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Certified Public Accountants

Member Missouri Society of  
Certified Public Accountants

**CITY OF WEATHERBY LAKE, MISSOURI**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

# CITY OF WEATHERBY LAKE, MISSOURI

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**CITY OF WEATHERBY LAKE, MISSOURI**

**LIST OF PRINCIPAL OFFICIALS**

**DECEMBER 31, 2014**

**MAYOR AND BOARD OF ALDERMAN**

Patrick Botbyl .....	Mayor
Tanya Finn .....	Alderman
Brian Stevenson .....	Alderman
Steve Clark.....	Alderman
Doug Richmond .....	Alderman

**BRUCE D. CULLEY C.P.A., P.C.**  
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Independent Auditor's Report

Honorable Mayor and Board of Aldermen  
City of Weatherby Lake, Missouri

I have audited the basic financial statements of the City of Weatherby Lake, Missouri, as of and for the year ended December 31, 2014, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the City of Weatherby Lake, Missouri's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

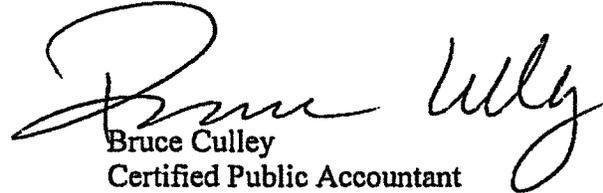
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the basic financial statements for the Government Activities and Business Activities were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the Government Fund statements referred to above present fairly, in all material respects, the City's assets, liabilities, net position/fund equity and revenues and expenditures/expenses arising from modified cash basis transactions as of and for the year ended December 31, 2014, on the modified cash basis of accounting described in Note 1, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Weatherby Lake, Missouri. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the modified cash basis of accounting as described in Note 1.

The required supplementary information, as listed in the accompanying table of contents, including the General Fund Budgetary Comparison Schedule and Notes, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it.

  
Bruce Culley  
Certified Public Accountant

Gladstone, Missouri  
January 7, 2016

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
- Proprietary Funds

In addition, the notes to basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Statement of Net Position, Modified Cash Basis**  
**December 31, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Investments	\$ 2,492,428	\$ 1,349,724	\$ 3,842,152
Inventory	7,576	18,000	25,576
Other Assets			
Capital Assets:			
Assets Not Being Depreciation	138,311	-	138,311
Assets Being Depreciated	7,011,502	3,245,162	10,256,664
Less Accumulated Depreciation	<u>(5,144,680)</u>	<u>(1,073,264)</u>	<u>(6,217,944)</u>
Total Capital Assets	<u>2,005,133</u>	<u>2,171,898</u>	<u>4,177,031</u>
Total Assets	4,505,137	3,539,622	8,044,759
<b>Liabilities</b>			
Deferred Revenue	31,571	41,236	72,807
Customer Deposits	29,650	69,908	99,558
Long-term Obligations:			
Amounts due in less than one year	70,000	-	70,000
Amounts due in more than one year	<u>1,485,000</u>	<u>-</u>	<u>1,485,000</u>
Total Liabilities	<u>1,616,221</u>	<u>111,144</u>	<u>1,727,365</u>
<b>Net Position</b>			
Net Investment in Capital Assets	383,222	2,171,898	2,555,120
Restricted			
Debt Service	321,588	-	321,588
Road and Street	102,881	-	102,881
Fireworks	25,568	-	25,568
Park Board	151,861	-	151,861
City Entrance	52,714	-	52,714
Historical	15,590	-	15,590
Lakeside	633	-	633
Board Designated	1,535,000	520,000	2,055,000
Unrestricted	<u>299,859</u>	<u>736,580</u>	<u>1,036,439</u>
Total Net Position	<u>\$ 2,888,916</u>	<u>\$ 3,428,478</u>	<u>\$ 6,317,394</u>

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Statement of Activities, Modified Cash Basis**  
**For the Year Ended December 31, 2014**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities</b>							
General Government	\$ 328,251	\$ -	\$ -	\$ -	\$ (328,251)	\$ -	\$ (328,251)
Public Safety	425,318	-	-	-	(425,318)	-	(425,318)
Public Works	11,490	-	-	-	(11,490)	-	(11,490)
Judicial	12,569	-	-	-	(12,569)	-	(12,569)
Miscellaneous	21,138	-	-	-	(21,138)	-	(21,138)
Community Development	26,199	-	-	-	(26,199)	-	(26,199)
Interest on Long-term Debt	55,948	-	-	-	(55,948)	-	(55,948)
Road and Street	227,111	-	-	-	(227,111)	-	(227,111)
Depreciation	116,594	-	-	-	(116,594)	-	(116,594)
<b>Total Governmental Activities</b>	<b>1,224,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,224,618)</b>	<b>-</b>	<b>(1,224,618)</b>
<b>Business-type Activities:</b>							
<b>Water and Sewer</b>							
	1,024,740	1,287,916	-	-	-	263,176	263,176
<b>Total Business-type Activities</b>	<b>1,024,740</b>	<b>1,287,916</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263,176</b>	<b>263,176</b>
<b>Total Primary Government</b>	<b>2,249,358</b>	<b>1,287,916</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,224,618)</b>	<b>263,176</b>	<b>(961,442)</b>
<b>General Revenue</b>							
<b>Taxes</b>							
Real Estate and Personal Property Tax					848,068	-	848,068
Road and Fuel Tax					107,584	-	107,584
Franchise Tax					360,506	-	360,506
Licenses, Permits Fines and Fees					163,605	-	163,605
Donations and Grants					54,425	-	54,425
Rental Income					14,600	-	14,600
Charges for Services					28,857	-	28,857
Interest Income					14,668	7,261	21,929
Miscellaneous					6,956	2,494	9,450
<b>Total General Revenues</b>					<b>1,599,269</b>	<b>9,755</b>	<b>1,609,024</b>
<b>Change in Net Position</b>					<b>374,651</b>	<b>272,931</b>	<b>647,582</b>
<b>Net Position, Beginning of the Year</b>					<b>2,514,265</b>	<b>3,155,547</b>	<b>5,669,812</b>
<b>Net Position, End of the Year</b>					<b>\$ 2,888,916</b>	<b>\$ 3,428,478</b>	<b>\$ 6,317,394</b>

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Balance Sheet - Government Funds, Modified Cash Basis**  
**December 31, 2014**

	General	Debt service Fund	Road&Street Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Investments	\$ 1,864,509	\$ 321,588	\$ 126,952	\$ 179,379	\$ 2,492,428
Inventory	-	-	-	7,576	7,576
Total Assets	<u>\$ 1,864,509</u>	<u>\$ 321,588</u>	<u>\$ 126,952</u>	<u>\$ 186,955</u>	<u>\$ 2,500,004</u>
<b>Liabilities</b>					
Deferred Revenue	\$ -	\$ -	\$ 24,071	\$ -	\$ 24,071
Customer Deposits	29,650	-	-	-	29,650
Escrow Payable	-	-	-	7,500	7,500
	29,650	-	24,071	7,500	61,221
<b>Deferred Inflows of Resources</b>					
Unavailable Revenues	-	-	-	-	-
<b>Fund Balances</b>					
Nonspendable	-	-	-	7,576	7,576
Restricted	-	321,588	102,881	171,879	596,348
Assigned	1,535,000	-	-	-	1,535,000
Unassigned:	299,859	-	-	-	299,859
Total Fund Balances	<u>1,834,859</u>	<u>321,588</u>	<u>102,881</u>	<u>179,455</u>	<u>2,438,783</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,864,509</u>	<u>\$ 321,588</u>	<u>\$ 126,952</u>	<u>\$ 186,955</u>	<u>\$ 2,500,004</u>

See accompanying Notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Reconciliation of the Balance Sheet -**  
**Governmental Funds to the Statement of Net Position, Modified Cash Basis**  
**December 31, 2014**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Ending Fund Balances - Total Governmental Funds \$ 2,438,783

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Position.

2,005,133

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount includes the following long-term liabilities and related items:

Long-term Liabilities (1,555,000)

Total Net Position of Governmental Activities \$ 2,888,916

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds, Modified Cash Basis**  
**For the Year Ended December 31, 2014**

Revenues	General	Debt service Fund	Road&Street Fund	Non-Major Governmental Funds	Total
Taxes	\$ 783,519	\$ 338,155	\$ 107,584	\$ 86,899	\$ 1,316,157
Licenses, Permits, Fines and Fees	163,605	-	-	-	163,605
Charges for Services	28,857	-	-	-	28,857
Rental Income	14,600	-	-	-	14,600
Donations	5,669	-	-	48,755	54,424
Interest	13,801	322	-	545	14,668
Miscellaneous	5,007	-	1,179	770	6,956
Total Revenue	<u>1,015,058</u>	<u>338,477</u>	<u>108,763</u>	<u>136,969</u>	<u>1,599,267</u>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	234,898	6,768	227,111	86,584	555,361
Legislative	9,647	-	-	-	9,647
Executive	9,994	-	-	-	9,994
Planning and Zoning	1,497	-	-	-	1,497
Police Department	425,318	-	-	-	425,318
Public Works	11,490	-	-	-	11,490
Judicial	12,569	-	-	-	12,569
Community Development	26,199	-	-	-	26,199
<b>Debt Service:</b>					
Principal	-	220,000	-	-	220,000
Interest and Fiscal Charges	-	55,948	-	-	55,948
Total Expenditures	<u>731,612</u>	<u>282,716</u>	<u>227,111</u>	<u>86,584</u>	<u>1,328,023</u>
Revenues Collected Over					
(Under) Expenditures Paid	283,446	55,761	(118,348)	50,385	271,244
<b>Operating Transfers</b>					
Transfers In	-	-	140,000	-	140,000
Transfers Out	(140,000)	-	-	-	(140,000)
Total Other Financing Sources (Uses)	<u>(140,000)</u>	<u>-</u>	<u>140,000</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	143,446	55,761	21,652	50,385	271,244
Fund Balance, December 31, 2013	<u>1,691,413</u>	<u>265,827</u>	<u>81,229</u>	<u>129,070</u>	<u>2,167,539</u>
Fund Balance, December 31, 2014	<u>\$ 1,834,859</u>	<u>\$ 321,588</u>	<u>\$ 102,881</u>	<u>\$ 179,455</u>	<u>\$ 2,438,783</u>

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances -**  
**Governmental Funds to the Statement of Activities, Modified Cash Basis**  
**December 31, 2014**

Amounts reported for governmental activities in the Statement of Activities  
are difference because:

Net Change in Fund Balances - Total Governmental Funds	\$ 271,244
<p>Governmental funds report capital outlays 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 capital outlays exceeded depreciation in the current period.</p>	
Depreciation Expense	(116,594)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal Payments on Bonds	220,000
Other	<u>1</u>
Change in Net Position of Governmental Activities	<u>\$ 374,651</u>

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Statement of Net Position, Modified Cash Basis**  
**Proprietary Funds**  
**December 31, 2014**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 649,022	\$ 700,702	\$ 1,349,724
Inventory	<u>-</u>	<u>18,000</u>	<u>18,000</u>
Total Current Assets	649,022	718,702	1,367,724
<b>Non Current Assets</b>			
<b>Capital Assets:</b>			
Assets Not Depreciated	-	-	-
Assets Being Depreciated	2,763,197	481,965	3,245,162
Less Depreciation	<u>(778,972)</u>	<u>(294,292)</u>	<u>(1,073,264)</u>
Total Non Current Assets	<u>1,984,225</u>	<u>187,673</u>	<u>2,171,898</u>
Total Assets	<u>\$ 2,633,247</u>	<u>\$ 906,375</u>	<u>\$ 3,539,622</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deferred Revenue	\$ 3,351	\$ 37,885	\$ 41,236
Customer Deposits	<u>69,908</u>	<u>-</u>	<u>69,908</u>
Total Current Liabilities	73,259	37,885	111,144
<b>Net Position</b>			
Net Investment in Capital Assets	1,984,225	187,673	2,171,898
Restricted for Emergencies	150,000	50,000	200,000
Restricted for Other Purposes	120,000	200,000	320,000
Unrestricted	<u>305,763</u>	<u>430,817</u>	<u>736,580</u>
Total Net Position	<u>2,559,988</u>	<u>868,490</u>	<u>3,428,478</u>
Total Liabilities and Net Position	<u>\$ 2,633,247</u>	<u>\$ 906,375</u>	<u>\$ 3,539,622</u>

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position, Modified Cash Basis**  
**Proprietary Fund**  
**For the Year Ended December 31, 2014**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for Services	\$ 448,397	\$ 839,519	\$ 1,287,916
Miscellaneous	<u>933</u>	<u>1,561</u>	<u>2,494</u>
Total Revenue	449,330	841,080	1,290,410
<b>Operating Expenses:</b>			
Personnel Services	69,634	139,371	209,005
Contractual Services	66,300	383,300	449,600
Supplies	192,292	89,549	281,841
Depreciation	54,891	9,751	64,642
Other Equipment	<u>-</u>	<u>19,652</u>	<u>19,652</u>
Total Expenses	<u>383,117</u>	<u>641,623</u>	<u>1,024,740</u>
Operating Income	66,213	199,457	265,670
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	-	-	-
Interest Income	<u>3,768</u>	<u>3,493</u>	<u>7,261</u>
Total Nonoperating Revenues and Expenses	<u>3,768</u>	<u>3,493</u>	<u>7,261</u>
Change in Net Position	69,981	202,950	272,931
Net Position, December 31, 2013	<u>2,490,007</u>	<u>665,540</u>	<u>3,155,547</u>
Net Position, December 31, 2014	<u>\$2,559,988</u>	<u>\$ 868,490</u>	<u>\$ 3,428,478</u>

See accompanying notes to the basic financial statements.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Statement of Cash Flows - Modified Cash Basis**  
**Proprietary Fund,**  
**For the Year Ended December 31, 2014**

<b>Cash Flows from Operating Activities:</b>	
Receipts from Customers	\$ 1,330,267
Payments to Suppliers and Vendors	(768,829)
Payments to Employees for Services	(209,005)
Net Cash Provided by Operating Activities	<u>352,433</u>
<b>Cash Flows from Investment Activities:</b>	
Interest Income	<u>7,261</u>
Net Cash Provided by Investment Activities	<u>7,261</u>
Net Change in Cash and Cash Equivalents	359,694
Cash and Cash Equivalents, Beginning of Year	990,030
Cash and Cash Equivalents, End of Year	<u>\$ 1,349,724</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating Income	\$ 272,931
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	64,642
Change in Assets and Liabilities:	
Inventory	(18,000)
Other	(9,491)
Deferred Revenue	36,418
Deposits	5,933
Net Cash Provided by Operating Activities	<u>\$ 352,433</u>
<b>Cash and Cash Equivalents consists of:</b>	
Cash and Investments	<u>\$ 1,349,724</u>
	<u>\$ 1,349,724</u>

See accompanying notes to the basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Entity

The City of Weatherby Lake, Missouri (the City) was incorporated in 1959 and covers an area of approximately eight hundred thirty-six acres in Platte County, Missouri. Weatherby Lake is a fourth class city and operates under the aldermen/mayor form of government. A board of four aldermen and a mayor are elected to two-year terms by the residents to administer the City government. The mayor is the chief administrative officer of the City. The City provides services to approximately 1,800 residents in the area, including law enforcement, water and sewer services, community enrichment and development and various social services. Fire protection services are provided by a fire district which is a separate governmental entity. Primary and secondary education services are provided by the Park Hill School District, also a separate governmental entity.

Principles Used to Determine Scope of Entity

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the unit's board and the City is either able to impose its will on the unit or a financial benefit or burden relationship entity.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity.

The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service and special financial relationships.

The City has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity which could exercise such oversight which would result in the City being considered a component unit of the entity.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Except for the use of a modified cash basis of accounting for Government funds, the City complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Financial Reporting Entity

The City's financial reporting entity is comprised of the following:

Primary Government: City of Weatherby Lake, Missouri

Basis of Presentation

*Governmental-wide Financial Statements*

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

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% 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% of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

*Governmental Funds*

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Debt Service Fund

The debt service fund accounts for two general obligation bonds issued by the City. Property taxes are collected as part of the levy and used to pay the principal and interest payments on the bonds.

Special Revenue

The Special Revenue Funds are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are restricted to finance particular functions or activities of the City. The following are the Special Revenue Funds of the City:

- |                   |   |
|-------------------|---|
| A. Lakeside Fund  | Accounts for revenues and expenditures for road repairs on Eastside Drive due to construction damage in developing lakeside Estate. |
| B. Fireworks Fund | Accounts for donations received and expenditures paid for the annual fireworks display.   |

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- |                               |  |
|-------------------------------|--|
| C. Historical Fund            | Accounts for revenues received and expenditures paid for the collection, display and preservation of artifacts and materials significant to the history of Weatherby Lake. |
| D. Road and Street Fund       | Accounts for state and local revenues that are restricted for local street expenditures. Tax revenue is received from the Platte County Road District.                     |
| E. City Entrance Project Fund | Accounts for donations received and expenditures paid for the construction of new entrance monuments at key locations leading into the City.                               |
| F. Park Board                 | Accounts for revenues received and expenditures paid in connected with park maintenance and improvements.  |

*Proprietary Funds*

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focusing on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

- |                 |   |
|-----------------|---|
| Water and Sewer | Accounts for the activities of the public trust in providing water, wastewater and sewer services to the public. This fund is classified as a major fund. |
|-----------------|---|

Major and Nonmajor Funds

The funds are classified as major or nonmajor as follows:

Major Funds

- General Fund
- Debt Service
- Road and Street Fund
- Water and Sewer Fund

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Measurement Focus**

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.

In the government-wide Statement of Net Position and the Statement of Activities governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. 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 a period.

**Basis of Accounting**

*Government Funds*

In the government-wide Statement of Net Position, Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Business Activities – Water and Sewer Fund*

Cash Basis - Revenue is recognized when received from the customer. Expenses are recorded when payments are made. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when cash is received or paid.

**ASSETS, LIABILITIES AND EQUITY**

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 years or less.

Accounts Receivable

As a result of the use of the modified cash basis of accounting, accounts receivable and other revenue related receivables are not reported in the financial statements for government activities and in the Water and Sewer Fund.

Capital Assets

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

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. Infrastructure assets include streets, bridges, storm water system, fire hydrants, street lighting and a portion of the indirect costs of the water-sewer system. In 2005, the City inventoried its capital assets including infrastructure assets and calculated the accumulated depreciation as of that date. Capital assets are reported using the basic approach whereby accumulated depreciation and depreciation expense have been recorded. The following table presents summary information on the useful lives of all capital assets.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Capital Assets - Continued

Buildings and building improvements	25-50 years
Land improvements	10-20 years
Office equipment and furniture	7-10 years
Computer equipment, hard & soft	3-5 years
Machinery and equipment	7-15 years
Vehicles	5-10 years
Infrastructure	40-50 years

**EQUITY CLASSIFICATIONS**

*Government-wide Statements*

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

- a. Restricted Capital Assets - net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted Net position – Consist of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Fund Financial Statements*

Governmental fund equity is classified as fund balance.

*Fund Balance Classifications*

The Governmental Accounting Standards Board (GASB) released Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) on March 11, 2009, which is effective for the City’s fiscal year ending December 31, 2011. This Statement is intended to improve the usefulness of the amounts reported in fund balance by providing more structured classifications. Under GASB 54, fund balance is reported under the following five classifications:

- a. **Nonspendable Fund Balance** – consists of amounts that are not in a spendable form or are required to be maintained intact.
- b. **Restricted Fund Balance** – consists of amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The Restricted for Debt Service and Restricted for Capital Projects balances reflect amounts that are restricted for debt service and construction or other capital outlay projects.
- c. **Committed Fund Balance** – consists of amounts that can be used only for the specific purposes determined by a formal action of the Board’s highest level of decision-making authority (the Board of Aldermen) and do not lapse at year end. The committed fund balance consists of general board reserves.
- d. **Assigned Fund Balance** – consists of amounts intended for a specific purpose by the Board of Aldermen that has been delegated authority to assign amounts. This fund balance classification reflects funds assigned for capital projects.
- e. **Unassigned Fund Balance** – consists of any remaining fund balance that has not been reported in any other classification.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**REVENUE, EXPENDITURES AND EXPENSES**

Revenues Expenditures and Expenses

**Property Tax**

Each budget year, the City approves a tax rate for the upcoming fiscal year. The general fund, parks and recreation fund and debt service fund receives property tax. The county collects property taxes and remits to the City the city's share.

**Franchise Fees**

Franchise fees are collected by the City from utility companies for the use of city right of way. This revenue supports the general fund.

**Licenses and Permits**

The City requires various businesses to be licensed or obtain permits in order to conduct business within the City. Licenses and permits are also required for car stickers, pet tags, and storage lot rentals. This revenue supports the general fund.

**Charges for Services**

The City provides several services for which they charge which are collected and support the general fund.

**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, noncapital financing or investing activities.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are reported on the modified cash basis and are classified by function for both governmental and business-type activities.

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

There have been certain allocations of indirect expenses to functions in the statement of activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds by character: Current (further classified by activity)  
Capital Outlay

Proprietary Fund by operating and non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the City 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.

Interfund Activity

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

**NOTE 2 – COMMITMENTS**

Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

The City manages these various risks of loss as follows:

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 2 – COMMITMENTS**

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. Torts, errors and omissions health and life	Purchased commercial insurance	None
b. Workers Compensation Employee injuries	Purchased commercial insurance	None
c. Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Law Suits

There are no claims for lawsuits to which the City is a part as a result of certain injuries and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel anticipate that any unknown potential claims, if any, against the City not covered by insurance would not have a material effect on the financial position of the City.

**NOTE 3 – LONG-TERM DEBT**

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

The following is a summary of bond transactions for the year ended December 31, 2014:

	<u>2010 General Obligation Bonds</u>	<u>2006 General Obligation Bonds</u>	<u>Total</u>
Bonds Payable, December 31, 2013	\$ 900,000	\$ 875,000	\$1,775,000
Bonds Issued	-	-	-
Bonds Retired – Regular	<u>(160,000)</u>	<u>(60,000)</u>	<u>(220,000)</u>
Bonds Payable, December 31, 2014	<u>\$ 740,000</u>	<u>\$ 815,000</u>	<u>\$1,555,000</u>

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2014**

**NOTE 3 – LONG-TERM DEBT – CONTINUED**

General Obligation Bonds payable at December 31, 2014, consist of:

General Obligation Bonds, Series 2010 due in varying installments through 2021	<u>\$ 740,000</u>
--	-------------------

General Obligation Bonds, Series 2006 due in varying installments through 2019	<u>\$ 815,000</u>
--	-------------------

General Obligation Series – 2010 Bonds

	<u>Principal</u>	<u>Interest</u>
2015	\$ -	\$ 18,640
2016	195,000	16,495
2017	185,000	12,130
2018	175,000	7,591
2019	<u>185,000</u>	<u>2,636</u>
	<u>\$ 740,000</u>	<u>\$ 57,492</u>

General Obligation Series – 2006 Bonds

	<u>Principal</u>	<u>Interest</u>
2015	\$ 70,000	\$ 33,544
2016	70,000	30,656
2017	80,000	27,514
2018	95,000	23,794
2019	105,000	19,518
2020-2022	<u>395,000</u>	<u>27,110</u>
	<u>\$ 815,000</u>	<u>\$ 162,136</u>

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

Deferred Compensation Plan

City employees may defer a portion of their compensation under the City's sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 4 – COMMITMENTS AND CONTINGENCIES- CONTINUED**

The City has elected to make a 5% match of employees' salary up to the employee contribution amount. The City reserves the right to amend or cancel the plan. The City has no responsibility for loss due to investment or failure of investment of funds and assets in the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The laws governing deferred compensation plans require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Because the assets held under these plans are not the City's property and are not subject to Board control, they have been excluded from these financial statements.

**NOTE 5 – PROPERTY TAX REVENUE AND ASSESSMENT**

The City's property tax is levied each November 1 on the assessed value as of the prior January 1 for all real and personal property located in the City. Assessed values are established by the Platte County Assessor subject to review by the County's Board of Equalization.

The assessed value for property located in the City as of December 31, 2013, on which the 2014 levy was based, was \$50,325,193. In the year ended December 31, 2014, the City collected \$848,067 of property taxes that were billed in the period.

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general services other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. The City's General Fund property tax levy per \$100 assessed valuation was \$0.8488 for the year ended December 31, 2014. The City's debt service tax levy per \$100 assessed valuation was \$.7724 for the year ended December 31, 2014. The City parks and recreation levy per \$100 assessed valuation was \$.1811 for the year ended December 31, 2014.

Property taxes are billed by Platte County on behalf of the City on or before December 1 and are considered delinquent after January 1 after which the City may attach a lien to all property on which taxes are unpaid. The City records property tax as revenue at the time the taxes are received from Platte County.

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2014**

**NOTE 6 – INTERFUND TRANSFERS**

During the course of normal operations, the City may have transactions between funds including expenditures and transfers of resources primarily to provide services. A reimbursement process is in place when resources are transferred between funds.

**NOTE 7 – FEDERAL AND STATE GRANTS**

In prior years the City has participated in a number of federal and state programs that were fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2014, certain grant expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

**NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Missouri or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A. Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As noted all deposits were fully insured or collateralized.

The City maintains a cash and investment pool, which is available for use by all funds except Debt Service and Park Board Funds. Each fund's portion of this pool is displayed on the combined balance sheet as part of the checking or savings account. All of the City's deposits at year end were in commercial banks.

At year end the carrying amount of the City's deposits totaled \$3,903,166 and the bank balances totaled \$3,842,520. The difference of \$60,946 represented reconciling items in the bank account. The City's balances were covered by FDIC insurance or pledged securities as follows:

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2014**

**NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED**

Deposits covered by federal depository insurance or by collateral held by the City, or its agent, in the City's name	<u>\$3,842,520</u>
Total Value of Securities Pledged	\$2,232,000
FDIC Insurance	<u>1,602,616</u>
	<u>\$3,834,616</u>
Insurance and Pledged Securities in Excess or (Less Than) Deposits	<u>\$ 7,904</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the City's practice to place operating funds in either money market accounts or savings accounts. All longer-term investments are placed in certificates of deposit having relatively short maturities.

Credit Risk

Missouri statutes prohibit municipalities from investing in derivative, leveraged, or speculative securities. The City has no investments in the above list of prohibitive securities.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. As of December 31, 2014, the carrying amount of the City's deposits was less than pledged securities plus federal deposit insurance. It is City practice to require banks to provide collateral equal to any deposited amounts exceeding federal depository insurance limits.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2014, the City's investments were not exposed to custodial credit risk.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 9 – CAPITAL EXPENDITURES**

Capital Asset activity for the year ended December 31, 2014, was as follows:

<u>General Government</u>	<u>12-31-13</u>	<u>Additions</u>	<u>Subtraction</u>	<u>12-31-14</u>
Governmental Activities				
Assets Not Subject to Depreciation				
Land	\$ 138,311	\$ -	\$ -	\$ 138,311
Assets Subject to Depreciation				
City Hall Improvements	495,874	-	-	495,874
Infrastructure	6,275,906	-	-	6,275,906
Vehicles	19,100	-	-	19,100
Equipment	191,249	-	14,120	177,129
Office Furniture and Fixtures	<u>43,493</u>	<u>-</u>	<u>-</u>	<u>43,493</u>
Total at Historical Cost	7,163,933	-	14,120	7,149,813
Less Accumulated Depreciation				
Infrastructure	(4,456,397)	95,204	-	(4,551,601)
Capital Assets	<u>(585,809)</u>	<u>21,387</u>	<u>14,120</u>	<u>(593,076)</u>
Total Accum. Depreciation	<u>(5,042,206)</u>	<u>116,591</u>	<u>14,120</u>	<u>(5,144,677)</u>
Total Capital Assets, Net	<u>\$ 2,121,727</u>	<u>\$(116,591)</u>	<u>\$ -</u>	<u>\$ 2,005,136</u>
<u>Water</u>	<u>12-31-13</u>	<u>Additions</u>	<u>Subtraction</u>	<u>12-31-14</u>
Proprietary Activities				
Water System and Cap Assets	<u>2,763,197</u>	<u>-</u>	<u>-</u>	<u>2,763,197</u>
Total at Historical Cost	2,763,197	-	-	2,763,197
Less Accumulated Depreciation				
Water System	<u>(724,081)</u>	<u>54,891</u>	<u>-</u>	<u>(778,972)</u>
Total Accum. Depreciation	<u>(724,081)</u>	<u>54,891</u>	<u>-</u>	<u>(778,972)</u>
Total Capital Assets, Net	<u>\$ 2,039,116</u>	<u>\$(54,891)</u>	<u>\$ -</u>	<u>\$ 1,984,225</u>
<u>Sewer</u>	<u>12-31-13</u>	<u>Additions</u>	<u>Subtraction</u>	<u>12-31-14</u>
Proprietary Activities				
Sewer System and Cap Assets	<u>481,965</u>	<u>-</u>	<u>-</u>	<u>481,965</u>
Total at Historical Cost	481,965	-	-	481,965
Less Accumulated Depreciation				
Sewer System	<u>(284,541)</u>	<u>9,751</u>	<u>-</u>	<u>(294,292)</u>
Total Accum. Depreciation	<u>(284,541)</u>	<u>9,751</u>	<u>-</u>	<u>(294,292)</u>
Total Capital Assets, Net	<u>\$ 197,424</u>	<u>\$ (9,751)</u>	<u>\$ -</u>	<u>\$ 187,673</u>

Depreciation has been recorded on the capital assets as follows:

Government Activities	<u>\$ 116,591</u>
Business Activities:	
Water Fund	54,891
Sewer Fund	<u>9,751</u>
	<u>\$ 64,642</u>

**CITY OF WEATHERBY LAKE, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2014**

**NOTE 10 – SUBSEQUENT EVENTS**

During March of 2015, the City refinanced the Series 2006 and Series 2010 bonds by issuing \$1,090,000 of 2015 general obligation bonds. In order to retire the bonds, the City provided approximately \$465,000 of City funds to retire the bonds.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information (RSI) includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund  
Special Revenue Funds  
Debt Service Funds

**CITY OF WEATHERBY LAKE, MISSOURI  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY DISCUSSION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Budgetary Accounting**

The City prepares its budget for all funds on the cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the General Fund in the basic financial statements. All unexpended appropriations lapse at year end.

Through the budget, the Board of Aldermen sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget covers the period from January 1, to December 31, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City collects and records revenue and expenditures within the Governmental Activities. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that is not required to be segregated.

The budget process begins as a team effort each year. The Mayor and Department Heads use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. Work sessions are then held with the Mayor, Department Heads and Board of Aldermen to review all budget proposals and revenue assumptions, as well as all current financial obligations. The final adoption of the proposed budget is then scheduled for approval in November.

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**General Fund - Budget and Actual**  
**For the Year Ended December 31, 2014**

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Real Estate & Personal Property Taxes	\$ 420,000	\$ 420,000	\$ 423,013	\$ 3,013
Franchise Tax	341,000	341,000	360,506	19,506
Licenses, Permits, Fines & Fees	100,900	100,900	163,605	62,705
Donations & Grants	5,200	5,200	5,669	469
Rental Income	14,600	14,600	14,600	-
Charges for Services	26,900	26,900	28,857	1,957
Interest Income	5,000	5,000	13,801	8,801
Miscellaneous	2,100	2,100	5,007	2,907
Total Revenues	<u>915,700</u>	<u>915,700</u>	<u>1,015,058</u>	<u>99,358</u>
<b>Expenditures</b>				
General Government	228,350	228,350	234,898	6,548
Legislative	11,500	11,500	9,647	(1,853)
Executive	10,420	10,420	9,994	(426)
Planning & Zoning	2,700	2,700	1,497	(1,203)
Police Department	425,800	425,800	425,318	(482)
Public Works	17,000	17,000	11,490	(5,510)
Judicial	14,800	14,800	12,569	(2,231)
Community Center	35,800	35,800	26,199	(9,601)
Total Expenditures	<u>746,370</u>	<u>746,370</u>	<u>731,612</u>	<u>(14,758)</u>
<b>Other Financing Sources and (Uses):</b>				
Transfers Out	<u>120,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Change in Fund Balances	<u>\$ 49,330</u>	<u>\$ 29,330</u>	<u>\$ 143,446</u>	<u>\$ 114,116</u>

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**Debt Service Fund - Actual Compared to Budget**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Real Estate & Personal Property Taxes	\$ 341,000	\$ 341,000	\$ 338,155	\$ (2,845)
Interest Income	<u>150</u>	<u>150</u>	<u>322</u>	<u>172</u>
Total Revenues	341,150	341,150	338,477	(2,673)
<b>Expenditures</b>				
Principal Payment	220,000	220,000	220,000	-
Interest & Fiscal Charges	<u>62,600</u>	<u>62,600</u>	<u>62,716</u>	<u>116</u>
Total Expenditures	<u>282,600</u>	<u>282,600</u>	<u>282,716</u>	<u>116</u>
 Change in Fund Balances	 <u>\$ 58,550</u>	 <u>\$ 58,550</u>	 <u>\$ 55,761</u>	 <u>\$ (2,789)</u>

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**Special Revenue Funds - Actual Compared to Budget**  
**For the Year Ended December 31, 2014**

	<u>Road and Bridges and Non Major Funds</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Real Estate & Personal Property Taxes	\$ 87,000	\$ 87,000	\$ 86,899	\$ (101)
MO Road and Fuel Taxes	76,000	76,000	107,584	31,584
Donations and Grants	10,300	10,300	48,754	38,454
Interest Income	300	300	545	245
Miscellaneous	800	800	1,950	1,150
<b>Total Revenues</b>	<u>174,400</u>	<u>174,400</u>	<u>245,732</u>	<u>71,332</u>
<b>Expenditures</b>				
General Government	39,558	39,558	18,382	(21,176)
Road and Street	238,300	238,300	227,111	(11,189)
Parks and Recreation	147,600	147,600	68,202	(79,398)
<b>Total Expenditures</b>	<u>425,458</u>	<u>425,458</u>	<u>313,695</u>	<u>(111,763)</u>
<b>Other Financing Sources and (Uses):</b>				
Transfers In	<u>120,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
<b>Change in Fund Balances</b>	<u>\$ (131,058)</u>	<u>\$ (111,058)</u>	<u>\$ 72,037</u>	<u>\$ 183,095</u>

**CITY OF WEATHERBY LAKE, MISSOURI  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Board of Aldermen  
City of Weatherby Lake, Missouri

I have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Weatherby Lake, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Weatherby Lake, Missouri's basic financial statements and have issued my report thereon dated January 7, 2016.

**Internal Control over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

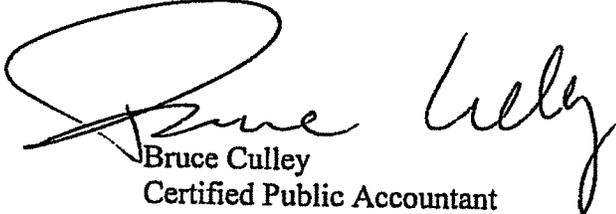
**CITY OF WEATHERBY LAKE, MISSOURI  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Compliance and Other Matters**

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

**Purpose of this Report**

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

  
Bruce Culley  
Certified Public Accountant

Gladstone, Missouri

January 7, 2016

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Combining Balance Sheet - Nonmajor Governmental Funds**

**December 31, 2014**

	15	16	11	12	14	Total
	Park Board	City Entrances	Fireworks	Historical	Lakeside	Nonmajor
	Fund	Fund	Fund	Fund	Fund	Funds
<b>Assets</b>						
Cash and Investments	\$ 84,950	\$ 52,714	\$ 25,568	\$ 8,014	\$ 8,133	\$ 179,379
Inventory	-	-	-	7,576	-	7,576
<b>Total Assets</b>	<b>\$ 84,950</b>	<b>\$ 52,714</b>	<b>\$ 25,568</b>	<b>\$ 15,590</b>	<b>\$ 8,133</b>	<b>\$ 186,955</b>
<b>Liabilities</b>						
Accounts Payable	-	-	-	-	7,500	\$ 7,500
Escrow Payable	-	-	-	-	7,500	7,500
<b>Deferred Inflows of Resources</b>						
Unavailable Revenues	-	-	-	-	-	-
<b>Fund Balances</b>						
Nonspendable	-	-	-	7,576	-	7,576
Restricted	84,950	52,714	25,568	8,014	633	171,879
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>84,950</b>	<b>52,714</b>	<b>25,568</b>	<b>15,590</b>	<b>633</b>	<b>179,455</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 84,950</b>	<b>\$ 52,714</b>	<b>\$ 25,568</b>	<b>\$ 15,590</b>	<b>\$ 8,133</b>	<b>\$ 186,955</b>

**CITY OF WEATHERBY LAKE, MISSOURI**  
**Combining Schedule of Revenues and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**December 31, 2014**

	15	16	11	12	14	Total
	Park Board Fund	City Entrances Fund	Fireworks Fund	Historical Fund	Lakeside Fund	
<b>Revenues</b>						
Taxes	\$ 86,899	\$ -	\$ -	\$ -	\$ -	\$ 86,899
Donation & Grants	-	33,110	15,635	10	-	48,755
Interest on Investment	112	212	164	56	1	545
Other	-	-	-	770	-	770
<b>Total Revenues</b>	<b>87,011</b>	<b>33,322</b>	<b>15,799</b>	<b>836</b>	<b>1</b>	<b>136,969</b>
<b>Expenditures</b>						
Current						
Public Works	64,134	-	-	-	-	64,134
Public Safety	-	-	-	-	-	-
Community Development	-	-	15,000	-	-	15,000
Other	4,068	1,450	120	1,812	-	7,450
Debt Service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest and Fiscal Changes	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>68,202</b>	<b>1,450</b>	<b>15,120</b>	<b>1,812</b>	<b>-</b>	<b>86,584</b>
<b>Revenues Collected Over (Under) Expenditures Paid</b>	<b>18,809</b>	<b>31,872</b>	<b>679</b>	<b>(976)</b>	<b>1</b>	<b>50,385</b>
Fund Balance, Beginning of Year	66,141	20,842	24,889	16,566	632	129,070
Fund Balance, End of Year	\$ 84,950	\$ & [Picture]	\$ 25,568	\$ 15,590	\$ 633	\$ 179,455