintain an unrestricted fund balance in the General Fund of at least 10% of the annual operating expenditure budget.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2013, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of June 30, 2013, the City had the following investments:

| <u>Investments</u> | <u>Fair Value</u> | <u>Maturities</u> | | | <u>Credit Risk</u> |
|--------------------|-------------------|--------------------|---------------------------|--------------------|--------------------|
| | | <u>No Maturity</u> | <u>Less Than One Year</u> | <u>1 - 5 Years</u> | |
| Money market funds | \$ 1,842,902 | 1,842,902 | - | - | Not rated |

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City will minimize its credit risk by prequalifying financial institutions with which the City will do business. The selection bases shall include evaluation of each applicant's assets, liabilities, public deposits, local presence, credit characteristics, financial position, and collateral capabilities. Additionally, all banking contracts shall specify what types of investments may be used as collateral for deposits.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City minimizes the risk by structuring the invest-

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

ment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City invests operating funds primarily in shorter-term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City will diversify the portfolio so that potential losses on individual securities will be minimized.

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

| | For The Year Ended June 30, 2013 | | | Balance June 30 2013 |
|--|---|------------------|--------------------|-------------------------------------|
| | Balance June 30 2012 | Additions | Retirements | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 467,275 | - | - | 467,275 |
| Construction in progress | - | 131,936 | - | 131,936 |
| Total Capital Assets Not Being Depreciated | 467,275 | 131,936 | - | 599,211 |
| Capital assets being depreciated: | | | | |
| Buildings | 4,720,858 | 46,178 | - | 4,767,036 |
| Vehicles | 966,149 | - | - | 966,149 |
| Equipment | 2,246,244 | 64,938 | 41,957 | 2,269,225 |
| Infrastructure | 6,012,682 | - | - | 6,012,682 |
| Total Capital Assets Being Depreciated | 13,945,933 | 111,116 | 41,957 | 14,015,092 |
| Less - Accumulated Depreciation for: | | | | |
| Buildings | 4,518,342 | 11,782 | - | 4,530,124 |
| Vehicles | 648,256 | 100,866 | - | 749,122 |
| Equipment | 1,291,772 | 140,358 | 41,957 | 1,390,173 |
| Infrastructure | 277,363 | 198,756 | - | 476,119 |
| Total Accumulated Depreciation | 6,735,733 | 451,762 | 41,957 | 7,145,538 |
| Total Capital Assets Being Depreciated, Net | 7,210,200 | (340,646) | - | 6,869,554 |
| Governmental Activities Capital Assets, Net | <u>\$ 7,677,475</u> | <u>(208,710)</u> | <u>-</u> | <u>7,468,765</u> |

Beginning capital assets were increased by \$50,000 for street infrastructure.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

| | For The Year Ended June 30 <u>2013</u> |
|--------------------|---|
| General government | \$ 30,335 |
| Police | 73,543 |
| Building | 4,542 |
| Recreation center | 75,870 |
| Street | <u>267,472</u> |
| Total | <u>\$451,762</u> |

NOTE D - PENSION PLAN

1. Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, Sections 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 it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Status

Full-time employees of the City do not contribute to the pension plan. The June 30 statutorily required contribution rates are 11.8% (General) and 11.0% (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 state statute.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

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

The City's APC and NPO for the current year were as follows:

| | For The Year Ended June 30 2013 |
|------------------------------------|--|
| | 2013 |
| Annual required contribution (ARC) | \$ 371,601 |
| Interest on NPO | 16,577 |
| Adjustment to ARC | (12,614) |
| APC | 375,564 |
| Actual contributions | 286,876 |
| Increase in NPO | 88,688 |
| NPO, beginning of year | 228,647 |
| NPO, End Of Year | \$ 317,335 |

The ARC was determined as part of the February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2011 was 30 years for the General division and 30 years for the Police division.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

4. Trend Information

Three-Year Trend Information

| For The Plan Years Ended <u>June 30</u> | <u>APC</u> | <u>Percentage Of APC Contributed</u> | <u>NPO</u> |
|--|-------------------|---|-------------------|
| 2013 | \$375,564 | 76.4% | \$317,335 |
| 2012 | 364,350 | 71.3 | 228,647 |
| 2011 | 353,262 | 64.9 | 123,995 |

Schedule of Funding Progress - Required Supplemental Information

| For The Actuarial Valuation Years Ended <u>February 28/29</u> | <u>Actuarial Value Of Assets</u> | <u>Entry Age Actuarial Accrued Liability</u> | <u>Unfunded Accrued Liability</u> |
|--|---|---|--|
| 2013 | \$6,433,068 | \$7,164,239 | \$ 731,171 |
| 2012 | 5,634,956 | 6,675,152 | 1,040,196 |
| 2011 | 5,717,447 | 6,768,031 | 1,050,584 |

| For The Actuarial Valuation Years Ended <u>February 28/29</u> | <u>Funded Ratio</u> | <u>Annual Covered Payroll</u> | <u>Unfunded Accrued Liability As A Percentage Of Covered Payroll</u> |
|--|--------------------------------|--|---|
| 2013 | 90% | \$2,618,070 | 28% |
| 2012 | 84 | 2,410,578 | 43 |
| 2011 | 84 | 2,389,022 | 44 |

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City, MO.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - DEFINED CONTRIBUTION PLAN

The City has a defined contribution retirement plan funded through the Security Benefit Group of Companies. The plan was established by an ordinance of the Board of Aldermen through a plan agreement dated July 1, 2001. All full-time employees are eligible to participate in the plan after six months of service. Pursuant to the plan's provisions, the City is obligated to match 100% of the employee's contribution up to \$50 per month. Contributions are fully vested immediately. Contributions to the plan amounted to \$33,850 for the year ended June 30, 2013.

NOTE F - DEFERRED COMPENSATION PLANS

The City participates in deferred compensation plans under Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plans comply with Section 457 of the Internal Revenue Code and Trust provisions are incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The assets and liabilities of the deferred compensation plans are not included in the accompanying financial statements.

NOTE G - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

| | For The Year Ended June 30, 2013 | | | | Due Within One Year |
|--------------------------|----------------------------------|-----------|--------------------------------|----------------------------|---------------------------|
| | Balance June 30 2012 | Additions | Payment And Amortization | Balance June 30 2013 | |
| General obligation bonds | \$ 4,905,000 | - | 210,000 | 4,695,000 | 215,000 |
| Plus - Premium on bonds | 71,157 | - | 5,822 | 65,335 | - |
| Compensated absences | 162,753 | 186,108 | 229,239 | 119,622 | 29,906 |
| Total | \$ 5,138,910 | 186,108 | 445,061 | 4,879,957 | 244,906 |

The compensated absences are generally liquidated by the General Fund. The general obligation bonds are liquidated by the Debt Service Fund.

General Obligation Bonds

In August 2009, the City issued \$5,500,000 in General Obligation Bonds (Series 2009) due in varying amounts through March 1, 2029 with interest at 2% to 4.375%. The Series 2009 Bonds are being used for infrastructure improvements.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM LIABILITIES (Continued)

Aggregate maturities required on general obligation bonds are as follows:

| For The Years Ended June 30 | Principal | Interest | Total |
|--|---------------------|------------------|------------------|
| 2014 | \$ 215,000 | 189,818 | 404,818 |
| 2015 | 215,000 | 184,711 | 399,711 |
| 2016 | 230,000 | 178,799 | 408,799 |
| 2017 | 240,000 | 167,299 | 407,299 |
| 2018 | 250,000 | 155,299 | 405,299 |
| 2019 - 2023 | 1,420,000 | 615,711 | 2,035,711 |
| 2024 - 2028 | 1,730,000 | 311,726 | 2,041,726 |
| 2029 | 395,000 | 17,281 | 412,281 |
| Total | <u>\$ 4,695,000</u> | <u>1,820,644</u> | <u>6,515,644</u> |

NOTE H - INSURANCE

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a statewide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multi-line package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2013.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE I - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities balances are as follows:

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - INTERFUND ASSETS/LIABILITIES (Continued)

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>June 30 2013</u> |
|------------------------|--------------------------|-------------------------|
| General Fund | Capital Improvement Fund | \$10,354 |
| General Fund | Debt Service Fund | 14,539 |
| General Fund | Habilitation Fund | 25 |
| General Fund | Nonmajor Fund | <u>24,150</u> |
| Total | | <u>\$49,068</u> |

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Amounts are expected to be repaid during the fiscal year ending June 30, 2014.

NOTE J - RELATED PARTY TRANSACTION

The City purchased services of approximately \$4,400 from a member of the Board of Aldermen for the preparation of the City's newsletters.

NOTE K - RESTRICTED NET POSITION

The government-wide statement of net position reports \$879,908 of restricted net position, \$500,469 of which is restricted by enabling legislation.

NOTE L - RESTATEMENT AND PRIOR PERIOD ADJUSTMENT

The previously stated net position has been retroactively restated to implement GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* and the previous fund balance was adjusted as follows:

| | <u>Governmental Activities</u> | <u>Capital Improvement</u> |
|--|------------------------------------|--------------------------------|
| Fund balance/net position, June 30, 2012, as previously reported | \$5,137,396 | 124,526 |
| Restatement for: | | |
| Bond issue costs | (116,895) | - |
| Accumulated amortization | 21,647 | - |
| Construction payable | <u>-</u> | <u>(50,000)</u> |
| Fund Balance/Net Position, June 30, 2012, As Restated | <u>\$5,042,148</u> | <u>74,526</u> |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Budget</u> | | <u>Actual</u> | <u>Over (Under) Budget</u> |
|----------------------------------|------------------|------------------|------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | | | | |
| Sales | \$ 1,443,675 | 1,443,675 | 1,418,847 | (24,828) |
| Real estate | 132,000 | 132,000 | 159,289 | 27,289 |
| Personal property | 32,000 | 32,000 | 28,558 | (3,442) |
| Motor vehicle | 116,415 | 116,415 | 113,608 | (2,807) |
| Railroad | 25,000 | 25,000 | 33,354 | 8,354 |
| Gasoline | 303,567 | 303,567 | 273,902 | (29,665) |
| Cigarette | 31,462 | 31,462 | 29,631 | (1,831) |
| Road and bridge | 86,000 | 86,000 | 84,882 | (1,118) |
| Total Taxes | <u>2,170,119</u> | <u>2,170,119</u> | <u>2,142,071</u> | <u>(28,048)</u> |
| Gross Receipts Taxes | | | | |
| Utilities | 1,362,000 | 1,362,000 | 1,361,556 | (444) |
| Cable | 78,000 | 78,000 | 74,858 | (3,142) |
| Total Gross Receipts Taxes | <u>1,440,000</u> | <u>1,440,000</u> | <u>1,436,414</u> | <u>(3,586)</u> |
| Licenses | | | | |
| Merchants | 35,000 | 35,000 | 44,242 | 9,242 |
| Liquor | 1,800 | 1,800 | 1,850 | 50 |
| Occupational | 3,000 | 3,000 | 3,295 | 295 |
| Manufacturers | 2,000 | 2,000 | 1,063 | (937) |
| Dog tags | 601 | 601 | 382 | (219) |
| Miscellaneous | 3,399 | 3,399 | 1,600 | (1,799) |
| Total Licenses | <u>45,800</u> | <u>45,800</u> | <u>52,432</u> | <u>6,632</u> |
| Permits and Inspections | | | | |
| Building permits | 44,320 | 44,320 | 53,879 | 9,559 |
| Inspections | 10,680 | 10,680 | 18,140 | 7,460 |
| Total Permits And Inspections | <u>55,000</u> | <u>55,000</u> | <u>72,019</u> | <u>17,019</u> |
| Recreation Center | | | | |
| Recreation programs | 114,257 | 114,257 | 114,951 | 694 |
| Meeting room rental | 10,759 | 10,759 | 11,210 | 451 |
| Snack bar | 15,604 | 15,604 | 11,883 | (3,721) |

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Budget</u> | | <u>Actual</u> | <u>Over</u> |
|--------------------------------------|------------------|------------------|------------------|----------------|
| | <u>Original</u> | <u>Final</u> | | <u>(Under)</u> |
| | | | | <u>Budget</u> |
| REVENUES (Continued) | | | | |
| Recreation Center (Continued) | | | | |
| Special events | 19,582 | 19,582 | 20,713 | 1,131 |
| Miscellaneous | 14,799 | 14,799 | 14,466 | (333) |
| Total Recreation Center | <u>175,001</u> | <u>175,001</u> | <u>173,223</u> | <u>(1,778)</u> |
| Fines and Forfeitures | | | | |
| Court receipts | 75,015 | 75,015 | 90,478 | 15,463 |
| Police fines | 491,200 | 491,200 | 621,211 | 130,011 |
| Bond forfeitures | 22,700 | 22,700 | 27,103 | 4,403 |
| Other | 11,085 | 11,085 | 10,460 | (625) |
| Total Fines And Forfeitures | <u>600,000</u> | <u>600,000</u> | <u>749,252</u> | <u>149,252</u> |
| Miscellaneous | <u>6,000</u> | <u>6,000</u> | <u>15,494</u> | <u>9,494</u> |
| Investment Income | <u>9,000</u> | <u>9,000</u> | <u>5,534</u> | <u>(3,466)</u> |
| Grants | <u>-</u> | <u>-</u> | <u>157,187</u> | <u>157,187</u> |
| Total Revenues | <u>4,500,920</u> | <u>4,500,920</u> | <u>4,803,626</u> | <u>302,706</u> |
| EXPENDITURES | | | | |
| Administration | | | | |
| Personnel costs: | | | | |
| Salaries | 185,597 | 188,297 | 188,111 | (186) |
| Payroll tax | 14,198 | 14,198 | 13,859 | (339) |
| Total Personnel Costs | <u>199,795</u> | <u>202,495</u> | <u>201,970</u> | <u>(525)</u> |
| Employee insurance | 378,982 | 378,982 | 332,897 | (46,085) |
| Pension contribution | 270,000 | 290,000 | 320,726 | 30,726 |
| Utilities | 116,736 | 116,736 | 123,998 | 7,262 |
| Postage | 5,745 | 5,745 | 5,200 | (545) |
| Election costs | 3,000 | 3,000 | - | (3,000) |
| Supplies | 30,177 | 30,177 | 28,797 | (1,380) |
| Accounting | 14,000 | 14,000 | 15,142 | 1,142 |
| Legal fees | 61,035 | 61,035 | 69,710 | 8,675 |
| Insurance | 19,796 | 20,496 | 15,007 | (5,489) |

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Budget</u> | | <u>Actual</u> | <u>Over</u> |
|-----------------------------------|------------------|------------------|------------------|-----------------|
| | <u>Original</u> | <u>Final</u> | | <u>(Under)</u> |
| | | | | <u>Budget</u> |
| EXPENDITURES (Continued) | | | | |
| Administration (Continued) | | | | |
| Commission | 2,922 | 2,922 | 4,355 | 1,433 |
| Public notices | 813 | 813 | 256 | (557) |
| Office equipment maintenance | 29,000 | 29,000 | 13,620 | (15,380) |
| Advertising | 1,500 | 1,500 | 11,987 | 10,487 |
| Professional development | 13,000 | 13,000 | 13,208 | 208 |
| Miscellaneous | 52,654 | 52,654 | 64,037 | 11,383 |
| Total Administration | <u>1,199,155</u> | <u>1,222,555</u> | <u>1,220,910</u> | <u>(1,645)</u> |
| Building | | | | |
| Personnel costs: | | | | |
| Salaries | 120,804 | 138,813 | 137,948 | (865) |
| Payroll tax | 9,242 | 9,742 | 10,026 | 284 |
| Total Personnel Costs | <u>130,046</u> | <u>148,555</u> | <u>147,974</u> | <u>(581)</u> |
| Insurance | 9,293 | 9,793 | 9,768 | (25) |
| Total Building | <u>139,339</u> | <u>158,348</u> | <u>157,742</u> | <u>(606)</u> |
| Police | | | | |
| Personnel costs: | | | | |
| Salaries | 1,653,540 | 1,738,235 | 1,682,477 | (55,758) |
| Payroll tax | 126,496 | 126,496 | 129,899 | 3,403 |
| Total Personnel Costs | <u>1,780,036</u> | <u>1,864,731</u> | <u>1,812,376</u> | <u>(52,355)</u> |
| Telephone | 7,500 | 7,500 | 6,405 | (1,095) |
| Insurance | 127,205 | 133,705 | 133,704 | (1) |
| Uniforms | 19,500 | 19,500 | 16,429 | (3,071) |
| Office supplies | 8,500 | 8,500 | 7,511 | (989) |
| Miscellaneous | 17,663 | 17,663 | 29,934 | 12,271 |
| Prisoner detention | 25,000 | 25,000 | 33,828 | 8,828 |
| Equipment maintenance | 28,425 | 28,425 | 20,742 | (7,683) |
| Fuel | 65,000 | 65,000 | 48,021 | (16,979) |
| Dispatch | 64,852 | 64,852 | 56,710 | (8,142) |
| Service contract | 78,763 | 78,763 | 74,828 | (3,935) |
| Capital outlay | - | - | 69,758 | 69,758 |
| Total Police | <u>2,222,444</u> | <u>2,313,639</u> | <u>2,310,246</u> | <u>(3,393)</u> |

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

| EXPENDITURES (Continued) | Budget | | Actual | Over |
|---------------------------------|-----------------|----------------|----------------|-----------------|
| | Original | Final | | (Under) |
| | | | | Budget |
| Street | | | | |
| Personnel costs: | | | | |
| Salaries | 251,598 | 255,398 | 239,044 | (16,354) |
| Payroll tax | 19,247 | 19,247 | 17,024 | (2,223) |
| Total Personnel Costs | <u>270,845</u> | <u>274,645</u> | <u>256,068</u> | <u>(18,577)</u> |
| Street lights | 175,000 | 175,000 | 185,465 | 10,465 |
| Fuel | 65,000 | 65,000 | 57,065 | (7,935) |
| Insurance | 22,392 | 23,492 | 23,816 | 324 |
| Telephone | 3,600 | 3,600 | 2,553 | (1,047) |
| Uniforms | 2,000 | 2,000 | 1,056 | (944) |
| Miscellaneous | 300 | 300 | 192 | (108) |
| Capital outlay | - | 132,000 | 131,936 | (64) |
| Total Street | <u>539,137</u> | <u>676,037</u> | <u>658,151</u> | <u>(17,886)</u> |
| Court | | | | |
| Personnel costs: | | | | |
| Salaries | 84,673 | 99,073 | 96,719 | (2,354) |
| Payroll tax | 6,477 | 6,477 | 7,251 | 774 |
| Total Personnel Costs | <u>91,150</u> | <u>105,550</u> | <u>103,970</u> | <u>(1,580)</u> |
| Insurance | 6,514 | 6,814 | 6,847 | 33 |
| Total Court | <u>97,664</u> | <u>112,364</u> | <u>110,817</u> | <u>(1,547)</u> |
| Recreation Center | | | | |
| Personnel costs: | | | | |
| Salaries | 230,916 | 310,326 | 301,332 | (8,994) |
| Payroll tax | 17,665 | 17,665 | 21,892 | 4,227 |
| Total Personnel Costs | <u>248,581</u> | <u>327,991</u> | <u>323,224</u> | <u>(4,767)</u> |
| Telephone | 2,008 | 2,008 | 1,893 | (115) |
| Insurance | 34,689 | 36,389 | 36,460 | 71 |
| Supplies | 7,014 | 7,014 | 9,743 | 2,729 |
| Equipment maintenance | 46,901 | 46,901 | 45,629 | (1,272) |
| Snack bar | 8,353 | 8,353 | 6,172 | (2,181) |
| Special events | 14,856 | 14,856 | 16,265 | 1,409 |

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Budget</u> | | <u>Actual</u> | <u>Over (Under) Budget</u> |
|---------------------------------------|-------------------------------|-----------------------------|--------------------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| EXPENDITURES (Continued) | | | | |
| Recreation Center (Continued) | | | | |
| Recreational programs | 12,891 | 12,891 | 13,419 | 528 |
| Miscellaneous | 8,589 | 8,589 | 8,744 | 155 |
| Total Recreation Center | <u>383,882</u> | <u>464,992</u> | <u>461,549</u> | <u>(3,443)</u> |
| Total Expenditures | <u>4,581,621</u> | <u>4,947,935</u> | <u>4,919,415</u> | <u>(28,520)</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (80,701)</u></u> | <u><u>(447,015)</u></u> | <u>(115,789)</u> | <u>331,226</u> |
| FUND BALANCE, JULY 1 | | | <u>2,041,357</u> | |
| FUND BALANCE, JUNE 30 | | | <u><u>\$ 1,925,568</u></u> | |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Budget</u> | | <u>Actual</u> | <u>Over (Under) Budget</u> |
|------------------------------------|------------------|----------------|-------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 600,000 | 600,000 | 676,273 | 76,273 |
| Investment income | 1,000 | 1,000 | 1,758 | 758 |
| Total Revenues | <u>601,000</u> | <u>601,000</u> | <u>678,031</u> | <u>77,031</u> |
| EXPENDITURES | | | | |
| Administration - capital outlay | 19,000 | 19,000 | 14,804 | (4,196) |
| Police | 24,850 | 23,950 | 21,809 | (2,141) |
| Police - capital outlay | - | 900 | - | (900) |
| Street | 77,494 | 78,194 | 67,644 | (10,550) |
| Street - capital outlay | 84,000 | 84,000 | 46,919 | (37,081) |
| Recreation center | 236,830 | 224,430 | 215,178 | (9,252) |
| Recreation center - capital outlay | 75,000 | 75,000 | 38,963 | (36,037) |
| Total Expenditures | <u>517,174</u> | <u>505,474</u> | <u>405,317</u> | <u>(100,157)</u> |
| NET CHANGE IN FUND | | | | |
| BALANCE | <u>\$ 83,826</u> | <u>95,526</u> | 272,714 | <u>177,188</u> |
| FUND BALANCE, JULY 1 | | | <u>74,526</u> | |
| FUND BALANCE, JUNE 30 | | | <u>\$ 347,240</u> | |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

Budgets and Budgetary Accounting

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

- a. Prior to July 1, the Budget Committee submits to the Board of Aldermen a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearing meetings are held to obtain taxpayer comments.
- c. Prior to July 1, the budget is adopted by the Board of Aldermen.
- d. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America, except:
 - 1) Certain reimbursements of salaries are netted against expense in the Police Department. This amounted to \$114,684 for the fiscal year ended June 30, 2013.
Expenditures may not legally exceed budgeted appropriations at the department level.
- e. The current year budget may include supplemental appropriations. A motion from the Board of Aldermen is required to transfer budgeted amounts between funds, or to transfer substantial budgeted amounts between departments within any fund or for any revisions that would alter the total expenditures of any fund.
- f. Annual appropriated budgets are adopted for all governmental funds, except for the Habilitation Fund.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | Original Budget | Final Budget | Actual | Over (Under) Budget |
|-----------------------------------|----------------------------|-------------------------|------------------|------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 120,000 | 120,000 | 123,081 | 3,081 |
| Investment income | 750 | 750 | 452 | (298) |
| Total Revenues | 120,750 | 120,750 | 123,533 | 2,783 |
| EXPENDITURES | | | | |
| Sewer lateral | 103,100 | 144,100 | 143,806 | (294) |
| NET CHANGE IN FUND BALANCE | \$ 17,650 | (23,350) | (20,273) | 3,077 |
| FUND BALANCE, JULY 1 | | | 97,893 | |
| FUND BALANCE, JUNE 30 | | | \$ 77,620 | |

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|-----------------------------------|--|--------------------------|------------------------------------|
| REVENUES | | | |
| Taxes: | | | |
| Real estate | \$ 375,000 | 377,447 | 2,447 |
| Personal property | 60,000 | 75,091 | 15,091 |
| Total Taxes | <u>435,000</u> | <u>452,538</u> | <u>17,538</u> |
| Investment income | 1,400 | 1,028 | (372) |
| Total Revenues | <u>436,400</u> | <u>453,566</u> | <u>17,166</u> |
| EXPENDITURES | | | |
| Principal | 210,000 | 210,000 | - |
| Interest | 194,018 | 194,416 | 398 |
| Total Expenditures | <u>404,018</u> | <u>404,416</u> | <u>398</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ 32,382</u></u> | 49,150 | <u><u>16,768</u></u> |
| FUND BALANCE, JULY 1 | | <u>212,414</u> | |
| FUND BALANCE, JUNE 30 | | <u><u>\$ 261,564</u></u> | |