

**CITY OF CAMERON, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Cameron, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Cameron, Missouri, as of and for the year ended September 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Richmond, Missouri, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 13 and 49 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents including the schedule of expenditures of federal awards, is required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 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 information is fairly stated in all material respects in relation to the 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 May 28, 2014, 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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
May 28, 2014



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Cameron's annual financial report presents a review of the City's financial performance during the fiscal year that ended September 30, 2013. Please read this section in conjunction with the City's financial statements, which follow this section.

### Financial Highlights

- The assets of the City exceeded its liabilities at the end of the fiscal year by approximately \$38 million. Net position is comprised of \$25.6 million net investment in capital assets; \$3.1 million restricted for debt service, capital outlay, parks and recreation, public library, municipal band and other purposes; \$700,000 unrestricted and available for governmental purposes; and \$8 million unrestricted and available for the City's business-type activities.
- The City's total net position increased approximately \$1.1 million. Of this amount, \$50,000 was an increase from the City's governmental activities and \$1.05 million was an increase from business-type activities.
- The City's long-term debt decreased approximately \$400,000 during the current fiscal year.
- The Public Works and Utility Department's completed a transportation project of rebuilding West Eighth Street from Harris to Godfrey early in fiscal year 2012 - 2013. This project had been started in the previous fiscal year. The general contractor in the street rebuild was Freeman Construction.
- The Public Works and Utility Department's started the Walnut Street project which included improving the Walnut Street storm water system, pedestrian sidewalks, and curb and gutter on Walnut Street from Grand Avenue south to Evergreen. In addition, to the City the investing \$2.7 million in the Walnut street project the Missouri Department of Transportation performed a street surface milling and overlay of the full project area. Full ancillary construction to the project area is expected to be completed in fiscal year 2013 - 2014.
- The City received from Missouri Department of Natural Resources a \$100,000 grant for the Cameron Reservoir Multi-Use Trail. This initial trail phase is expected to be complete in fiscal year 2013 - 2014.
- The Water department - Chloramines water plant improvements project started construction in fiscal year 2012 - 2013. HDR Engineering is overseeing the project, which was contracted with David Ross Construction. The Chloramines improvement is being financed by a Missouri Department of Natural Resources grant and State Revolving Fund 2013 bonding instrument.
- The Police department received two equipment grants.

- Northwest District of Missouri Department of Transportation grant for new radar detection equipment. Missouri Department of Public Safety grant for radio upgrades and installation. These units were acquired in fiscal year 2012-2013.
- The Library received equipment and program grants. These grants assist the Library in providing excellent service, media, and technology to our citizens and the surrounding area.
- The City was awarded two transportation enhancement grants by the Missouri Department of Transportation; N. Walnut Street pedestrian access over U.S. Highway 36 and pedestrian sidewalk N. Walnut Street from Grand Avenue to U.S. Highway 36. These projects are planned for fiscal year 2013 - 2014.

### **Overview of the Financial Statements**

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for the non-major governmental funds.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements.
  - ❖ The governmental funds statements tell how general government services, like public safety, were financed in the short-term as well as what remains for future spending.
  - ❖ Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the electric, water and wastewater systems.
  - ❖ Fiduciary fund statements are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are 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 financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of "required supplementary information" that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds which are added together and presented as a single column in the basic financial statements.

### **Government-Wide Financial Statements**

The government-wide financial statements report information about the City as a whole using methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position - the difference between the City's assets and liabilities - is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads, buildings and facilities.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities* - Most of the City's basic services are included here, such as public safety, public works, parks and recreation, and general administration. Sales taxes, property taxes, and fees and charges finance most of these activities.
- *Business-type activities* - The City charges fees to cover the costs of certain services it provides. The City's electric system, water and wastewater systems, and solid waste collections are included here.

### Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds - not the City as a whole. Funds are the accounting devices the City uses to keep track of specific sources of funding and spending on particular programs.

The City has three types of 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, governmental fund 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 the City'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 the 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 City's near-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- *Proprietary funds*: The City has one type of proprietary fund, the enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.
- *Fiduciary funds*: The City maintains an agency fund. The fund accounts for monies held on behalf of the Municipal Court. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

**Financial Analysis of the City as a Whole**

**Net Position**

The following table reflects the condensed statements of net position as of September 30, 2013 and 2012:

Table MDA - 1  
City of Cameron's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current & other assets	\$ 5,793,065	\$ 5,943,735	\$ 10,787,687	\$ 9,605,958	\$ 16,580,752	\$ 15,549,693
Capital assets	<u>12,703,643</u>	<u>11,550,188</u>	<u>18,558,985</u>	<u>18,907,173</u>	<u>31,262,628</u>	<u>30,457,361</u>
Total assets	<u>18,496,708</u>	<u>17,493,923</u>	<u>29,346,672</u>	<u>28,513,131</u>	<u>47,843,380</u>	<u>46,007,054</u>
Liabilities:						
Other liabilities	1,653,450	754,943	1,871,564	1,055,996	3,525,014	1,810,939
Long-term liabilities	<u>3,091,669</u>	<u>3,550,964</u>	<u>3,157,596</u>	<u>4,085,012</u>	<u>6,249,265</u>	<u>7,635,976</u>
Total liabilities	<u>4,745,119</u>	<u>4,305,907</u>	<u>5,029,160</u>	<u>5,141,008</u>	<u>9,774,279</u>	<u>9,446,915</u>
Net position:						
Net investment in capital assets	10,736,870	11,439,212	14,871,671	14,925,579	25,608,541	26,364,791
Restricted	2,328,379	1,158,663	771,024	697,211	3,099,403	1,855,874
Unrestricted	<u>686,340</u>	<u>1,114,113</u>	<u>8,674,817</u>	<u>7,749,333</u>	<u>9,361,157</u>	<u>8,863,446</u>
Total net position	<u>\$ 13,751,589</u>	<u>\$ 13,711,988</u>	<u>\$ 24,317,512</u>	<u>\$ 23,372,123</u>	<u>\$ 38,069,101</u>	<u>\$ 37,084,111</u>

As seen in table MDA-1, the City's combined net position increased to \$38 million from \$37 million as a result of the increase in net position reflected in table MDA-2.

The largest portion of the City's net position, \$25.6 million (67%), reflects its net investment in capital assets (land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure) less any related debt, used to acquire those assets that are still outstanding. An additional portion of the City's net position, \$3.1 million (9%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, \$9.3 million (24%), represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

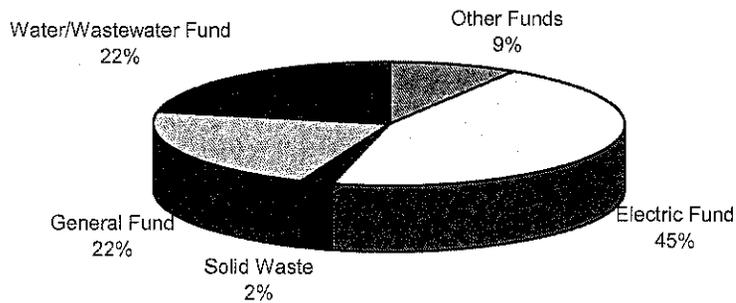
Change in Net Position

The following table reflects the revenues and expenses from the City's activities:

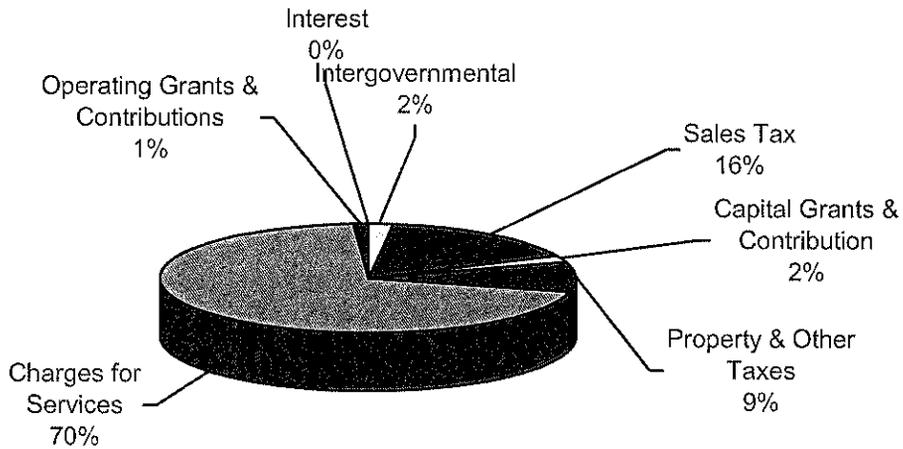
MDA -2 City of Cameron's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 993,002	\$ 827,813	\$ 11,277,996	\$ 10,950,659	\$ 12,270,998	\$ 11,778,472
Operating grants and contributions	32,498	62,189	-	-	32,498	62,189
Capital grants	8,363	328,362	265,896	1,883	274,259	330,245
General Revenues:						
Property Taxes	884,556	741,289	-	-	884,556	741,289
Sales and Use Taxes	2,323,853	1,826,441	476,087	473,788	2,799,940	2,300,229
Other taxes	736,323	166,868	-	-	736,323	166,868
Intergovernmental	320,722	331,992	65,278	78,707	386,000	410,699
Interest	15,608	33,155	21,971	37,580	37,579	70,735
Loss on disposal	(9,522)	-	-	(2,250)	(9,522)	(2,250)
<b>Total Revenues</b>	<b>5,305,403</b>	<b>4,318,109</b>	<b>12,107,228</b>	<b>11,540,367</b>	<b>17,412,631</b>	<b>15,858,476</b>
<b>Expenses</b>						
General government	425,340	440,711	-	-	425,340	440,711
Public safety	1,926,273	1,948,816	-	-	1,926,273	1,948,816
Public works	2,271,537	1,302,286	-	-	2,271,537	1,302,286
Parks and recreation	238,618	232,493	-	-	238,618	232,493
Municipal band	72,263	53,246	-	-	72,263	53,246
Public library	152,643	148,569	-	-	152,643	148,569
Low-income housing	-	2,001	-	-	-	2,001
Interest long-term debt	170,067	52,484	-	-	170,067	52,484
Electric system	-	-	7,473,524	7,039,911	7,473,524	7,039,911
Water/wastewater system	-	-	3,240,987	3,150,290	3,240,987	3,150,290
Solid Waste	-	-	325,912	279,093	325,912	279,093
<b>Total Expenses</b>	<b>5,256,741</b>	<b>4,180,606</b>	<b>11,040,423</b>	<b>10,469,294</b>	<b>16,297,164</b>	<b>14,649,900</b>
Excess (deficiency) before transfers	48,662	137,503	1,066,805	1,071,073	1,115,467	1,208,576
Transfers	-	714,613	-	(714,613)	-	-
<b>Change in net position</b>	<b>48,662</b>	<b>852,116</b>	<b>1,066,805</b>	<b>356,460</b>	<b>1,115,467</b>	<b>1,208,576</b>
Beginning net position, restated	13,702,927	12,859,872	23,250,707	23,015,663	36,953,634	35,875,535
<b>Ending net position</b>	<b>\$ 13,751,589</b>	<b>\$ 13,711,988</b>	<b>\$ 24,317,512</b>	<b>\$ 23,372,123</b>	<b>\$ 38,069,101</b>	<b>\$ 37,084,111</b>

For the fiscal year ended September 30, 2013, government-wide revenues totaled \$17,412,631. Approximately 70.5% of all revenues are from charges from services and 16% from sales tax. See Table MDA - 3 and Table MDA - 4.

**Table MDA - 3  
City of Cameron - Revenues by Fund**

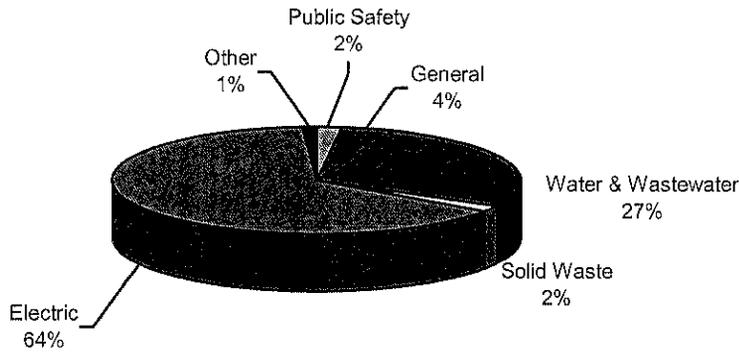


**Table MDA - 4  
City of Cameron - Sources of Revenues**



Charges for services are derived from users of the City's programs such as governmental programs and fees for the users of the City's electric, water and wastewater systems and solid waste collections. As seen in Table MDA - 5, the City's electric, water and wastewater systems account for approximately 93% of all charges for services.

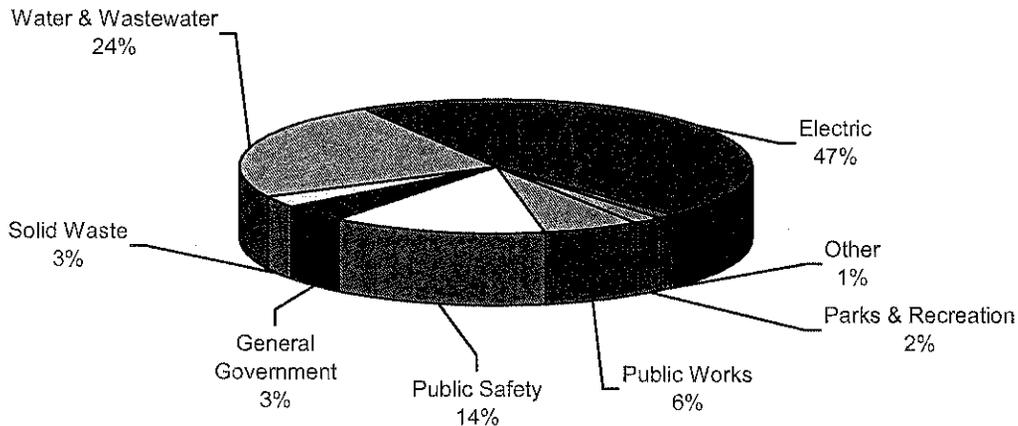
**Table MDA - 5**  
**City of Cameron - Analysis of Charges for Services**



The second largest revenue source for the entire city is sales tax which during the 2013 fiscal year equaled \$2,799,940. The City of Cameron has a 1% sales tax to fund general governmental activities, a .125% sales tax for park and recreation equipment, a .375% sales tax for wastewater activities, a .25% sales tax for storm water improvements (new 2012), and a .5% sales tax for transportation improvements (new 2012). In addition, the City has a Tax Increment Financing District and sales tax received for that district is restricted to funding activities within the restricted area. Sales tax activity increased from last fiscal year in the amount of \$499,711.

The City's expenses cover a range of services. Approximately 74% of all city expenses during the 2013 fiscal year are related to business-type activities.

**Table MDA - 6**  
**City of Cameron - Functional Expenses**



### Governmental Activities

Governmental activities increased the City's net position by \$48,662. Sales taxes, the largest governmental category, were \$2,323,853. For the fiscal year ended September 30, 2013, revenues totaled \$17,412,631 (governmental and business-type). Revenues from governmental activities were \$5,305,403, or 30%, of the total City revenue (an increase of \$987,294 from last fiscal year).

Certain revenues are generated that are specific to governmental program activity. These totaled \$1,033,863. Table MDA - 7 shows expenses and program revenues of the governmental activities for the years ended September 30, 2013 and 2012:

Table MDA - 7  
Net Cost of City of Cameron's Governmental Activities

	2013			2012		
	Cost of Services	Program Revenue	Net Cost of Service	Cost of Services	Program Revenue	Net Cost of Service
General government	\$ 425,340	\$ 537,643	\$ (112,303)	\$ 440,711	\$ 417,405	\$ 23,306
Public Safety	1,926,273	313,227	1,613,046	1,948,816	285,746	1,663,070
Public Works	2,271,537	157,729	2,113,808	1,302,286	469,740	832,546
Park and recreation	238,618	3,603	235,015	232,493	24,967	207,526
Municipal band	72,263	75	72,188	53,246	-	53,246
Public library	152,643	21,586	131,057	148,569	20,506	128,063
Low income housing	-	-	-	2,001	-	2,001
Interest on long-term debt	170,067	-	170,067	52,484	-	52,484
Total	<u>\$ 5,256,741</u>	<u>\$ 1,033,863</u>	<u>\$ 4,222,878</u>	<u>\$ 4,180,606</u>	<u>\$ 1,218,364</u>	<u>\$ 2,962,242</u>

As noted in Table MDA - 7, expenses from governmental activities totaled \$5,256,741. However, the net costs of these services were \$4,222,878. The difference represents direct revenues from charges for services of \$993,002, operating grants and contributions of \$32,498, and capital grants and contributions of \$8,363. Taxes and other revenues were collected to cover these net costs.

### Business-type Activities

Business-type activities increased the City's net position by \$1,066,805. Key elements of the change in net position are as follows:

- Electric system operating revenue decreased \$98,088 from the prior year, while operating expenses increased \$433,613,
- Water and wastewater system operating revenues increased \$423,703 from the prior year, while operating expenses increased \$158,133.
- Water and wastewater fund also received \$265,896 in grant revenue

### **Financial Analysis of the City's Funds**

General Fund revenues exceeded expenditures. The fund balance of the General Fund increased \$394,161 to the amount of \$1,471,151. There was a decrease in fund balance for the Governmental Funds of \$1,202,905, which brings the Governmental Funds total balance to \$4,158,686.

### **General Fund Budgetary Highlights**

Difference between the original and the final approved budget can be summarized as follows:

- Administration, Police, Municipal Buildings, Code Enforcement departments separated a few expense line items like professional services to specific expense line item titles. This, with underestimating professional services in the original budget, created a budgeting increase for expenses.
- The Police department was able to increase the planned patrol fleet rotation from 2 new cars to 6 new patrol cars due to a special lease purchase program. The expense of preparing 6 new cars from the original 2 cars was a one-time expense that had to be recognized this fiscal year.
- MPR, the City's property and liability insurance provider distributor, distributed an award to expand the Public Works department Streetscape/Sidewalk projects.
- A City-wide administrative expense that continues to grow with our increased technology enhancements is the fees associated with the processing of credit and debit cards. The usage of this payment medium is growing and very convenient for our citizens. Usage of the City's online utility payment system is increasing exponentially. Staff is starting to explore the usage of online payments for other City related services in addition to utility payments.
- Total original expense budget of \$3,421,221 was increased to \$3,616,051. The reasons for the increase are stated above.
- The actual amounts on budgetary basis were \$3,824,826 in revenue versus \$3,555,205 in expenses. This change to the fund balance at the end of the year was an increase of \$394,161.

### **Capital Assets and Debt Administration**

This year's major capital asset activity for governmental activities includes:

- Police Department received a radio upgrade grant for improved and up to date radio service.
- Police Department received an equipment grant new radar equipment from the Missouri Department of Transportation.
- Public Works and Utility Department's combined for two large infrastructure projects. One completing in fiscal year 2012 - 2013 of Eighth Street rebuild, and the second should be concluded in fiscal year 2013 - 2014 of Walnut Street.
- The Parks fund started a large Recreation Park renovation with new a community restroom building, park area lighting standards, and the park road resurfacing. These improvements will not be completed until fiscal year 2013 - 2014.
- The Band fund added a storage facility next to the Thomas Price Pavilion in McCorkle Park, for the Cameron Municipal Band activities.

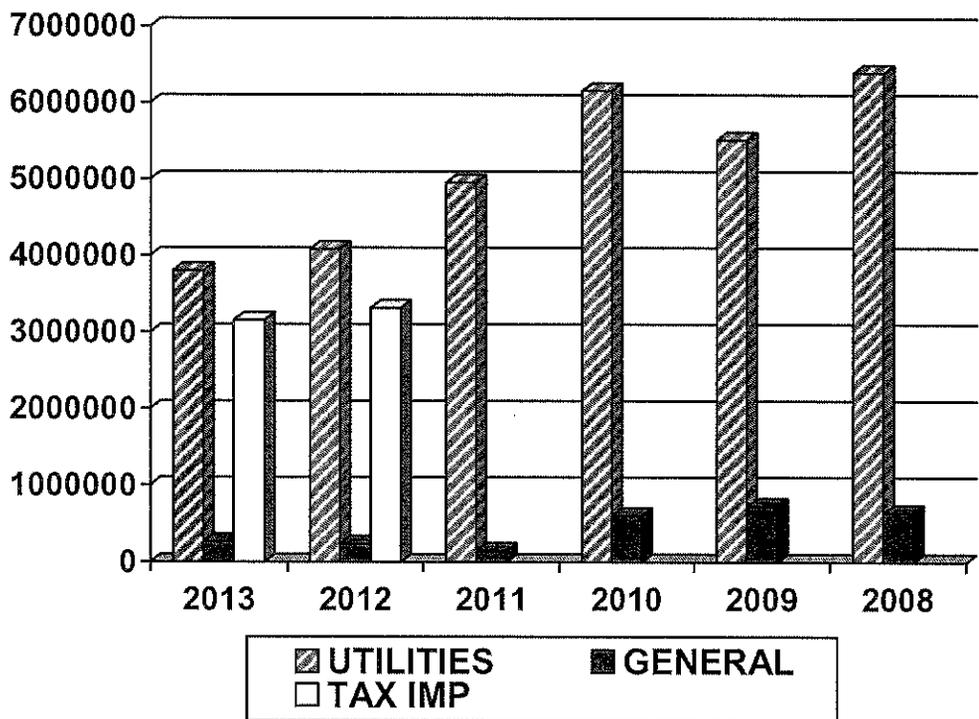
This year’s major capital asset activity for business-type activities includes:

- City purchased some acres adjoining the current reservoir structures to increase the watershed area.
- Water plant improvements started construction on “Chloramines Conversion” which the City received a \$490,500 grant from the Missouri Department of Natural Resources to assist in the funding of the project.
- Sewer treatment/collection SCADA improvements.
- Sewer system continued the Sewer Basin Evaluation Study with the project moving closer to construction.
- Utility and Public Works Department’s combined for two large infrastructure projects. One completing in fiscal year 2012 – 2013 of Eighth Street rebuild, and the second should be concluded in fiscal year 2013 – 2014 of Walnut Street.
- Electric department purchased a wood chipper machine to assist with overhead line maintenance.

The budgeted capital projects for fiscal year 2012-2013 totaled more than \$4,000,000 with most projects being started in the current budget year to be completed in fiscal year 2013 - 2014.

Long-term debt principal payments totaled \$757,720. Additional debt from State Revolving Fund bonds amounting to \$211,416 were issued, these bonds will be funded with utility revenues.

**City of Cameron  
Long - Term Debt  
(Millions)**



**Factors expected to have Significant Future Effect on Financial Position and Results of Operation**

As of September 30, 2013 there were 2 outstanding lawsuits against the City.

The City Council continues to strive for long-term sustainable improvements to the community. The areas of interest for the City Council: infrastructure, beautification, quality of life, and community resources.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about this report contact any of the following persons:

Mark Gaugh, City Manager  
Barbara O'Connor, City/Finance Clerk  
Carmen Weigand, Accounting Specialist

At 205 N Main, Cameron, Missouri 64429 or (816) 632-2177.

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2013**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u> <u>Primary</u> <u>Government</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,746,429	\$ 1,127,387	\$ 2,873,816
Certificates of deposit	748,375	5,337,773	6,086,148
Receivables, net:			
Taxes	1,147,979	92,872	1,240,851
Utilities	-	1,508,032	1,508,032
Grants	13,338	54,479	67,817
Accrued interest	256	2,001	2,257
Accounts	67,912	-	67,912
Due from other governments	-	62,636	62,636
Internal balances	(201,179)	201,179	-
Prepaid expenses	91,535	76,926	168,461
Inventory	-	1,082,067	1,082,067
Restricted cash and cash equivalents	1,686,224	1,169,760	2,855,984
Special assessments, net	-	9,811	9,811
Land held for resale	100,476	-	100,476
Due from other governments	305,212	-	305,212
Deferred bond issue costs, net	86,508	62,764	149,272
Capital assets, net	<u>12,703,643</u>	<u>18,558,985</u>	<u>31,262,628</u>
Total Assets	<u>18,496,708</u>	<u>29,346,672</u>	<u>47,843,380</u>
<b>LIABILITIES</b>			
Accounts payable	771,131	788,627	1,559,758
Accrued interest payable	58,275	36,286	94,561
Unearned revenue	492,234	-	492,234
Customer deposits payable	-	398,736	398,736
Noncurrent liabilities:			
Due in one year	331,810	647,915	979,725
Due in more than one year	<u>3,091,669</u>	<u>3,157,596</u>	<u>6,249,265</u>
Total Liabilities	<u>4,745,119</u>	<u>5,029,160</u>	<u>9,774,279</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,736,870	14,871,671	25,608,541
Restricted for:			
Debt service	-	771,024	771,024
Capital outlay	1,573,511	-	1,573,511
Parks and recreation	438,557	-	438,557
Public library	125,275	-	125,275
Municipal band	190,287	-	190,287
Other purposes	749	-	749
Unrestricted	<u>686,340</u>	<u>8,674,817</u>	<u>9,361,157</u>
Total Net Position	<u>\$ 13,751,589</u>	<u>\$ 24,317,512</u>	<u>\$ 38,069,101</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			CHANGE IN NET POSITION			NET (EXPENSE) REVENUE AND
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental activities:								
General government	\$ 425,340	\$ 530,936	\$ 6,707	\$ -	\$ 112,303	\$ -	\$ 112,303	
Public safety	1,926,273	292,273	12,591	8,363	(1,613,046)	-	(1,613,046)	
Public works	2,271,537	157,729	-	-	(2,113,808)	-	(2,113,808)	
Parks and recreation	238,618	3,603	-	-	(235,015)	-	(235,015)	
Public library	152,643	8,386	13,200	-	(131,057)	-	(131,057)	
Municipal band	72,263	75	-	-	(72,188)	-	(72,188)	
Interest on long-term debt	170,067	-	-	-	(170,067)	-	(170,067)	
Total governmental activities	5,256,741	993,002	32,498	8,363	(4,222,878)	-	(4,222,878)	
Business-type activities:								
Electric	7,473,524	7,744,096	-	-	-	270,572	270,572	
Water and wastewater	3,240,987	3,227,664	-	265,896	-	252,573	252,573	
Solid waste	325,912	306,236	-	-	-	(19,676)	(19,676)	
Total business-type activities	11,040,423	11,277,996	-	265,896	-	503,469	503,469	
Total primary government	\$ 16,297,164	\$ 12,270,998	\$ 32,498	\$ 274,259	(4,222,878)	503,469	(3,719,409)	
General revenues:								
Property tax					884,556	-	884,556	
Sales and use taxes					2,323,853	476,087	2,799,940	
Other local taxes					736,323	-	736,323	
Intergovernmental					320,722	65,278	386,000	
Interest revenue					15,608	21,971	37,579	
Gain (loss) on disposal of assets					(9,522)	-	(9,522)	
Total general revenues					4,271,540	563,336	4,834,876	
Change in net position					48,662	1,066,805	1,115,467	
Net position, beginning of year, restated					13,702,927	23,250,707	36,953,634	
Net position, end of year					\$ 13,751,589	\$ 24,317,512	\$ 38,069,101	

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	<u>GENERAL FUND</u>	<u>STORMWATER IMPROVEMENT FUND</u>	<u>TRANSPORTATION IMPROVEMENT FUND</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 742,920	\$ 81,378	\$ 679,798	\$ 242,333	\$ 1,746,429
Certificates of deposit	255,716	-	-	492,659	748,375
Restricted cash	-	1,633,277	52,947	-	1,686,224
Receivables, net:					
Taxes	687,243	43,725	87,449	329,562	1,147,979
Grants	9,474	-	-	3,864	13,338
Accounts	67,768	-	-	144	67,912
Accrued interest	141	-	-	115	256
Due from other governments	289,685	-	-	15,527	305,212
Land held for resale	100,476	-	-	-	100,476
Total Assets	<u>\$ 2,153,423</u>	<u>\$ 1,758,380</u>	<u>\$ 820,194</u>	<u>\$ 1,084,204</u>	<u>\$ 5,816,201</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 59,323	\$ 688,742	\$ -	\$ 23,066	\$ 771,131
Due to other funds	144,821	-	-	56,358	201,179
Total Liabilities	<u>204,144</u>	<u>688,742</u>	<u>-</u>	<u>79,424</u>	<u>972,310</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	285,157	-	-	207,077	492,234
Unavailable revenues - other	192,971	-	-	-	192,971
Total Deferred Inflows of Resources	<u>478,128</u>	<u>-</u>	<u>-</u>	<u>207,077</u>	<u>685,205</u>
<b>FUND BALANCES</b>					
Nonspendable	100,476	-	-	-	100,476
Restricted	-	473,595	820,194	759,212	2,053,001
Committed	-	596,043	-	38,491	634,534
Unassigned	1,370,675	-	-	-	1,370,675
Total Fund Balances	<u>1,471,151</u>	<u>1,069,638</u>	<u>820,194</u>	<u>797,703</u>	<u>4,158,686</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,153,423</u>	<u>\$ 1,758,380</u>	<u>\$ 820,194</u>	<u>\$ 1,084,204</u>	<u>\$ 5,816,201</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

**Fund Balances - Total Governmental Funds** **\$ 4,158,686**

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

Capital assets used in governmental activities are not current financial  
resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	\$ 31,553,707	
Less: accumulated depreciation	<u>(18,850,064)</u>	12,703,643

Prepaid insurance is reported as an expenditure in the governmental funds but the unused economic benefit is reflected as an asset in the Statement of Net Position.	91,535
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Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(58,275)
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Certain revenue that was earned and accrued in the current period but not received until after 60 days is deferred in the fund statement but recognized under full accrual.	192,971
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Long-term liabilities are not due and payable in the current period,  
and therefore, are not reported as liabilities in the governmental funds.

2012A Certificates of Participation	(2,685,000)	
2012B Certificates of Participation	(475,000)	
Note payable - Cameron Rural Fire Department	(21,240)	
Capital lease - folder/sorter machine	(28,429)	
Capital lease - police vehicles	(91,004)	
Bond issue costs	86,508	
Compensated absences payable	<u>(122,806)</u>	<u>(3,336,971)</u>

**Net Position of Governmental Activities** **\$ 13,751,589**

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	GENERAL FUND	STORMWATER IMPROVEMENT FUND	TRANSPORTATION IMPROVEMENT FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Sales tax	\$ 1,235,287	\$ 310,077	\$ 620,162	\$ 158,327	\$ 2,323,853
Property tax	557,753	-	-	326,803	884,556
Other local taxes	129,256	-	-	79,008	208,264
Intergovernmental	320,722	-	-	-	320,722
Gross receipts tax	528,059	-	-	-	528,059
Licenses, permits and fees	344,557	-	-	-	344,557
Charges for services	384,441	-	-	-	384,441
Interfund charges for services	16,350	-	-	-	16,350
Grants	20,954	-	-	13,200	34,154
Fines and forfeitures	132,102	-	-	-	132,102
Interest	11,252	425	1,361	2,570	15,608
Other revenue	144,093	-	-	12,064	156,157
Total Revenues	<u>3,824,826</u>	<u>310,502</u>	<u>621,523</u>	<u>591,972</u>	<u>5,348,823</u>
<b>EXPENDITURES:</b>					
Current:					
General government	389,850	-	-	-	389,850
Public safety	1,874,682	-	-	-	1,874,682
Public works	866,610	-	-	-	866,610
Parks and recreation	-	-	-	248,732	248,732
Public library	-	-	-	151,776	151,776
Municipal bond	-	-	-	72,284	72,284
Capital outlay	324,170	1,740,867	510,196	102,057	2,677,290
Debt service:					
Principal	94,843	110,000	45,000	-	249,843
Interest and fees	5,050	82,754	12,008	45,389	145,201
Total Expenditures	<u>3,555,205</u>	<u>1,933,621</u>	<u>567,204</u>	<u>620,238</u>	<u>6,076,268</u>
Excess (deficiency) of revenues over expenditures	<u>269,621</u>	<u>(1,623,119)</u>	<u>54,319</u>	<u>(28,266)</u>	<u>(1,327,445)</u>
Other financing sources (uses):					
Capital lease proceeds	124,540	-	-	-	124,540
Net change in fund balances	394,161	(1,623,119)	54,319	(28,266)	(1,202,905)
Fund balance, beginning of year, restated	1,076,990	2,692,757	765,875	825,969	5,361,591
Fund balance, end of year	<u>\$ 1,471,151</u>	<u>\$ 1,069,638</u>	<u>\$ 820,194</u>	<u>\$ 797,703</u>	<u>\$ 4,158,686</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Net Change in Fund Balances - Total Governmental Funds** **\$ (1,202,905)**

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases	1,917,424	
Depreciation expense	<u>(715,647)</u>	1,201,777

In the Statement of Activities, the loss or gain on the disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

Loss on the disposal of capital assets		(48,322)
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The issuance of long-term debt 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, however, has any effect on net position.

Debt payments	249,843	
Debt proceeds	<u>(124,540)</u>	125,303

Governmental funds report expenditures for insurance and similar services extending over more than one accounting period as expenditures in the period of acquisition:

Prepaid insurance		(9,409)
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Revenues in the Statement of Activities that do not provide current financial resources are reported as unearned revenue in the governmental funds

Unbilled dispatch revenue		4,902
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Accrued interest expense on long-term debt is reported in the government-wide Statement of Activities and changes in net position, but does not require the use of current financial resources; therefore accrued interest expense is not reported as an expenditure in governmental funds.

(19,540)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences	2,182	
Amortization of bond issuance costs	<u>(5,326)</u>	<u>(3,144)</u>

**Change in Net Position of Governmental Activities** **\$ 48,662**

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2013**

	ELECTRIC	WATER/ WASTEWATER	SOLID WASTE	TOTALS
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 562,075	\$ 547,017	\$ 18,295	\$ 1,127,387
Certificates of deposit	4,233,588	909,640	194,545	5,337,773
Receivables:				
Taxes	-	92,872	-	92,872
Grants	-	54,479	-	54,479
Utilities	1,096,377	374,135	37,520	1,508,032
Accrued interest	1,533	387	81	2,001
Due from other governments	62,636	-	-	62,636
Due from other funds	201,179	-	-	201,179
Prepaid expenses	34,569	41,363	994	76,926
Inventory	602,839	479,228	-	1,082,067
Total current assets	<u>6,794,796</u>	<u>2,499,121</u>	<u>251,435</u>	<u>9,545,352</u>
Noncurrent assets:				
Restricted cash and cash equivalents	265,678	904,082	-	1,169,760
Special assessments, net	9,811	-	-	9,811
Bond issue costs, net	-	62,764	-	62,764
Capital assets, net	3,069,051	15,435,152	54,782	18,558,985
Total noncurrent assets	<u>3,344,540</u>	<u>16,401,998</u>	<u>54,782</u>	<u>19,801,320</u>
Total assets	<u>\$ 10,139,336</u>	<u>\$ 18,901,119</u>	<u>\$ 306,217</u>	<u>\$ 29,346,672</u>
<b>LIABILITIES AND NET POSITION</b>				
Current liabilities:				
Accounts payable	\$ 463,898	\$ 301,936	\$ 22,793	\$ 788,627
Customer deposits payable	265,678	133,058	-	398,736
Compensated absences payable	59,170	59,027	-	118,197
Accrued interest payable	-	36,286	-	36,286
Revenue bonds payable	-	476,000	-	476,000
Notes payable	-	53,718	-	53,718
Total current liabilities	<u>788,746</u>	<u>1,060,025</u>	<u>22,793</u>	<u>1,871,564</u>
Noncurrent liabilities:				
Revenue bonds payable	-	3,009,116	-	3,009,116
Notes payable	-	148,480	-	148,480
Total noncurrent liabilities	<u>-</u>	<u>3,157,596</u>	<u>-</u>	<u>3,157,596</u>
Total liabilities	<u>788,746</u>	<u>4,217,621</u>	<u>22,793</u>	<u>5,029,160</u>
Net Position:				
Net investment in capital assets	3,069,051	11,747,838	54,782	14,871,671
Restricted for debt service	-	771,024	-	771,024
Unrestricted	6,281,539	2,164,636	228,642	8,674,817
Total net position	<u>9,350,590</u>	<u>14,683,498</u>	<u>283,424</u>	<u>24,317,512</u>
Total liabilities and net position	<u>\$ 10,139,336</u>	<u>\$ 18,901,119</u>	<u>\$ 306,217</u>	<u>\$ 29,346,672</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>ELECTRIC</u>	<u>WATER/ WASTEWATER</u>	<u>SOLID WASTE</u>	<u>TOTALS</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 7,678,099	\$ 2,921,215	\$ 305,656	\$ 10,904,970
Other revenue	<u>65,997</u>	<u>306,449</u>	<u>580</u>	<u>373,026</u>
Total Operating Revenues	<u>7,744,096</u>	<u>3,227,664</u>	<u>306,236</u>	<u>11,277,996</u>
<b>OPERATING EXPENSES:</b>				
Production	5,578,009	872,169	-	6,450,178
Sewer treatment	-	566,105	-	566,105
Transmission & distribution	910,680	435,928	308,361	1,654,969
Administration	769,433	375,859	15,000	1,160,292
Depreciation	<u>215,402</u>	<u>828,032</u>	<u>2,551</u>	<u>1,045,985</u>
Total Operating Expenses	<u>7,473,524</u>	<u>3,078,093</u>	<u>325,912</u>	<u>10,877,529</u>
Operating Income (Loss)	<u>270,572</u>	<u>149,571</u>	<u>(19,676)</u>	<u>400,467</u>
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	15,939	5,235	797	21,971
Taxes	-	476,087	-	476,087
Intergovernmental revenue	-	65,278	-	65,278
Interest expense and fees	<u>-</u>	<u>(162,894)</u>	<u>-</u>	<u>(162,894)</u>
Total Nonoperating Revenues (Expenses)	<u>15,939</u>	<u>383,706</u>	<u>797</u>	<u>400,442</u>
Income (loss) before contributions and transfers	<u>286,511</u>	<u>533,277</u>	<u>(18,879)</u>	<u>800,909</u>
<b>CONTRIBUTIONS:</b>				
Grant revenue	<u>-</u>	<u>265,896</u>	<u>-</u>	<u>265,896</u>
Change in net position	286,511	799,173	(18,879)	1,066,805
Net position, beginning of year, restated	<u>9,064,079</u>	<u>13,884,325</u>	<u>302,303</u>	<u>23,250,707</u>
Net position, end of year	<u>\$ 9,350,590</u>	<u>\$ 14,683,498</u>	<u>\$ 283,424</u>	<u>\$ 24,317,512</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>ELECTRIC</u>	<u>WATER/ WASTEWATER</u>	<u>SOLID WASTE</u>	<u>TOTALS</u>
Cash flows from operating activities:				
Cash receipts from customers	\$ 7,366,199	\$ 3,214,386	\$ 306,217	\$ 10,886,802
Cash receipts from other funds for services	354,839	14,777	-	369,616
Cash payments for other operating services	(605,356)	(292,772)	(15,000)	(913,128)
Cash payments to suppliers	(6,021,995)	(1,297,931)	(307,847)	(7,627,773)
Cash paid to employees	(648,489)	(511,533)	-	(1,160,022)
Net cash provided (used) by operating activities	<u>445,198</u>	<u>1,126,927</u>	<u>(16,630)</u>	<u>1,555,495</u>
Cash flows from noncapital financing activities:				
Advance to/from other fund	(89,158)	-	(99,839)	(188,997)
Net cash used by noncapital financing activities	<u>(89,158)</u>	<u>-</u>	<u>(99,839)</u>	<u>(188,997)</u>
Cash flows from capital and related financing activities:				
Capital improvements & motor vehicle sales tax received	-	476,477	-	476,477
Capital grants received	-	211,417	-	211,417
Acquisition and construction of capital assets	(34,136)	(663,660)	-	(697,796)
Proceeds from sale of capital assets	-	-	-	-
Principal paid on revenue bonds	-	(454,700)	-	(454,700)
Principal paid on note payable	-	(50,997)	-	(50,997)
Proceeds from bonds	-	211,416	-	211,416
Interest and fees paid on debt	-	(187,496)	-	(187,496)
Net cash used in capital and related financing activities	<u>(34,136)</u>	<u>(457,543)</u>	<u>-</u>	<u>(491,679)</u>
Cash flows from investing activities:				
Interest received on bond escrow accounts	-	65,278	-	65,278
Interest received on cash accounts	16,748	5,380	980	23,108
Change in certificates of deposit	(12,553)	(1,810)	98,904	84,541
Net cash provided by investing activities	<u>4,195</u>	<u>68,848</u>	<u>99,884</u>	<u>172,927</u>
Net increase (decrease) in cash and cash equivalents	326,099	738,232	(16,585)	1,047,746
Cash and cash equivalents, beginning of year, restated	<u>501,654</u>	<u>712,867</u>	<u>34,880</u>	<u>1,249,401</u>
Cash and cash equivalents, end of year	<u>\$ 827,753</u>	<u>\$ 1,451,099</u>	<u>\$ 18,295</u>	<u>\$ 2,297,147</u>
Cash and cash equivalents	\$ 562,075	\$ 547,017	\$ 18,295	\$ 1,127,387
Restricted cash and cash equivalents	265,678	904,082	-	1,169,760
Cash and cash equivalents, end of year	<u>\$ 827,753</u>	<u>\$ 1,451,099</u>	<u>\$ 18,295</u>	<u>\$ 2,297,147</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 270,572	\$ 149,571	\$ (19,676)	\$ 400,467
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	215,402	828,032	2,551	1,045,985
Changes in assets and liabilities:				
(Increase) decrease in utilities receivable	(23,014)	1,499	(19)	(21,534)
(Increase) decrease in other receivables	(44)	-	-	(44)
(Increase) decrease in prepaid expenses	1,535	(3,483)	(288)	(2,236)
(Increase) decrease in inventory	(62,155)	5,589	-	(56,566)
Increase (decrease) in accounts payable	14,377	121,722	802	136,901
Increase (decrease) in compensated absences	3,377	11,402	-	14,779
Increase (decrease) in customer deposits payable	25,148	12,595	-	37,743
Net cash provided (used) by operating activities	<u>\$ 445,198</u>	<u>\$ 1,126,927</u>	<u>\$ (16,630)</u>	<u>\$ 1,555,495</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI  
STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
SEPTEMBER 30, 2013**

	<u>AGENCY FUND</u>
<b>ASSETS</b>	
Cash	<u>\$ 1,551</u>
<b>LIABILITIES</b>	
Court bonds payable	<u>\$ 1,551</u>

See accompanying notes to the basic financial statements.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Cameron, Missouri (The City) operates under an elected mayor/council legislative form of government. The City Manager is the chief administrative officer of the City. The City provides services to residents in many areas, including law enforcement, fire protection, animal control, electrical, water, wastewater, solid waste and airport services, community enrichment and development, recreation, and various social services.

Principles Used to Determine Scope of Entity: The City's reporting entity includes the City's governing board and all related organizations. The combined financial statements of the City include all organizations that raise and hold economic resources for the direct benefit of the City. The City has implemented GASB Statements No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. GASB Statements No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity. The following entity has been blended in the City's annual financial statement, as it is part of the City's entity based on the criteria established in GASB Statement No. 61:

Tax Increment Financing (TIF) Commission: This component unit is governed by an 11-member board, of which 6 members are appointed by the City Council. The remaining 5 members are appointed by the respective taxing districts' boards. The TIF Commission is legally separate from the City but has no budget or financial operations. The City authorized the Commission to exercise all powers enumerated under the Act, except the final approval of plans, projects and the designation of redevelopment areas.

The TIF Commission is presented as a blended component unit because its sole purpose is to finance and construct improvements to the designated redevelopment area.

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

Related organizations excluded from the reporting entity: The City's officials are also responsible for appointing the members of the Board of Commissioners of the Housing Authority of the City of Cameron, the Industrial Development Authority of the City of Cameron, one member of the ACCD-911 board, and one member to the local hospital board. The City's accountability for these organizations does not extend beyond making the appointments.

Basis of Presentation: The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category, governmental, proprietary and fiduciary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*.

In the Fund financial statements, fund balance consist of five classifications: 1) Nonspendable fund balance which includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. 2) Restricted fund balance are amounts restricted to specific purposes. 3) Committed fund balance are amounts that can only be used for specific purposes as pursuant to official action by the Council prior to the end of the reporting period. 4) Assigned fund balance are amounts the City intends to use for a specific purpose but is neither restricted nor committed. The Council has the authority to assign fund balances. 5) Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general ledger.

The order of spending, regarding the restricted and unrestricted fund balance, when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classification could be used.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds - The following are the City's major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

Stormwater Improvement Fund: This fund is used to account for the proceeds and interest earnings on the City's stormwater improvement sales tax. Included in this fund are expenditures for stormwater improvements.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Transportation Improvement Fund: This fund is used to account for the proceeds and interest earnings on the City's transportation improvement sales tax. Included in this fund are expenditures for street improvements.

**Proprietary Funds** - The following are the City's major proprietary funds:

Electric Fund: This fund accounts for the acquisition, operation, and maintenance of the City's power and light utility facilities and services.

Water and Wastewater Fund: This fund accounts for the acquisition, operation, and maintenance of the City's water and wastewater utility facilities and services.

Solid Waste Fund: This fund accounts for the provision of solid waste collection.

**Fiduciary Funds** - The following are the City's fiduciary funds:

Agency Fund: This fund accounts for monies held on behalf of the Municipal Court.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: These funds account for proceeds of specific revenue sources and include the following: Parks and Recreation, Public Library, Municipal Band and Low-Income Housing.

Debt Service Funds: These funds account for the servicing of the general-long term debt of the City and include the TIF Special Allocation Fund.

**Measurement Focus and Basis of Accounting**

Government-wide Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds do not have a measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenues from property taxes are recognized in the period for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental activities and business-type activities and all enterprise funds of the City follow all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as FASB statements and interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Financial Statements: Governmental funds 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 collected 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 the related fund liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recognized only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital lease are reported as other financing sources.

Property tax, sales tax, gasoline tax, motor vehicle tax, franchise taxes, interest, and revenues from other governmental units associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Electric, Water and Wastewater, and Solid Waste Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Pooled Cash and Temporary Investments: Cash resources of the individual funds are combined to form a pool of cash and temporary investments. Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. government securities, carried at cost. Each fund's portion of the pool is displayed on the government-wide statement of net position as cash and cash equivalents, investments or restricted position. Interest earned is allocated to contributing funds based on cash and temporary investment balances. Deposits are held separately by some of the City's funds. Additionally, certain restricted position, related to bond ordinances and indentures and certificates of lease participation, are held in escrow by financial institutions' trust departments.

Receivables: The City records as accounts receivable in the Proprietary Fund financial statements the amount of accrued, but unbilled revenue for the Electric, Water and Wastewater, and Solid Waste Funds determined by prorating actual subsequent billings, net of an allowance for uncollectible.

Inventory: Inventories of the proprietary funds consists of electric, water and wastewater utility materials and are stated at cost.

Restricted Assets: These assets consist of cash, certificates of deposit, and escrowed funds held in trust. They are restricted as to use for debt service, bond reserves and system replacement and extension as provided by bonding resolutions.

Customer Deposits: The City collects a refundable deposit from a new customer prior to initiating metered service. Customer deposits are reported in restricted assets.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Interfund Transactions: The City has the following types of interfund transactions:

Loans - amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e., due to other funds) in borrower funds.

Services provided and used - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statement of net position.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Capital Assets: Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, drainage systems, and similar items) reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are stated at cost or estimated historical cost. Contributions of capital assets are recorded at estimated fair value at the date of donation. Additions, improvements and expenditures that add to the value of an asset or significantly extend the useful life of an asset are capitalized.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the useful life of an asset are not capitalized.

Depreciation is computed on all assets using the straight-line method over the estimated useful lives of the related assets, which range as follows:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 50
Improvements	10 - 20
Street network	10 - 30
Equipment	3 - 7
Publications	10

Fully depreciated capital assets are included in the capital assets accounts until their disposal.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets (continued):

Property, plant, and equipment financed by capital leases are reflected as assets and corresponding liabilities, and the related depreciation expense is provided on the same basis as assets financed with other resources. General capital assets financed by capital leases are reported as an expenditure and other financing source in the governmental funds.

While construction projects are in process, all associated costs are recorded as construction work in progress. Once completed all costs, including legal, engineering, and construction costs, are reclassified to the depreciable capital assets category and depreciated over the estimated useful life.

Long-term Obligations:

Bond Premiums, Discounts and Issuance Costs - In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts of debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences: Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based upon length of service. Sick leave may be accumulated to a maximum of ninety days. Upon retirement, compensation for sick leave is paid at 50% of the employee's current rate of pay for eligible employees. Upon termination, compensation for accumulated vacation will be paid to the employee. All vested or accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Operating Revenue and Expenses: Operating revenues and expenses for proprietary funds result from providing services and delivering goods in connection with the City's electric, solid waste, water and sewer operations. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Deferred Inflows of Resources: This separate financial statement element, *deferred inflows of resources* represents an inflow of resources that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government 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 revenue from property taxes, gain on sale of land and certain unbilled dispatch fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net Position: Net position represent the difference between position and liabilities. In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - consists of net position that does not meet the definition of restricted or net investment in capital assets.

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

Capitalization of Interest: Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental fund types with the fund financial statements. There was no interest capitalized in fiscal year 2013.

Statement of Cash Flows: The City defines cash and cash equivalents used in the statement of cash flows as all cash and highly liquid investments with an original maturity of three months or less when purchased (both restricted and unrestricted).

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Economic Activity Taxes (EATS): As allowed by the Real Property Tax Increment Allocation Redevelopment Act and Sections 99.800 through 99.865 of the Revised Statutes of Missouri (and in conjunction with the City's creation of the Tax Increment Financing (TIF) Commission of Cameron, Missouri), the City is allowed to capture 50% of the total additional revenue from sales taxes imposed by the City, the County of DeKalb, Missouri, or any other taxing districts over the amount of such taxes generated by economic activities within the TIF redevelopment project area (District) as measured in the calendar year prior to the adoption of the District, while tax increment financing remains in effect.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Economic Activity Taxes (EATS) continued: As the area of the TIF district contained no economic activities prior to the TIF adoption, all existing taxes collected in the periods subsequent to TIF adoption from the TIF district are subject to 50% capture. New taxes imposed after the issuance of the TIF special obligation bonds are also subject to being captured at the discretion of the City and the TIF Commission. Any new taxes not pledged for debt service on TIF obligations are to be distributed to the appropriate taxing districts as surplus. The tax amounts are provided in cooperation with the Missouri Department of Revenue and the various participants of the TIF District. All tax amounts are posted to the TIF special allocation fund. The tax amounts not subject to capture are distributed to the appropriate funds as an operating transfer from the TIF special allocation fund. The economic activity taxes (EATS) are to be used for repayment of debt associated with revenue bonds used to finance phase I of the TIF redevelopment project, and to repay the General Fund for amounts advanced for the phase II infrastructure.

**NOTE B - CASH AND INVESTMENTS**

State statutes permit the City to invest its monies as follows: 1) obligations of the United States Government or any agency or instrumentality, including repurchase agreements; 2) bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States; 3) under limited circumstances, commercial paper and banker's acceptances; and 4) deposit accounts with insured financial institutions provided those accounts are entirely insured by the FDIC or collateralized with government securities that have a fair value exceeding the deposit amount.

State statutes require that all deposits in financial institutions be fully collateralized by certain U.S. Government or Governmental Agency securities, certain state or political subdivision debt obligations, surety bonds, or certain letters of credit.

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. At September 30, 2013, the bank balances of the City's deposits totaled \$3,779,338. The City's deposits were entirely covered by federal depository insurance (FDIC) or by collateral held by the City's agent in the City's name.

Interest rate risk: Interest rate risk is defined as the risk that the fair value of the City's investments will decrease as a result of increases in interest rates. Generally, the longer the maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal interest rate risk policy.

Investments: The City is a participant in the "State Revolving Fund (SRF) Program." Under terms of the SRF Program agreement, the State of Missouri purchases bonds issued by the participants. Additionally, moneys from the revolving loan fund are used to fund a bond reserve account for each participant. Interest earned from the bond reserve account is used by the master trustee to fund a portion of each participant's interest payments on these bonds. As bond principal is retired, the master trustee withdraws a proportionate amount from the bond reserve fund and returns those monies to the State Revolving Fund.

Investment Policy: The City's investment policy limits investment of excess funds in local banks in the form of time deposits. All accounts under the control of the City adhere to this policy. Accounts under the control of a trustee follow the investment requirements of the applicable trust agreements.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE B - CASH AND INVESTMENTS (continued)**

Credit risk: Credit risk is defined as the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's funds that are directed to a Trustee are invested by the Trustee for the benefit of the City in guaranteed investment contracts. Such investment agreements constitute an obligation of the credit provider and the trustees review the rating, by a nationally recognized rating service of each credit provider's unsecured long-term debt. As such, the guaranteed investment contracts are unrated.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The City's investment policy places no limit on the amount the City may invest in any one issuer.

**NOTE C - CERTIFICATES OF DEPOSIT**

Certificates of deposit of the City as of September 30, 2013 are as follows:

Fund	Amount
Major governmental funds:	
General fund	\$ 255,716
Nonmajor governmental funds:	
Special revenue funds:	
Parks and recreation	334,638
Municipal band	133,967
Public library	24,054
Total special revenue	492,659
Total governmental funds	748,375
Enterprise Funds:	
Major Funds:	
Electric fund	4,233,588
Water and wastewater fund	909,640
Solid waste fund	194,545
Total enterprise funds	5,337,773
Total	\$ 6,086,148

Certificates of Deposit: Certificates of deposit with maturities in excess of three months are reported separately and are considered deposits for custodial risk determination. As of September 30, 2013, the total deposits were covered by securities held by the bank's trust department.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE D - TAXES**

Property taxes are finalized and levied by September 1 and become delinquent after December 31 each year. Property taxes attach as an enforceable lien on property as of January 1. The current taxes receivable represent the 2013 levy plus any uncollected amounts from a prior year levy. Property taxes that are not available for current year operations are shown as deferred revenue.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2013 for purposes of local taxation was:

General	\$	0.6028
Parks and recreation		0.1480
Library		0.1692
Band		<u>0.0846</u>
Total	\$	<u>1.0046</u>

**NOTE E - RESTRICTED ASSETS**

Cash and cash equivalents are restricted for the following purposes:

Major Governmental Funds:

Transportation Improvement Fund:

Reserve fund	\$	46,806
Revenue fund		<u>6,141</u>
	\$	52,947

Stormwater Improvement Fund:

Reserve fund		251,583
Revenue fund		47,794
Project Fund		<u>1,333,900</u>
	\$	<u>1,633,277</u>

Total governmental funds	\$	<u>1,686,224</u>
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Major Enterprise Funds:

Electric Fund:

Customer deposits	\$	265,678
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Water and Wastewater Fund:

Customer deposits	\$	133,058
Revenue bond reserves and accounts:		
Principal and interest retirement		393,254
Revenue bond retirement		15,197
Depreciation and replacement		254,508
Depreciation and replacement - Series 1998 debt		<u>108,065</u>
	\$	<u>904,082</u>

Total enterprise funds	\$	<u>1,169,760</u>
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**NOTE F - LAND HELD FOR SALE**

In January 1996 the City acquired land in the "Crossroads Corporate Center." The land is held for resale and has a cost basis of \$100,476.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE G - RECEIVABLES**

Utilities receivable represent user-based charges for services provided to the City's customers. Net receivables at September 30, 2013 were as follows:

	<u>Total Receivables</u>	<u>Allowance</u>	<u>Net Receivables</u>
Business-type activities:			
Major enterprise funds:			
Electric	\$ 1,245,341	\$ 148,964	\$ 1,096,377
Water and wastewater	415,406	41,271	374,135
Solid waste	<u>44,110</u>	<u>6,590</u>	<u>37,520</u>
Total	<u>\$ 1,704,857</u>	<u>\$ 196,825</u>	<u>\$ 1,508,032</u>

Taxes receivable represent the net collectible ad valorem taxes, local sales taxes, capital improvement sales taxes, state gasoline tax and vehicle sales tax and fees. Balances at September 30, 2013 were as follows:

<u>Fund</u>	<u>Total Receivables</u>	<u>Allowance</u>	<u>Net Receivables</u>
Governmental activities:			
General fund:			
Ad valorem	\$ 466,062	\$ 5,419	\$ 460,643
Sales taxes	172,342	-	172,342
Gasoline tax	41,653	-	41,653
Vehicle sales tax & fees	<u>12,605</u>	<u>-</u>	<u>12,605</u>
Total general fund	<u>692,662</u>	<u>5,419</u>	<u>687,243</u>
Stormwater improvement fund:			
Sales tax	<u>43,725</u>	<u>-</u>	<u>43,725</u>
Transportation improvement fund:			
Sales tax	<u>87,449</u>	<u>-</u>	<u>87,449</u>
Nonmajor governmental funds:			
Special revenue funds:			
Ad valorem	310,852	3,613	307,239
Sales taxes	21,543	-	21,543
Vehicle sales tax & fees	<u>780</u>	<u>-</u>	<u>780</u>
Total special revenue	<u>333,175</u>	<u>3,613</u>	<u>329,562</u>
Total governmental funds	<u>1,157,011</u>	<u>9,032</u>	<u>1,147,979</u>
Business-type activities:			
Major enterprise funds:			
Water and wastewater fund:			
Sales taxes	93,238	2,577	90,661
Vehicle sales tax & fees	<u>2,211</u>	<u>-</u>	<u>2,211</u>
Total business-type activities	<u>95,449</u>	<u>2,577</u>	<u>92,872</u>
Total	<u>\$ 1,252,460</u>	<u>\$ 11,609</u>	<u>\$ 1,240,851</u>

**CITY OF CAMERON, MISSOURI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE H - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at September 30, 2013 were as follows:

Fund	Due From	Due To
Major governmental funds:		
General fund	\$ -	\$ 111,221
Enterprise funds:		
Electric fund	111,221	-
Total	\$ 111,221	\$ 111,221

Interfund payables include \$111,221 in the General Fund which represents advances from the Electric Fund for the purchase of land held for resale and related costs. This payable is expected to be fully repaid.

**NOTE I - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional and participants elect how their salary deferrals are invested. All amounts of compensation deferred under the plan and all income attributable to those amounts are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of plan participants and/or beneficiaries.

**NOTE J - RETIREMENT PLAN**

Plan Description

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

LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

Funding Status

Full-time employees of the City of Cameron do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 14.8% (General) and 12.7% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE J - RETIREMENT PLAN (continued)**

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 381,293
Interest on net pension obligation	6,162
Adjustment to annual required contribution	<u>(6,047)</u>
Annual pension cost	381,408
Actual contributions	<u>362,610</u>
Increase (decrease) in Net Pension Obligation	18,798
Net Pension Obligation, beginning of year	<u>85,000</u>
Net Pension Obligation, end of year	<u>\$ 103,798</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 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 0.0% to 6.0% 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 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 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 as of February 29, 2010 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2011 was 30 years for the General division and 30 years for the Police division.

Schedule of Employer Contributions and  
Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 399,607	88.2%	\$ 47,154
6/30/2012	382,548	90.1%	85,000
6/30/2013	381,408	95.1%	103,798

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE K - CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended September 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassification</u>	<u>Ending Balance</u>
Governmental activities:				
Nondepreciable assets:				
Land	\$ 3,066,624	\$ -	\$ -	\$ 3,066,624
Construction in progress	209,283	1,469,763	525,059	1,153,987
Total nondepreciable assets	<u>3,275,907</u>	<u>1,469,763</u>	<u>525,059</u>	<u>4,220,611</u>
Depreciable capital assets:				
Buildings	3,151,314	72,106	-	3,223,420
Improvements	1,449,966	15,057	-	1,465,023
Equipment	4,188,567	267,837	266,370	4,190,034
Publications	559,750	19,819	-	579,569
Street network	17,277,149	597,901	-	17,875,050
Total depreciable assets	<u>26,626,746</u>	<u>972,720</u>	<u>266,370</u>	<u>27,333,096</u>
Less accumulated depreciation:				
Buildings	903,631	81,751	16,375	969,007
Improvements	399,023	70,495	-	469,518
Equipment	3,478,748	185,023	201,673	3,462,098
Publications	464,334	20,375	-	484,709
Street network	13,106,729	358,003	-	13,464,732
Total accumulated depreciation	<u>18,352,465</u>	<u>715,647</u>	<u>218,048</u>	<u>18,850,064</u>
Total depreciable capital assets, net	<u>8,274,281</u>	<u>257,073</u>	<u>48,322</u>	<u>8,483,032</u>
Total governmental activities capital assets	<u>\$ 11,550,188</u>	<u>\$ 1,726,836</u>	<u>\$ 573,381</u>	<u>\$ 12,703,643</u>

Depreciation expense was charged to functions as follows:

General government	\$ 20,826
Public safety	119,302
Public works	504,925
Parks and recreation	45,713
Public library	24,881
	<u>\$ 715,647</u>

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE K - CAPITAL ASSETS (continued)**

	Beginning Balance	Additions	Retirements/ Reclassification	Ending Balance
<b>Business-type activities:</b>				
<b>Electric fund:</b>				
Nondepreciable assets:				
Land	\$ 42,541	\$ -	\$ -	\$ 42,541
Construction in progress	-	5,177	-	5,177
Total nondepreciable capital assets	<u>42,541</u>	<u>5,177</u>	<u>-</u>	<u>47,718</u>
Depreciable capital assets:				
Buildings and improvements	3,552,564	-	-	3,552,564
Equipment	3,900,195	28,959	(1,000)	3,928,154
Total depreciable capital assets	<u>7,452,759</u>	<u>28,959</u>	<u>(1,000)</u>	<u>7,480,718</u>
Less accumulated depreciation:				
Buildings and improvements	1,147,830	143,853	-	1,291,683
Equipment	3,097,153	71,549	1,000	3,167,702
Total accumulated depreciation	<u>4,244,983</u>	<u>215,402</u>	<u>1,000</u>	<u>4,459,385</u>
Total depreciable capital assets, net	<u>3,207,776</u>	<u>(186,443)</u>	<u>-</u>	<u>3,021,333</u>
Total electric capital assets	<u>3,250,317</u>	<u>(181,266)</u>	<u>-</u>	<u>3,069,051</u>
<b>Water and wastewater fund:</b>				
Nondepreciable assets:				
Land	710,551	67,809	-	778,360
Construction in progress	99,377	561,153	-	660,530
Total nondepreciable capital assets	<u>809,928</u>	<u>628,962</u>	<u>-</u>	<u>1,438,890</u>
Depreciable capital assets:				
Buildings and improvements	28,065,157	-	-	28,065,157
Equipment	4,101,956	34,698	-	4,136,654
Total depreciable capital assets	<u>32,167,113</u>	<u>34,698</u>	<u>-</u>	<u>32,201,811</u>
Less accumulated depreciation:				
Buildings and improvements	16,194,006	715,006	-	16,909,012
Equipment	1,183,511	113,026	-	1,296,537
Total accumulated depreciation	<u>17,377,517</u>	<u>828,032</u>	<u>-</u>	<u>18,205,549</u>
Total depreciable capital assets, net	<u>14,789,596</u>	<u>(793,334)</u>	<u>-</u>	<u>13,996,262</u>
Total water and wastewater capital assets	<u>15,599,524</u>	<u>(164,372)</u>	<u>-</u>	<u>15,435,152</u>
<b>Solid waste fund:</b>				
Nondepreciable assets:				
Land	46,705	-	-	46,705
Depreciable capital assets:				
Equipment	36,104	-	-	36,104
Less accumulated depreciation:				
Equipment	25,476	2,551	-	28,027
Total depreciable capital assets, net	<u>10,628</u>	<u>(2,551)</u>	<u>-</u>	<u>8,077</u>
Total solid waste capital assets	<u>57,333</u>	<u>(2,551)</u>	<u>-</u>	<u>54,782</u>
Total business-type activities capital assets	<u>\$ 18,907,174</u>	<u>\$ (348,189)</u>	<u>\$ -</u>	<u>\$ 18,558,985</u>

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE K - CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions as follows:

Electric	\$ 215,402
Water and wastewater	828,032
Solid waste	<u>2,551</u>
	<u>\$ 1,045,985</u>

**NOTE L - RISK MANAGEMENT**

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

The City is a member of the Midwest Public Risk of Missouri (MPR), a nonprofit association organized to operate as a group self-insured risk pool. The purpose MPR is to seek the prevention or lessening of casualty and property losses to its member participants and injuries to persons or employees which might result in claims being made against such member participants. MPR operates as a risk management pool. The City has no direct control over budgeting, financing, the governing body or management selection.

MPR is funded by its member participants. Member assessments are collected in advance and are calculated based on members' property valuation and payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each member participant depending on that member's own loss experience. Member participants with a consistent record of costly claims will pay more than members with a consistent record of lesser claims activity. Coverage obtained by the City through MPR includes property, crime, general liability, auto liability, police professional and law enforcement liability, and public officials' liability. Losses from individual claims in excess of per-occurrence coverage limits (MPR's self-insured retention limits combined with excess insurance contract limits) remain the responsibility of the respective member participants.

In the unlikely event that all or any of the insurance companies cancel, fail to renew or are unable to meet their obligations under excess insurance contracts, MPR and its member participants would be responsible for such defaulted amounts. Additionally, the Articles of the Association provide for supplemental assessments in the event the annual assessment is not sufficient to meet obligations. No supplemental assessments were required by MPR during fiscal 2013.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE M - COMMITMENTS AND CONTINGENCIES**

Post Closure Costs of Landfill

As a result of a 1989 agreement between the City and the Missouri Department of Natural resources (DNR) relative to the closure of a solid waste landfill site, the City entered into a "Contract of Obligation" with DNR. The contract relates to the City's obligation for periodic post-closure maintenance of the old landfill. In the event that the City fails to provide proper post-closure care, it could become liable under the contract to pay to DNR a sum no greater than \$387,138. No less than annually, the City is required to reaffirm, in writing, its obligation to DNR. For the year ended September 30, 2013, the City did not incur any significant costs towards the periodic maintenance of the old landfill pursuant to DNR inspection of the site, and approval of the maintenance measures taken.

Federal and State Grants

The City receives financial assistance from various Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types or on the overall financial position of the City at September 30, 2013.

Construction Commitments

During the year, the City had several ongoing construction projects. At September 30, 2013 the City had remaining construction contract costs in the Water Fund of \$482,696, the Park Fund of \$38,491 and the Stormwater Improvement Fund of \$596,043 for a total of \$1,117,230 remaining contract costs.

**NOTE N - ANNUAL GENERAL OPERATING REVENUE FROM TRAFFIC VIOLATIONS**

House Bill 103 amending Section 302.341.2 RSMo became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations. The City was not required to and did not account for the fines and court costs for traffic violations separately from the total police fines and court costs prior to August 28, 2013. Therefore, the City cannot provide the percent related specifically to traffic violations for the entire fiscal year ending September 30, 2013. Total police fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, summed to \$125,066. "Annual general operating revenue of the city" is not defined in the amended statute and may or may not include various sources of the City's revenues. However, the City's general sales tax revenue alone totaled \$1,235,287. Using the general sales tax and total fines and court costs as the "annual general operating revenue", the City's total police fines and court costs revenues are only 10.12% of this total "annual general operating revenue", which is substantially below the 30% threshold requirement of the amended statute. This clearly demonstrates at a minimum that the City in no way exceeded the percentage requirement regardless of how "annual general operating revenue" is calculated.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE O - CHANGES IN LONG-TERM LIABILITIES**

Changes in long-term liabilities during the year were as follows:

	Beginning Balance <u>October 1, 2012</u>	Additions	Retirements	Ending Balance <u>September 30, 2013</u>	Amount due within one year
<b>Governmental Activities:</b>					
Series 2012A Certificates of Participation	\$ 2,795,000	\$ -	\$ 110,000	\$ 2,685,000	\$ 100,000
Series 2012B Certificates of Participation	520,000	-	45,000	475,000	45,000
Capital lease - street sweeper	29,647	-	29,647	-	-
Capital lease - folder/sorter machine	38,848	-	10,419	28,429	10,950
Capital lease - police vehicles	-	124,540	33,536	91,004	28,813
Note payable - Cameron Rural Fire	42,481	-	21,241	21,240	24,241
Accrued compensated absences	124,988	-	2,182	122,806	122,806
<b>Total Governmental Activities</b>	<b><u>\$ 3,550,964</u></b>	<b><u>\$ 124,540</u></b>	<b><u>\$ 252,025</u></b>	<b><u>\$ 3,423,479</u></b>	<b><u>\$ 331,810</u></b>
<b>Business-Type Activities:</b>					
<b>Electric Fund:</b>					
Accrued compensated absences	\$ 55,793	\$ 3,377	\$ -	\$ 59,170	\$ 59,170
<b>Water and Wastewater Fund:</b>					
1996 Revenue Bonds	845,000	-	195,000	650,000	205,000
1998 Revenue Bonds	1,580,000	-	200,000	1,380,000	210,000
2009 Refunding & Improvement Bonds	1,303,400	-	59,700	1,243,700	61,000
2013 Waterworks & Sewerage Bonds	-	211,416	-	211,416	-
Note payable - odor control improvements	253,194	-	50,995	202,199	53,719
Accrued compensated absences	47,625	11,401	-	59,026	59,026
<b>Total Water and Wastewater Fund</b>	<b><u>4,029,219</u></b>	<b><u>222,817</u></b>	<b><u>505,695</u></b>	<b><u>3,746,341</u></b>	<b><u>588,745</u></b>
<b>Total Business-Type Activities</b>	<b><u>\$ 4,085,012</u></b>	<b><u>\$ 226,194</u></b>	<b><u>\$ 505,695</u></b>	<b><u>\$ 3,805,511</u></b>	<b><u>\$ 647,915</u></b>

The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The City estimates that none of the compensated absences will be due within one year.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE P - LONG-TERM DEBT**

Debt service requirements to maturity for all bonds and certificates of participation outstanding at September 30, 2013 are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Certificates of Participation</u>		<u>Revenue Bonds</u>	
	Principal	Interest	<u>Water and Wastewater Fund</u>	
	Principal	Interest	Principal	Interest
2014	\$ 145,000	\$ 107,862	\$ 476,000	\$ 113,320
2015	145,000	104,962	492,400	88,860
2016	150,000	102,062	518,800	63,248
2017	150,000	99,063	300,200	44,313
2018	150,000	96,063	311,600	32,536
2019	160,000	92,463	318,100	19,775
2020	160,000	88,338	69,600	12,506
2021	165,000	83,663	71,200	11,463
2022	220,000	78,650	72,800	10,394
2023	125,000	71,325	74,400	9,305
2024	125,000	66,950	76,000	8,191
2025	130,000	62,575	77,700	7,052
2026	135,000	57,375	79,400	5,888
2027	140,000	51,975	81,200	4,698
2028	150,000	46,375	83,000	3,481
2029	155,000	39,813	84,900	2,238
2030	160,000	33,031	86,400	966
2031	170,000	26,031	-	-
2032	425,000	18,594	-	-
<b>Total</b>	<b>\$ 3,160,000</b>	<b>\$ 1,327,170</b>	<b>\$ 3,273,700</b>	<b>\$ 438,234</b>

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE Q - BONDS PAYABLE**

Revenue bonds outstanding at September 30, 2013 consist of:

Water and Wastewater Fund:

Series 1996 C Combined Waterworks & Sewerage System Revenue Bonds (State Revolving Fund Program) due in varying annual installments through January 2016; interest of 5.90%	\$ 650,000
Series 1998 B Combined Waterworks & Sewerage System Revenue Bonds (State Revolving Fund Program) due in varying annual installments through January 2019; interest of 4.5% to 5.25%	1,380,000
Series 2009B Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds (State of Missouri - Direct Loan Program - ARRA) due in varying annual installments through July 1, 2030, interest of 1.49%	1,243,700
Series 2013 Combined Waterworks & Sewerage Bonds maximum authorized amount of \$616,000	<u>211,416</u>
Total Water and Wastewater Fund revenue bonds	<u>\$ 3,485,116</u>

Net revenues are pledged over the term of the above Bonds in an amount equal to the total principal and interest payments.

The water and wastewater bond ordinance and bond indentures require that the system be accounted for in a separate enterprise fund and that revenues are pledged for repayment. They also require that after sufficient current assets have been set aside to operate the systems, all remaining monies held in the fund be segregated and restricted in separate special reserves and accounts in the following sequence:

<u>Reserve</u>	<u>Restriction</u>
Principal and interest retirement	For the monthly accumulation of monies to meet the maturing revenue bond principal and interest requirements
Bond retirement	Paying principal and interest in the event of a deficiency in the current principal and interest account
Depreciation and replacement	For emergency replacement and repair of the system
System and equipment replacement	For ensuring replacement needs over the useful lives of the system assets

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE Q - BONDS PAYABLE (continued)**

Surplus account monies are reflected as unrestricted cash. The required reserves are included in restricted cash and cash equivalents and are reported in the accompanying statement of net position as follows:

		Water and Wastewater Enterprise Fund
Principal and interest retirement	\$	393,254
Bond retirement		15,197
Depreciation and replacement		254,508
System and equipment replacement		108,065
Total revenue bond reserves	\$	771,024

Various bond ordinances and indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages.

**NOTE R - CERTIFICATES OF LEASE PARTICIPATION**

Stormwater Improvement Fund:

Series 2012A Certificates of Participation, due in varying annual installments through April 2032; interest at 2.00% to 4.375%	<u>\$ 2,685,000</u>
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Transportation Improvement Fund:

Series 2012B Certificates of Participation, due in varying annual installments through April 2022; interest at 2.00% to 3.125%	<u>\$ 475,000</u>
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**NOTE S - CAPITAL LEASE OBLIGATIONS**

On February 2, 2009, the City entered into a lease purchase agreement to finance the cost of a street sweeper. The lease is for five years requiring annual installments of \$30,612 through May 15, 2013, interest at 3.25%. This lease was paid off during 2013.

On February 17, 2011, the City entered into a lease purchase agreement to finance the cost of a folder/sorter machine. The lease is for 5 years requiring quarterly installments of \$3,042 through March 20, 2016, interest at 5%.

On January 7, 2013, the City entered into a lease purchase agreement to finance the cost of six police vehicles. The lease is for 4 years requiring annual installments of \$33,536 through March 2016, interest at 5.19%.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE S - CAPITAL LEASE OBLIGATIONS (continued)**

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 354,851
Less: Accumulated depreciation	(117,446)
Total	\$ 237,405

Future minimum lease payments and the net present value of the minimum lease payments on the above leases are as follows:

Year Ending September 30,	Governmental Activities
2014	\$ 45,704
2015	45,704
2016	39,621
Total minimum lease payments	131,029
Less amount representing interest	(11,596)
Present value of minimum lease payments	\$ 119,433

**NOTE T - NOTES PAYABLE**

Notes payable at September 30, 2013 consist of:

General Fund:

Note payable to Cameron Rural Fire District, due in annual installments of \$23,669 through April 15, 2014, interest at 5.5%, unsecured	\$ 21,240
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Water/Wastewater Fund:

Note payable to a financial institution, due in semi-annual installments of \$31,528 through April 1, 2016, interest at 4.875%, secured by water/wastewater equipment	202,199
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Total notes payable	\$ 223,439
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**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE T - NOTES PAYABLE (continued)**

Maturities of notes payable are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2014	\$ 21,240	\$ 53,719
2015	-	56,407
2016	-	92,073
	<u>\$ 21,240</u>	<u>\$ 202,199</u>

**NOTE U - CONDUIT DEBT - INDUSTRIAL REVENUE BONDS**

The City has issued Industrial Revenue Bonds to provide financial assistance to a non-profit entity for construction of a building, the acquisition of medical equipment, and to re-finance existing debt, all deemed to be in the public interest. The bonds are secured by the building and equipment financed and are payable solely from payments received on the underlying loans. Neither the City, the State of Missouri, nor any political subdivision thereof is obligated in any manner for repayment of the outstanding bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. These bonds were refinanced on May 17, 2007. As of September 30, 2013, the outstanding principal amount payable was \$17,940,000.

**NOTE V - FUND BALANCES**

The following is a summary of the Governmental Fund balances of the City for the year ended September 30, 2013.

<u>Classification/Fund</u>	<u>Purpose</u>	
Nonspendable:		
General Fund	Land held for resale	<u>\$ 100,476</u>
Restricted:		
Stormwater improvements	Capital outlay	473,595
Transportation improvements	Capital outlay	820,194
Parks and recreation	Operate parks	438,557
Public library	Operate library	125,275
Municipal band	Operate band	190,287
Low-income housing	Homebuyer program	749
TIF special allocation	Debt payments	<u>4,344</u>
Total Restricted		<u>2,053,001</u>
Committed:		
Stormwater improvements	Capital outlay	596,043
Parks and recreation	Capital outlay	<u>38,491</u>
Total Committed		<u>634,534</u>
Unassigned:		
General Fund		<u>1,370,675</u>
Total Fund Balances		<u>\$ 4,158,686</u>

**CITY OF CAMERON, MISSOURI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE W - RESTATEMENT OF FUND BALANCE/NET POSITION**

The following prior year corrections were recorded as of October 1, 2012 to properly state fund balance amounts:

	General Fund	Park Fund	Band Fund	Library Fund	Electric Fund	Water and Wastwater Fund	Solid Waste Fund
Balance October 1, 2012	\$ 1,064,638	\$ 525,333	\$ 183,209	\$ 96,484	\$ 9,169,905	\$ 13,800,076	\$ 402,142
Correct unavailable revenue - property taxes	(25,273)	(6,208)	(3,537)	(7,109)	-	-	-
Correct personnel costs	99,839	-	-	-	-	-	(99,839)
Correct billings	-	-	-	-	(84,249)	84,249	-
Correct CNH pilot payments	(62,214)	12,299	6,512	13,927	(21,577)	-	-
Restated balance October 1, 2012	<u>\$ 1,076,990</u>	<u>\$ 531,424</u>	<u>\$ 186,184</u>	<u>\$ 103,302</u>	<u>\$ 9,064,079</u>	<u>\$ 13,884,325</u>	<u>\$ 302,303</u>

Governmental activities beginning net position was corrected for the above items in the General Fund, Park Fund, Band Fund and Library Fund as well as an adjustment of \$37,295 to correct accrued interest expense as of October 1, 2012.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CAMERON, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	BUDGET		ACTUAL	VARIANCE WITH		ELIMINATING	GENERAL
				FINAL BUDGET			
	ORIGINAL	FINAL		(NEGATIVE)	POSITIVE		
<b>REVENUES:</b>							
Sales tax	\$ 1,183,102	\$ 1,183,102	\$ 1,235,287	\$ 52,185	\$ -	\$ 1,235,287	
Property tax	409,700	433,500	485,900	52,400	-	485,900	
Other local taxes	67,000	97,000	129,256	32,256	-	129,256	
Intergovernmental	329,000	329,000	320,722	(8,278)	-	320,722	
Gross receipts tax	565,000	565,000	528,059	(36,941)	-	528,059	
In lieu of tax	79,375	79,375	71,853	(7,522)	-	71,853	
Licenses, permits and fees	379,385	415,685	344,557	(71,128)	-	344,557	
Charges for services	283,656	333,406	384,441	51,035	-	384,441	
Interfund charges for services	16,350	16,350	16,350	-	-	16,350	
Grants	77,400	65,850	20,954	(44,896)	-	20,954	
Fines and forfeitures	117,000	124,500	132,102	7,602	-	132,102	
Interest	31,160	31,410	11,252	(20,158)	-	11,252	
Other revenue	47,075	161,550	144,093	(17,457)	-	144,093	
Total Revenues	<u>3,585,203</u>	<u>3,835,728</u>	<u>3,824,826</u>	<u>(10,902)</u>	<u>-</u>	<u>3,824,826</u>	
<b>EXPENDITURES:</b>							
<b>Current:</b>							
General government	380,778	414,355	389,850	24,505	-	389,850	
Public safety	1,886,496	1,949,289	1,874,682	74,607	-	1,874,682	
Public works	879,735	936,045	866,610	69,435	-	866,610	
Capital outlay	228,612	270,762	324,170	(53,408)	-	324,170	
<b>Debt Service:</b>							
Principal	-	-	-	-	(1) 94,843	94,843	
Interest and fees	-	-	-	-	(1) 5,050	5,050	
Capital lease payments	45,600	45,600	99,893	(54,293)	(1) (99,893)	-	
Total Expenditures	<u>3,421,221</u>	<u>3,616,051</u>	<u>3,555,205</u>	<u>60,846</u>	<u>-</u>	<u>3,555,205</u>	
Excess (deficiency) of revenues over expenditures	<u>163,982</u>	<u>219,677</u>	<u>269,621</u>	<u>49,944</u>	<u>-</u>	<u>269,621</u>	
<b>Other financing sources (uses):</b>							
Capital lease proceeds	-	-	124,540	-	-	124,540	
Transfers in	79,569	179,408	-	(179,408)	-	-	
Total other financing sources (uses)	<u>79,569</u>	<u>179,408</u>	<u>124,540</u>	<u>(179,408)</u>	<u>-</u>	<u>124,540</u>	
Net change in fund balance	243,551	399,085	394,161	(129,464)	-	394,161	
Fund balance, beginning of year, restated	<u>1,076,990</u>	<u>1,076,990</u>	<u>1,076,990</u>	<u>-</u>	<u>-</u>	<u>1,076,990</u>	
Fund balance, end of year	<u>\$ 1,320,541</u>	<u>\$ 1,476,075</u>	<u>\$ 1,471,151</u>	<u>\$ (129,464)</u>	<u>\$ -</u>	<u>\$ 1,471,151</u>	

See accompanying notes to the required supplementary information.

**CITY OF CAMERON, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - STORMWATER IMPROVEMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Sales tax	\$ 295,776	\$ 310,776	\$ 310,077	\$ (699)
Interest	<u>-</u>	<u>300</u>	<u>425</u>	<u>125</u>
Total Revenues	<u>295,776</u>	<u>311,076</u>	<u>310,502</u>	<u>(574)</u>
EXPENDITURES:				
Capital outlay	2,542,545	2,548,545	1,740,867	807,678
Debt service:				
Principal	191,761	191,761	110,000	81,761
Interest	<u>-</u>	<u>1,000</u>	<u>82,754</u>	<u>(81,754)</u>
Total Expenditures	<u>2,734,306</u>	<u>2,741,306</u>	<u>1,933,621</u>	<u>807,685</u>
Excess (deficiency) of revenues over expenditures	<u>(2,438,530)</u>	<u>(2,430,230)</u>	<u>(1,623,119)</u>	<u>807,111</u>
Other financing sources (uses):				
Capital lease proceeds	<u>2,462,545</u>	<u>2,462,545</u>	<u>-</u>	<u>(2,462,545)</u>
Net change in fund balance	24,015	32,315	(1,623,119)	(1,655,434)
Fund balance, beginning of year	<u>2,692,757</u>	<u>2,692,757</u>	<u>2,692,757</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,716,772</u>	<u>\$ 2,725,072</u>	<u>\$ 1,069,638</u>	<u>\$ (1,655,434)</u>

See accompanying notes to the required supplementary information.

**CITY OF CAMERON, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION IMPROVEMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Sales tax	\$ 591,551	\$ 603,551	\$ 620,162	\$ 16,611
Interest	<u>-</u>	<u>1,025</u>	<u>1,361</u>	<u>336</u>
Total Revenues	<u>591,551</u>	<u>604,576</u>	<u>621,523</u>	<u>16,947</u>
EXPENDITURES:				
Capital outlay	510,000	528,000	510,196	17,804
Debt Service:				
Principal	56,015	56,015	45,000	11,015
Interest	<u>-</u>	<u>1,000</u>	<u>12,008</u>	<u>(11,008)</u>
Total Expenditures	<u>566,015</u>	<u>585,015</u>	<u>567,204</u>	<u>17,811</u>
Excess (deficiency) of revenues over expenditures	<u>25,536</u>	<u>19,561</u>	<u>54,319</u>	<u>34,758</u>
Other financing sources (uses):				
Capital lease proceeds	<u>-</u>	<u>438,950</u>	<u>-</u>	<u>(438,950)</u>
Net change in fund balance	25,536	458,511	54,319	(404,192)
Fund balance, beginning of year	<u>765,875</u>	<u>765,875</u>	<u>765,875</u>	<u>-</u>
Fund balance, end of year	<u>\$ 791,411</u>	<u>\$ 1,224,386</u>	<u>\$ 820,194</u>	<u>\$ (404,192)</u>

See accompanying notes to the required supplementary information.

**CITY OF CAMERON, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
SEPTEMBER 30, 2013**

**Budgets and Budgetary Accounting**

The City Council follows the following procedures in establishing the budgetary data reflected in the government-wide financial statements:

1. Prior to October 1, the City Manager, who serves as the budget officer, submits to the City Council a proposed operating budget for all funds for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Total actual expenditures may not legally exceed total budgeted expenditures. All annual appropriations lapse at fiscal year-end.
2. Public hearings are conducted to obtain taxpayer comments. Prior to approval by the City Council, the budget document is available for public inspection.
3. Prior to October 1<sup>st</sup>, the budget is legally enacted by a vote of the City Council.
4. Subsequent to its formal approval of the budget, the City Council has the authority to make necessary adjustments to the budget by formal vote.

Budgets for the City's governmental funds are prepared in accordance with the basis of accounting utilized by those funds, except as follows:

- (1) Payments from the electric and water and wastewater enterprise funds are treated as revenue in the General Fund for budgetary purposes.
- (2) Payments on capital lease obligations are budgeted as a single line item in the budget and are not split between principal and interest components for budgetary purposes.

**CITY OF CAMERON, MISSOURI  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS - RETIREMENT PLAN  
 SEPTEMBER 30, 2013**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2011	\$ 5,625,384	\$ 7,138,964	\$ 1,513,580	79%	\$ 2,884,417	52%
2/29/2012	4,901,073	6,367,107	1,466,034	77%	2,638,584	56%
2/28/2013	5,080,526	6,242,604	1,162,078	81%	2,545,364	46%

NOTE: 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.

**SUPPLEMENTARY INFORMATION**

**CITY OF CAMERON, MISSOURI  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>TOTAL NON-MAJOR FUNDS</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 238,133	\$ 4,200	\$ 242,333
Certificates of deposit	492,659	-	492,659
Receivables, net:			
Taxes	329,562	-	329,562
Accounts	-	144	144
Grants	3,864	-	3,864
Accrued interest	115	-	115
Due from other governments	<u>15,527</u>	<u>-</u>	<u>15,527</u>
Total assets	<u>\$ 1,079,860</u>	<u>\$ 4,344</u>	<u>\$ 1,084,204</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 23,066	\$ -	\$ 23,066
Due to other funds	<u>56,358</u>	<u>-</u>	<u>56,358</u>
Total liabilities	<u>79,424</u>	<u>-</u>	<u>79,424</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>207,077</u>	<u>-</u>	<u>207,077</u>
<b>FUND BALANCES</b>			
Restricted	754,868	4,344	759,212
Committed	<u>38,491</u>	<u>-</u>	<u>38,491</u>
Total fund balances	<u>793,359</u>	<u>4,344</u>	<u>797,703</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,079,860</u>	<u>\$ 4,344</u>	<u>\$ 1,084,204</u>

**CITY OF CAMERON, MISSOURI  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2013**

	<u>PARKS AND RECREATION</u>	<u>PUBLIC LIBRARY</u>	<u>MUNICIPAL BAND</u>	<u>LOW-INCOME HOUSING</u>	<u>TOTALS</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 153,629	\$ 50,581	\$ 16,174	\$ 17,749	\$ 238,133
Certificates of deposit	334,638	24,054	133,967	-	492,659
Receivables, net:					
Taxes	135,612	129,362	64,588	-	329,562
Accrued interest	73	5	37	-	115
Grants	-	3,864	-	-	3,864
Due from other governments	-	-	15,527	-	15,527
Total assets	<u>\$ 623,952</u>	<u>\$ 207,866</u>	<u>\$ 230,293</u>	<u>\$ 17,749</u>	<u>\$ 1,079,860</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 20,532	\$ 2,487	\$ 47	\$ -	\$ 23,066
Due to other funds	56,358	-	-	-	56,358
Total liabilities	<u>76,890</u>	<u>2,487</u>	<u>47</u>	<u>-</u>	<u>79,424</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	70,014	80,104	39,959	17,000	207,077
<b>FUND BALANCES</b>					
Restricted	438,557	125,275	190,287	749	754,868
Committed	38,491	-	-	-	38,491
Total fund balances	<u>477,048</u>	<u>125,275</u>	<u>190,287</u>	<u>749</u>	<u>793,359</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 623,952</u>	<u>\$ 207,866</u>	<u>\$ 230,293</u>	<u>\$ 17,749</u>	<u>\$ 1,079,860</u>

**CITY OF CAMERON, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>TOTAL NON-MAJOR FUNDS</u>
<b>REVENUES:</b>			
Sales tax	\$ 158,327	\$ -	\$ 158,327
Property tax	326,803	-	326,803
Other local taxes	33,620	45,388	79,008
Grants	13,200	-	13,200
Interest	2,564	6	2,570
Miscellaneous	<u>12,064</u>	<u>-</u>	<u>12,064</u>
Total Revenues	<u>546,578</u>	<u>45,394</u>	<u>591,972</u>
<b>EXPENDITURES:</b>			
Current:			
Parks and recreation	248,732	-	248,732
Public library	151,776	-	151,776
Municipal band	72,284	-	72,284
Capital outlay	102,057	-	102,057
Debt service:			
Principal	-	-	-
Other	<u>-</u>	<u>45,389</u>	<u>45,389</u>
Total Expenditures	<u>574,849</u>	<u>45,389</u>	<u>620,238</u>
Excess (deficiency) of revenues over expenditures	<u>(28,271)</u>	<u>5</u>	<u>(28,266)</u>
Fund balances, beginning of year, restated	<u>821,630</u>	<u>4,339</u>	<u>825,969</u>
Fund balances, end of year	<u>\$ 793,359</u>	<u>\$ 4,344</u>	<u>\$ 797,703</u>

**CITY OF CAMERON, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	PARKS AND RECREATION	PUBLIC LIBRARY	MUNICIPAL BAND	LOW-INCOME HOUSING	TOTALS
<b>REVENUES:</b>					
Sales tax	\$ 158,327	\$ -	\$ -	\$ -	\$ 158,327
Property tax	120,389	137,777	68,637	-	326,803
Other local taxes	12,429	14,184	7,007	-	33,620
Grants	-	13,200	-	-	13,200
Interest	1,665	203	669	27	2,564
Miscellaneous	3,603	8,386	75	-	12,064
Total Revenues	<u>296,413</u>	<u>173,750</u>	<u>76,388</u>	<u>27</u>	<u>546,578</u>
<b>EXPENDITURES:</b>					
Current:					
Parks and recreation	248,732	-	-	-	248,732
Public library	-	151,776	-	-	151,776
Municipal band	-	-	72,284	-	72,284
Low-income housing	-	-	-	-	-
Capital outlay	102,057	-	-	-	102,057
Total Expenditures	<u>350,789</u>	<u>151,776</u>	<u>72,284</u>	<u>-</u>	<u>574,849</u>
Excess (deficiency) of revenues over expenditures	<u>(54,376)</u>	<u>21,974</u>	<u>4,104</u>	<u>27</u>	<u>(28,271)</u>
Fund balance, beginning of year	<u>531,424</u>	<u>103,301</u>	<u>186,183</u>	<u>722</u>	<u>821,630</u>
Fund balance, end of year	<u>\$ 477,048</u>	<u>\$ 125,275</u>	<u>\$ 190,287</u>	<u>\$ 749</u>	<u>\$ 793,359</u>

**CITY OF CAMERON, MISSOURI**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

		<b>MUNICIPAL COURT FUND</b>			
		Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
<b>ASSETS</b>					
Cash		\$ 345	\$ 160,924	\$ 159,718	\$ 1,551
<b>LIABILITIES</b>					
Court bonds payable		\$ 345	\$ 160,924	\$ 159,718	\$ 1,551

**CITY OF CAMERON, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NUMBER	EXPENDITURES
<u>Environmental Protection Agency</u>			
Passed through Missouri Department of Natural Resources:			
SRF Drinking Water Grant	66.468	DW291193-04	\$ 265,896
SRF Drinking Water Loan	66.468	DW291193-04	<u>265,896</u>
Total Capitalization Grants for Drinking Water			<u>531,792</u>
<u>U.S. Department of Justice</u>			
Direct:			
Equitable Sharing Program	16.922	MO250100	12,591
<u>U.S. Department of Homeland Security</u>			
Passed through Missouri Department of Safety:			
Emergency Management Performance Grant	97.042	EMW-2011-EP-00004	5,850
<u>National Endowment for the Humanities</u>			
Passed through Missouri State Library:			
LSTA Technology Grant-Show Me Steps	45.310	2014-LCE3-SMSC3CN3-7182	880
LSTA Technology Grant	45.310	2013-LBE2-TMGC2CN2-6975	2,984
LSTA Summer Reading Program	45.310	2013-LD3S-00000000-6801	123
LSTA Nonfiction Collection Makeover grant	45.310	2013-LCP2-NCM2CN2-7005	2,000
LSTA Summer Reading Grant	45.310	2013-LCP2-TCDC2CN2-7088	<u>1,889</u>
			<u>7,876</u>
			<u>\$ 558,109</u>

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Cameron under programs of the federal government for the year ended September 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of City of Cameron, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Cameron.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.