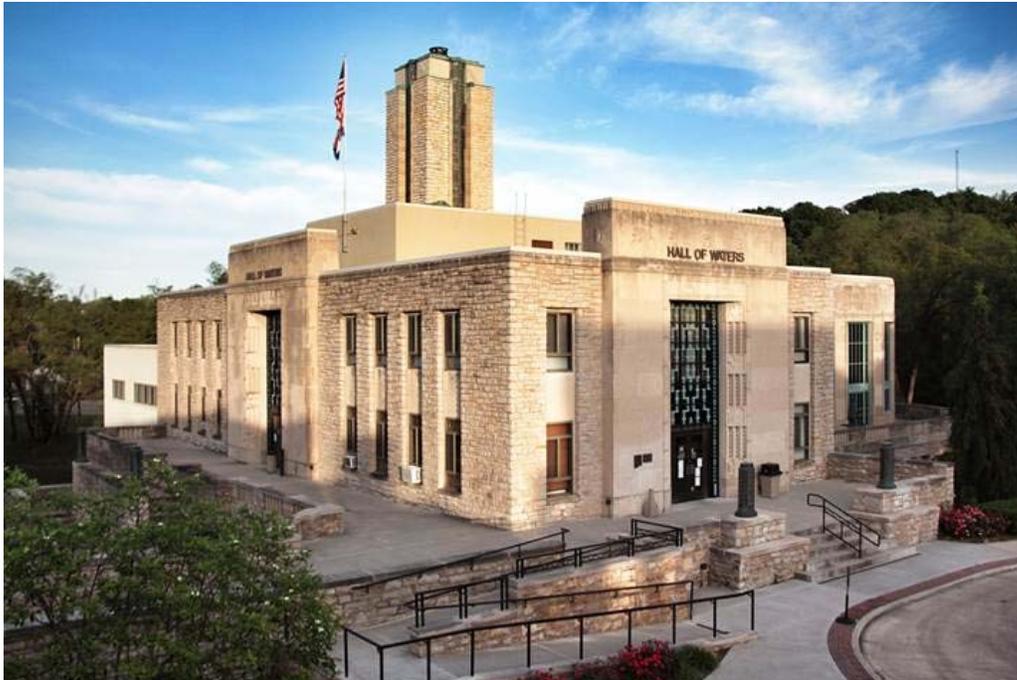


City of Excelsior Springs, Missouri



Comprehensive Annual Financial Report

For the fiscal year ended
September 30, 2015

City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report
Year Ended September 30, 2015

Prepared by:
Finance Department

Contents

Introductory Section

Table of contents	i - ii
Letter of transmittal	iii – v
Organizational chart	vi
Principal officials	vii
GFOA Certificate	viii

Financial Section

Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 15
Basic financial statements:	
Statement of net position	16 – 17
Statement of activities	18 – 19
Balance sheet – governmental funds	20 – 21
Reconciliation of total governmental fund balances to net position of governmental activities	22
Statement of revenues, expenditures and changes in fund balances – governmental funds	23 – 24
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	25
Statement of revenues, expenditures and changes in fund balances – budget and actual – General Fund	26
Statement of revenues, expenditures and changes in fund balances – budget and actual – Tax Increment Financing – Wal-Mart Fund	27
Statement of net position – enterprise funds	28 – 29
Statement of revenues, expenses and changes in fund net position – enterprise funds	30
Statement of cash flows – enterprise funds	31 – 32
Statement of assets and liabilities – agency funds	33
Notes to basic financial statements	34 – 65
Required supplementary information:	
Local Government Employees Retirement System:	
Schedule of Changes in Net Pension Liability and Related Ratios	66
Schedule of City Contributions	67 – 68
Other postemployment benefit plan	69
Supplementary information:	
Nonmajor funds:	
Combining balance sheet, governmental funds	70 – 71
Governmental funds	
Combining statement of revenues, expenditures and changes in fund balances (deficit), governmental funds	72 - 73
Combining balance sheet, special revenue funds	74 – 76
Governmental funds	
Combining statement of revenues, expenditures and changes in fund balances (deficit), special revenue funds	77 – 79

Contents (Continued)

Financial Section (Continued)

Combining schedule of revenues, expenditures and changes in fund balances – general fund sub-funds – budget to actual	80 – 81
Combining schedule of revenues, expenditures and changes in fund balances (deficit) – nonmajor special revenue funds – budget to actual	82 – 86
Combining schedule of revenues, expenditures and changes in fund balances – nonmajor debt service funds – budget to actual	87
Statement of revenues, expenditures and changes in fund balances – budget and actual – Transportation Trust Fund	88
Statement of revenues, expenditures and changes in fund balances – budget and actual – Capital Improvements Fund	89
Combining statement of net position – nonmajor enterprise funds	90
Combining statement of revenues, expenses and changes in fund net position – nonmajor enterprise funds	91
Combining statement of cash flows – nonmajor enterprise funds	92 – 93
Combining statement of assets and liabilities – agency funds	94
Statement of changes in assets and liabilities – agency funds	95

Statistical Section (Unaudited)

Statistical section contents	96
Net position by component	97
Changes in net position	98 – 99
Program revenues by function/program	100
Fund balances, governmental funds	101
Changes in fund balances, governmental funds	102
Tax revenues by source, governmental funds	103
Principal sales tax industries	104
Assessed and estimated actual value of taxable property	105
Direct and overlapping property tax rates	106
Principal property taxpayers	107
Property tax levies and collections	108
Ratios of net general bonded debt outstanding by type	109
Direct and overlapping governmental activities debt	110
Legal debt margin information	111
Pledged-revenue coverage	112
Demographic and economic statistics	113
Employment within the City limites by NAICS Code	114
Full-time equivalent city government employees by functions/programs	115
Operating indicators by function/program	116
Capital asset statistics by function/program	117
Building permits issued (new construction and substantial remodels only)	118
Top 10 water users	119
Water system historical customer information	120 – 121
Sewer system historical customer information	122



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March 14, 2016

To the Mayor, Members of the City Council and the Citizens of the City of Excelsior Springs, Missouri

State law requires that every general-purpose local government publish a complete set of audited financial statements. The Comprehensive Annual Financial Report (CAFR) of the City of Excelsior Springs, Missouri (the City), for the fiscal year ended September 30, 2015, is hereby submitted to fulfill those requirements. This report was prepared by the Finance Department in close cooperation with the external auditor, RSM US LLP.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, has issued an unmodified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Excelsior Springs was formed in 1880 and is located in eastern Clay and western Ray Counties. It currently occupies approximately sixteen square miles and serves an estimated population of 11,500. The City of Excelsior Springs is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Excelsior Springs is a city of the third-class and operates under the manager-council form of government. Policy-making and legislative authority are vested in the five-member City Council whose members are elected at large for staggered three-year terms. The Mayor and Mayor pro tem are elected by the City Council from amongst its members and serve a one-year term. The City Council appoints the City Manager who serves as the chief administrative officer of the City.

The City of Excelsior Springs provides a full range of services including police and fire protection, and emergency medical service, water, sanitation service, traffic regulation and municipal court service, construction and maintenance of city streets and bridges, and recreational activities. This report presents data for the financial reporting entity, which includes all departments, funds, boards, and commissions of the primary government (the City, as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The two component units of the City include the Facilities Authority, which is a blended component unit and the City Hospital, which is a discretely presented component unit. The financial reporting entity is discussed further in note 1 to the basic financial statements.

The Excelsior Springs R-40 School District and the Excelsior Springs Housing Authority do not meet the criteria for inclusion in the financial reporting entity and, accordingly, are not presented in this report.

The City Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Excelsior Springs financial planning and control. The budget is prepared by fund (e.g., general fund), function (e.g. public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the City Council.

Local Economy

Excelsior Springs' location provides some unique opportunities as we are located close enough to Kansas City that many of our citizens both work and shop in Kansas City metropolitan area while our businesses also draw customers and employees from areas further removed from the metropolitan area. Some of the major employers within Excelsior Springs include the Excelsior Springs School District, ConAgra (formerly American Italian Pasta), Magna Seating of America (a just-in-time supplier of auto interior parts to the Claycomo Ford plant), Excelsior Springs Job Corps Center, Waller Truck Company, and Robert Bosch Tool Corporation.

Excelsior Springs is home to a state-of-the-art manufacturing facility operated by ConAgra and to the corporate headquarters of Waller Truck Company. The Excelsior Springs School District operates two elementary schools, one middle school, and one high school within the City Limits. The district also operates the Excelsior Springs Area Career Center which offers vocational technology training to students from the surrounding area. Excelsior Springs is also home to the Crescent Lake Christian Academy. The Excelsior Springs Job Corp Center provides training in business office technology, construction-related occupations, culinary arts and health occupations to approximately 375 students.

All of these activities have given Excelsior Springs a relatively stable employment base. Clay County, which includes most of Excelsior Springs, has an unemployment rate of approximately 4.0% in September 2015, which is below the state and national average of approximately 4.5% and 4.9%, respectively. During the past ten years the Clay County unemployment rate has varied from a low of 4.0% to a high of 8.7%.

During the past ten years, the government's expenses related to public safety have increased by 15.1 percent. Much of the increase reflects a trend that has seen the salaries and benefits of police officers and firefighters growing at a faster rate than those of other categories of public-sector employees. This increase is also associated with the increased quantity and types of specialized equipment required by the public safety professions.

During the past ten years, the government's total tax revenues have increased by approximately \$3,697,900, or 48.9%. The largest single contributor in this increase was general sales and use tax which increased by approximately \$2,601,000, or 55.5 percent. Property tax revenues also increased by approximately \$539,000, or 33.5 percent, during this ten-year period. Utility franchise fees increased by approximately \$419,000, or 40.0 percent, during this ten-year period. The increase in sales and use tax revenues was driven by the addition of a one cent sales tax for Community Center construction and operation as well as a growth in underlying sales. The increase in property tax revenues was driven primarily by the growth in assessed value. The increase in utility franchise fees was driven by increases in the underlying utility amounts billed.

Long-term financial planning

The unassigned fund balance in the general fund (31.6 percent of total general fund revenues) falls within the policy guidelines set by the City Council and exceeds the minimum recommended by the Government Finance Officers Association (a fund balance in their general fund of no less than five to 15 percent of regular general fund operating revenues).

In December 2010, the City issued approximately thirty-five million dollars in certificates of participation to fund 1) refunding of the outstanding water bonds, 2) rehabilitation of the water distribution system, 3) construction of a new sewer plant, and 4) rehabilitation of the sewer collection system.

In September 2014, the City issued approximately eighteen million dollars in revenue bonds to fund the construction of a new Community Center. This bond issue is funded by a new one percent tax that passed by a large margin in April 2014.

Major Initiatives

The City is currently in the process of replacing water and sewer mains throughout town. Rehabilitation of the sewer collection system is continuing within the bounds of the remaining sewer certificate of participation funds.

The Capital Improvements Authority has agreed to fund a substantial part of extending sewer mains to three areas of town that are currently served by septic tanks. Much of the engineering work for these three projects is complete and the City has contracted for sewer main installation in the first project area. Work can begin in the other two project areas once easements are obtained.

Construction on the new Community Center is progressing nicely. This center will be approximately 50,000 square feet and will include an indoor natatorium as well as the new Senior Center, a gymnasium, an elevated walking track, exercise facilities and meeting rooms. It is anticipated that this project will be complete late in fiscal year 2016.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Excelsior Springs for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the ninth consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department and the assistance of other departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Excelsior Springs' finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Steven D. Marriott', with a long, sweeping horizontal line extending to the right.

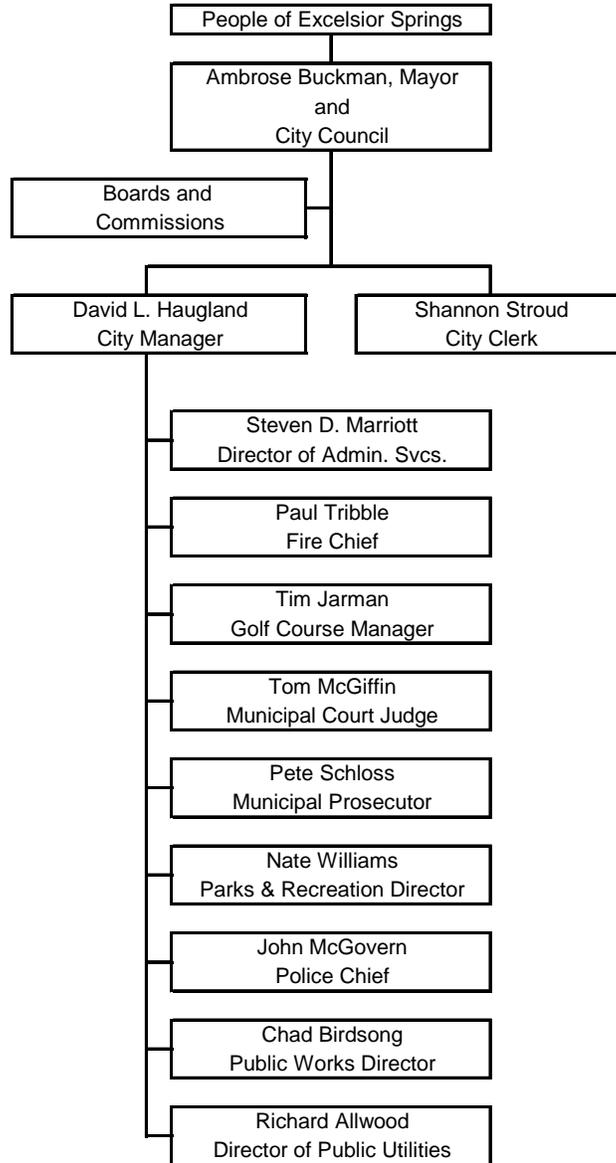
Steven D. Marriott
Director of Administrative Services

City of Excelsior Springs, Missouri

Organizational Chart

Year Ended September 30, 2015

City of Excelsior Springs, Missouri



City of Excelsior Springs, Missouri

Principal Officials September 30, 2015

Elected Officials

Mayor	Ambrose Buckman
Mayor Pro Tem	Brad Eales
Councilwoman	Sharon Powell
Councilman	Brent McElwee
Councilwoman	Sonya Morgan

Appointed Officials

City Manager	David L. Haugland
City Clerk	Shannon Stroud
Deputy City Clerk	Kathy Twichell
Director of Administrative Services	Steven D. Marriott
Fire Chief	W. Kent Cantrell
Golf Course Manager	Tim Jarmin
Municipal Court Judge	Tom McGiffin
Municipal Prosecutor	Pete Schloss
Parks and Recreation Director	Nate Williams
Police Chief	John McGovern
Public Works Director	Chad Birdsong
Director of Public Utilities	Richard Allwood



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Excelsior Springs
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO



Independent Auditor's Report

RSM US LLP

To the Honorable Mayor and
Members of the City Council
City of Excelsior Springs, Missouri
Excelsior Springs, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City Hospital, the discretely presented component unit of the City, which represents all of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Hospital, a discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 7, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which restated beginning net position of the governmental activities, business-type activities, Water Fund, Pollution Control Fund and the aggregate remaining fund information to record a net pension asset and deferred outflows of resources. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis pages 13 through 15, the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of City Contributions for the Local Government Employees Retirement System on pages 66 through 68, and schedule of funding progress for other postemployment benefit plan on page 69 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 and other auditors 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 combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the reports of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

RSM US LLP

Kansas City, Missouri
March 14, 2016

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

As management of the City of Excelsior Springs, we offer readers of the City of Excelsior Springs' financial statements this narrative overview and analysis of the financial activities of the City of Excelsior Springs for the fiscal year ended September 30, 2015.

Financial Highlights

- The assets and deferred outflows of resources of the City of Excelsior Springs (primary government only) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,700,176. Of this amount, \$7,863,583 (unrestricted balance) may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2014, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,818,093 of which \$5,585,125 was unrestricted.
- The government's total net position increased by \$2,193,889 for the fiscal year ended September 30, 2015 and decreased by \$803,482 for fiscal year ended September 30, 2014. Analysis is included in the overview of the financial statements.
- As of the close of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of \$24,742,401, a decrease of \$4,775,502. Approximately \$2,138,446 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2014 were \$29,517,903.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,138,743 or 28.8 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by \$1,647,461 (3.1 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Excelsior Springs' basic financial statements. The City of Excelsior Springs' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Excelsior Springs' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Excelsior Springs' assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Excelsior Springs is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

Both of the government-wide financial statements distinguish functions of the City of Excelsior Springs that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Excelsior Springs include general government, public safety, transportation (or OMNI), public works, health and welfare, cemetery operations, recreational activities and community betterment.

The government-wide financial statements include not only the City of Excelsior Springs itself (known as the primary government), but also the legally separate hospital for which the City of Excelsior Springs is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 16-19 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Excelsior Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Excelsior Springs can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Excelsior Springs maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Community Center Sales Tax Special Revenue Fund and Community Center Project Fund, which are considered to be major funds. Data from the other 14 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-27 of this report.

Proprietary funds. The City of Excelsior Springs maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Excelsior Springs uses enterprise funds to account for its water, sewer, golf, airport and refuse operations.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer operations, both of which are considered major funds of the City of Excelsior Springs. Conversely, airport, refuse and golf operations are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Fiduciary funds. Fiduciary funds 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 of Excelsior Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 33 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 34-65 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor funds and combining and individual fund statements and schedules can be found on pages 65-87 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Excelsior Springs, primary government assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,700,176 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net position (62.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt issued to acquire those assets that is still outstanding. The City of Excelsior Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Excelsior Springs' investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
	(as restated)	(not restated)	(as restated)	(not restated)	(as restated)	(not restated)
Current and other assets	\$ 30,568,439	\$ 32,110,915	\$ 12,546,196	\$ 16,629,475	\$ 43,114,635	\$ 48,740,390
Capital assets	21,980,897	15,427,680	36,226,677	31,497,422	58,207,574	46,925,102
Total assets	52,549,336	47,538,595	48,772,873	48,126,897	101,322,209	95,665,492
Deferred outflows of resources	844,618	-	113,706	-	958,324	-
Long-term liabilities outstanding	18,606,610	19,466,786	31,520,958	32,878,908	50,127,568	52,345,694
Other liabilities	2,588,032	1,648,795	2,903,873	2,213,317	5,491,905	3,862,112
Total liabilities	21,194,642	21,115,581	34,424,831	35,092,225	55,619,473	56,207,806
Deferred inflows of resources	1,949,713	1,771,441	11,171	-	1,960,884	1,771,441
Net position:						
Net investment in capital assets	16,967,781	13,759,689	11,011,064	10,399,991	27,978,845	24,159,680
Restricted	8,857,748	9,073,288	-	-	8,857,748	9,073,288
Unrestricted	4,424,070	1,818,596	3,439,513	3,766,529	7,863,583	5,585,125
Total net position	\$ 30,249,599	\$ 24,651,573	\$ 14,450,577	\$ 14,166,520	\$ 44,700,176	\$ 38,818,093

A portion of the City of Excelsior Springs' net position (19.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,863,583 or 17.6 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2015 and 2014, the City of Excelsior Springs is able to report positive balances in all three categories of net position for the governmental activities and business-type activities.

There was a decrease of \$3,439,757 in restricted net position reported in connection with the City of Excelsior Springs' governmental activities. This decrease was caused primarily by an increase in capital project funds on hand caused primarily by construction progress on the community center.

The government's net position increased by \$2,193,889 during the current fiscal year. The changes in net position are highlighted in the following table, which shows the City's revenue and expenses for the fiscal year. These two main components are subtracted to yield the change in net position.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

A summary of the City's changes in net position is as follows:

City of Excelsior Springs' Changes in Net Position						
	Governmental Activities 2015 (as restated)	Business-Type Activities 2015 (as restated)	2015 Total (as restated)	Governmental Activities 2014 (not restated)	Business-Type Activities 2014 (not restated)	2014 Total (not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 1,745,860	\$ 7,470,850	\$ 9,216,710	\$ 1,336,390	\$ 6,687,801	\$ 8,024,191
Operating grants and contributions	765,324	9,691	775,015	587,473	27,128	614,601
Capital grants and contributions	-	-	-	41,335	-	41,335
General revenues:						
Property taxes	2,146,128	-	2,146,128	2,032,641	-	2,032,641
Sales and use tax	7,289,398	-	7,289,398	5,658,413	-	5,658,413
Franchise tax	1,467,003	-	1,467,003	1,531,495	-	1,531,495
Cigarette tax	117,491	-	117,491	118,377	-	118,377
Railroad and utility/financial institution tax	64,086	-	64,086	54,065	-	54,065
Investment earnings	254,996	799,951	1,054,947	95,983	841,094	937,077
Miscellaneous	228,781	-	228,781	268,100	-	536,881
Gain on sale of capital assets	171,119	31,955	203,074	41,500	-	244,574
Total revenues	14,250,186	8,312,447	22,562,633	11,765,772	7,556,023	19,321,795
Expenses:						
General government	1,172,839	-	1,172,839	1,335,488	-	1,335,488
Public safety	5,401,800	-	5,401,800	5,524,073	-	5,524,073
Transportation	154,093	-	154,093	183,239	-	183,239
Public works	1,805,277	-	1,805,277	2,108,427	-	2,108,427
Health and welfare	64,079	-	64,079	64,496	-	64,496
Cemetery operations	48,667	-	48,667	37,375	-	37,375
Recreational activities	741,344	-	741,344	874,303	-	874,303
Community betterment	2,134,161	-	2,134,161	1,817,201	-	1,817,201
Interest and fiscal charges	648,826	-	648,826	353,700	-	353,700
Water	-	2,996,381	2,996,381	-	3,024,878	3,024,878
Sewer	-	3,524,472	3,524,472	-	3,258,762	3,258,762
Golf	-	871,239	871,239	-	756,811	756,811
Airport	-	40,140	40,140	-	40,434	40,434
Refuse	-	765,426	765,426	-	746,090	746,090
Total expenses	12,171,086	8,197,658	20,368,744	12,298,302	7,826,975	20,125,277
Excess before transfers	2,079,100	114,789	2,193,889	(532,530)	(270,952)	(803,482)
Transfers	294,709	(294,709)	-	197,040	(197,040)	-
Change in net position	2,373,809	(179,920)	2,193,889	(335,490)	(467,992)	(803,482)
Net position, beginning, as restated for 2015	27,875,790	14,630,497	42,506,287	24,987,063	14,634,512	39,621,575
Net position, ending	\$ 30,249,599	\$ 14,450,577	\$ 44,700,176	\$ 24,651,573	\$ 14,166,520	\$ 38,818,093

City of Excelsior Springs, Missouri

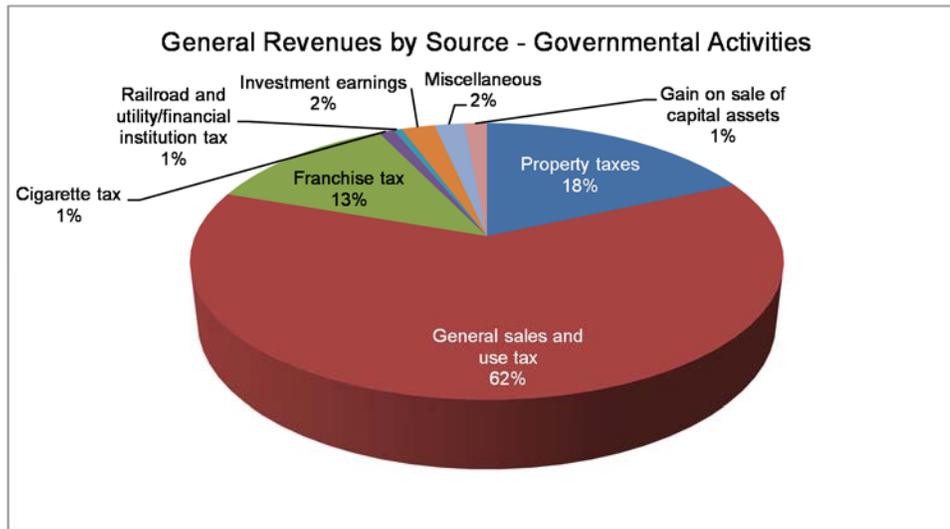
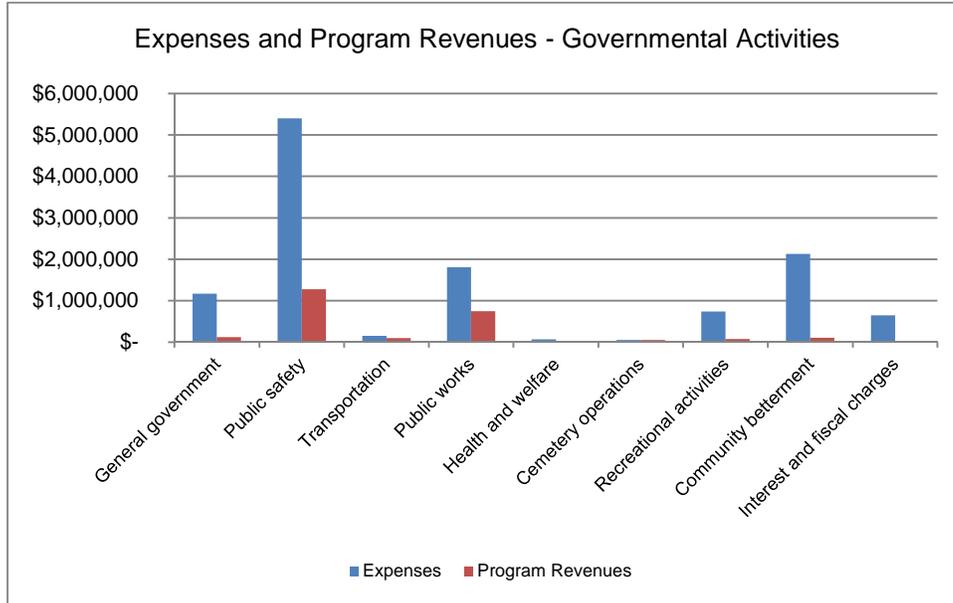
Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

Governmental activities. Governmental activities increased the City of Excelsior Springs' net position by \$2,373,809, accounting for 108.2 percent of the increase in the government's net position. Key elements of this increase are as follows:

- Charges for services increased by \$409,470 (30.6 percent) during the fiscal year. This increase was driven by an increase in ambulance billings, which was caused by the City ceasing billings in the prior year for a two-month period while evaluating billing practices.
- Operating grants and contribution revenues increased by \$177,851 (30.3 percent) during the fiscal year. This increase was caused by an increase in monies received from the special road district to be used on maintenance of roads, bridges and related equipment.
- Capital grants and contributions decreased by \$41,335 (100 percent) during the fiscal year. This decrease was caused by grant proceeds expended on a replacement bus during the prior year.
- Sales and use taxes increased by \$1,552,483 (27.1 percent) during the fiscal year. This increase was caused by a 1% Community Center Sales Tax that went into effect on October 1, 2014.
- Franchise tax revenues increased by \$14,010 (1.0 percent) during the fiscal year. This increase was driven by a \$29,018 increase in electric franchise tax, a \$4,346 increase in natural gas franchise taxes, and a \$2,355 increase in cable franchise taxes. These increases were partially offset by a \$21,709 decrease in telephone franchise taxes.
- Investment earnings increased by \$159,013 (165.7 percent) during the fiscal year. This increase was driven primarily by the investment of project monies.
- Gains on the sale of capital assets increased by \$129,619 (312.3 percent) during the fiscal year. This increase was driven by the gain on a fire apparatus that was disposed of during the year.
- General Government expenses decreased by \$162,649 (12.2 percent) during the fiscal year. This change was caused by the fact that pension and OPEB related expenses were charged to general government expenses last year but allocated this year.
- Public safety expenses decreased by \$122,273 (2.2 percent) during the fiscal year. The largest factors in this decrease were a \$68,084 decrease in personnel expenses, a \$44,230 decrease in contractual expense related to the operation of traffic cameras, and a \$39,176 decrease in prisoner housing expense.
- Public works expenses decreased by \$303,150 (14.4 percent) during the fiscal year. This decrease is primarily related to the fact that this year's expenses do not include an overlay project as management decided to concentrate efforts on the Farris Street Project.
- Recreational expenses decreased by \$132,969 (15.2 percent) during the fiscal year. This decrease is primarily related to project expenses funded from the Capital Improvements Fund during the prior fiscal year.
- Community betterment expenses increased by \$316,960 (17.4 percent) during the fiscal year. This increase is attributable primarily to increased surplus distributions related to Tax Increment Financing (TIF) projects.
- Interest and fiscal charges increased by \$295,126 (83.4 percent) during the fiscal year. This increase was caused by interest related to the Community Center bonds which were issued in September 2014.

City of Excelsior Springs, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2015**

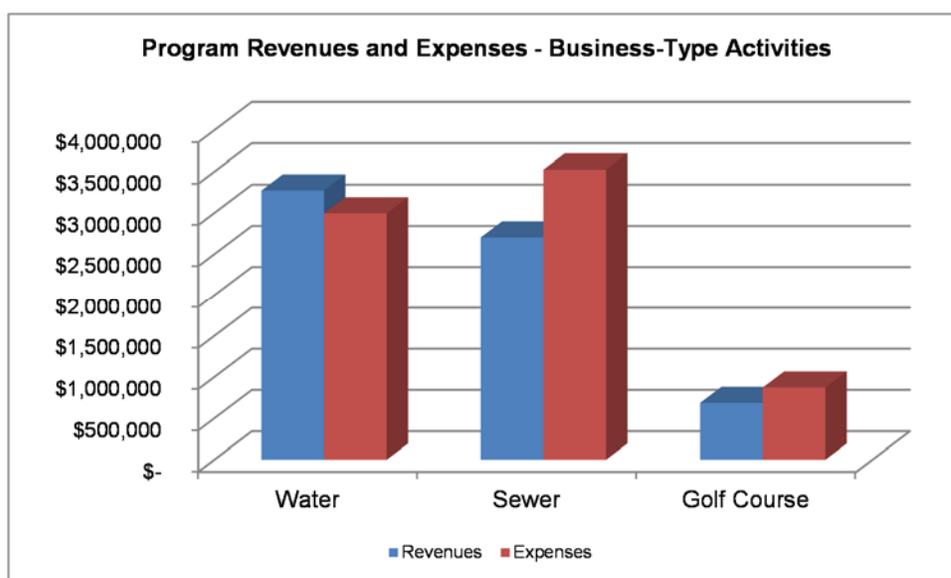


City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

Business-type activities. Business-type activities decreased the City of Excelsior Springs' net position by \$179,920, accounting for 8.2 percent of the decrease in the government's net position. Key elements of this decrease are as follows:

- Charges for services for business-type activities increased by \$783,049 (11.7 percent). This increase was driven by a \$503,422 (22.9 percent) increase in sewer revenues, a \$152,951 (4.9 percent) increase in water revenues, and a \$27,700 (3.6 percent) increase in refuse revenues. These increases were caused by rate increases partially offset by reduced consumption.
- Interest income for business-type activities decreased by \$41,143 (4.9 percent), primarily due to reduced Build America Bond (BAB) subsidies received from the Internal Revenue Service (IRS) to reduce the interest rates on taxable bonds to a rate similar to tax exempt bonds.



Financial Analysis of the Government's Funds

As noted earlier, the City of Excelsior Springs uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Excelsior Springs' governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Excelsior Springs' financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of \$24,742,401, a decrease of \$4,775,502 in comparison with the prior year. Approximately \$2,138,446 is unassigned.

The General Fund is the chief operating fund of the City of Excelsior Springs. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,138,743. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 28.8 percent of General Fund expenditures, while the total fund balance represents 49.9 percent of that same amount.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

The fund balance of the City of Excelsior Springs' General Fund increased by \$667,367 during the current fiscal year. Key factors in this increase are as follows:

- Total revenues increased by \$555,408 (8.5 percent). This increase was caused primarily by an \$117,932 (2.7 percent) increase in tax revenues, a \$430,883 (60.9 percent) increase in charge for services revenues, and a \$60,840 (16.9 percent) decrease in fines and forfeitures.
- Total expenditures decreased by \$105,394 (1.4 percent). This decrease was caused by a \$53,774 (4.9 percent) increase in general government expenditures, a \$39,801 (4 percent) decrease in public works expenditures, a \$107,268 (2.2 percent) decrease in public safety expenditures, a \$29,540 (6.6 percent) decrease in community betterment expenditures and a \$17,441 (37.8 percent) increase in capital outlay expenditures.
 - ✓ The increase in general government expenditures was driven primarily by an increase in economic development related expenditures.
 - ✓ The decrease in public works expenditures was driven by decreases in salary and benefit expenditures caused by vacancies experienced during the year.
 - ✓ The decrease in public safety expenditures was driven primarily by decreases in salary and benefit expenditures and reduced prisoner housing expenditures.
 - ✓ The decrease in community betterment expenditures was driven by a decrease in salary and benefit expenditures driven by a vacancy in the Planning and Zoning Department for most of the fiscal year.
 - ✓ The increase in capital outlay expenditures was due to the purchase of two trucks during the current fiscal year partially offset by the purchase of a bus during the prior fiscal year.
- Other financing sources decreased by \$21,904 (1.9 percent). This increase was driven by a decrease in transfers in.
- Other financing uses decreased by \$195,303 (57.8 percent). This decrease was caused by reduced transfers to the debt service fund as the Facilities Authority Bonds were called from reserves that were already in that fund.

The Community Center Sales Tax Fund is a new fund this year. Funding sources for the Community Center Sales Tax Fund include sales and use taxes that will be used to repay debt for and support operations of the Community Center. This sales and use tax went into effect on October 1, 2014.

- Fund revenues consisted of \$1,415,849 in sales and use tax revenues and \$711 in interest revenues.
- Fund expenditures from this fund have included \$812,536 in transfers to the debt service fund and \$376 in banking fees.

The Community Center Project Fund has a total fund balance of \$12,069,312, as compared to \$17,325,657 at the end of the prior fiscal year.

- Fund revenues this year consisted of \$84,720 in investment gains.
- Fund expenditures from this fund have included \$5,341,065 in capital outlay expenditures related to construction of the Community Center.

It is expected that the construction of the Community Center will be completed during fiscal year 2016 and this fund will be closed out when the project is complete.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

Proprietary Funds. The City of Excelsior Springs' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund and the Pollution Control (Sewer) Fund at the end of the current fiscal year amounted to \$3,972,556 and \$(473,889), respectively. The change in net position for these funds was \$424,778 and (\$535,621), respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Excelsior Springs' business-type activities.

General Fund Budgetary Highlights

General Fund Revenue: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2015 revenue budget was \$7,416,330 including transfers of \$1,089,580. The amended 2015 revenue budget was \$7,476,317 including transfers and proceeds from sale of capital assets of \$1,053,090. Actual revenue, including transfers and proceeds from sale of capital assets was \$7,748,940 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 58.6 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original and amended budget by approximately 3.0 and 0.25 percent, respectively. Some elements of this difference include the following:

- Property tax collections increased by 6.9 percent from fiscal year 2014 and exceeded the original budget and revised budget by 6.6 and 2.5 percent, respectively.
- Sales and use tax collections increased by 1.3 percent from fiscal year 2014 and exceeded the original budget by 7.6 percent but fell short of the revised budget by 1.1 percent. The increase in sales tax revenue was caused primarily by an increase in Wal-Mart TIF surplus distributions.
- Cigarette taxes decreased by 0.7 percent from fiscal year 2014 and fell short of the original budget by 2.5 percent but exceeded the amended budget by 1.6 percent.
- Total franchise fees increased by 1.0 percent from fiscal year 2014 but fell short of the original budget and revised budget by 4.9 percent and 0.1 percent, respectively. Telephone franchise fees decreased by \$21,710 (7.4 percent) from fiscal year 2014. Electric franchise fees increased by \$29,018 (3.5 percent) from fiscal year 2014 primarily due to rate increases. Gas franchise fees increased by \$4,346 (1.8 percent) from fiscal year 2014. Cable franchise fees increased by \$2,355 (3.0 percent) from fiscal year 2014.
- Licenses and permit revenues fell short of the original budget and amended budget by 1.0 percent and 1.1 percent, respectively, but increased by 20.6 percent from fiscal year 2014.
- Charges for services exceeded the original and amended budget by 48.1 and 58.4 percent, respectively, and increased by 136 percent from fiscal year 2014. This increase was driven by an increase in ambulance billings as the City ceased billings for a two-month period during fiscal year 2014 while evaluating billing practices and moved to a contract billing provider during fiscal year 2015.
- Fines and forfeitures exceeded the original budget by 19.4 percent but fell short of the amended budget by 2.4 percent, and decreased by 16.9 percent from fiscal year 2014. This decrease was driven by the court decision which ruled that red-light tickets were unconstitutional.
- Investment earnings exceeded the original budget and the amended budget by 12.0 percent and 16.0 percent, respectively, and increased by 17.5 percent from fiscal year 2014.
- Other revenues exceeded the original and amended budget by 38.0 percent and 12.8 percent, respectively, but declined by 2.8 percent from fiscal year 2014.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

General Fund Expenditures: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2015 expenditure budget was \$7,414,678 including transfers of \$149,099. The amended 2015 expenditure budget was \$7,440,007 including transfers of \$189,739. Actual expenditures, including transfers, were \$7,075,579, a decline of 3.8 percent from fiscal year 2014. Salary and benefit expenditures decreased by \$114,855, or 2.1 percent, from fiscal year 2014 due to various vacancies throughout the year. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 0.9 percent but increased by 5.1 percent from fiscal year 2014. Some elements of this difference are:
 - ✓ City manager and City council expenditures exceeded the original budget by 10.2 percent and increased by 5.9 percent from fiscal year 2014. The largest factors in this increase were \$18,000 expended for economic development and \$15,250 expended updating the City's code book.
 - ✓ Finance department expenditures fell short of the original budget by 9.3 percent but increased by 0.5 percent from fiscal year 2014. This increase was driven by \$4,750 in actuarial expense related to the City's OPEB plan which was partially offset by a reduction in personnel expenditures as the department had one position open for part of the year.
 - ✓ Human Resources expenditures fell short of the original budget by 7.4 percent but increased by 7.6 percent over fiscal year 2014. This increase was driven by an increase in personnel expenditures.
 - ✓ Building operations expenditures exceeded the original budget by 3.1 percent and decreased by 15.0 percent from fiscal year 2014. This increase was caused primarily by an increase in insurance and maintenance expenditures.
- Public works expenditures fell short of the original budget and amended budget by 8.2 percent and 7.5 percent, respectively, and decreased by 3.4 percent from fiscal year 2014. This decrease was driven by a 3.0 percent decrease in personnel expenditures, a 31.5 percent decrease in salt and sand expenditures, and an 8.6 percent decrease in fuel expenditures. These decreases were partially offset by a 17.3 percent increase in electricity and street light expenditures caused by a rate increase.
- Public safety expenditures fell short of the original and amended budget by 1.4 and 2.9 percent, respectively, and decreased by 2.2 percent from fiscal year 2014. Some elements of this difference are:
 - ✓ Police department expenditures fell short of the original and amended budget by 0.4 and 1.1 percent, respectively, and decreased by 2.3 percent from fiscal year 2014. This decrease was caused by a 3.9 percent reduction in personnel expenditures, a 36.7 percent reduction in fuel expenditures, and the elimination of payments to the subcontractor that operated the City's traffic enforcement cameras. These decreases were partially offset by a 30.0 percent increase in maintenance expenditures.
 - ✓ Municipal court expenditures fell short of the original budget and the amended budget by 17.5 percent and 19.2 percent, respectively, and increased by 25.2 percent from fiscal year 2014. This decrease was caused by a 68.9 percent decrease in prisoner housing expenditures.
 - ✓ Fire department expenditures fell short of the original and amended budgets by 2.6 percent and 4.1 percent, respectively, and decreased by 0.1 percent from fiscal year 2014. This decrease was caused by several immaterial items.
- Community betterment expenditures decreased by 6.6 percent from fiscal year 2014 and fell short of the original budget and the amended budget by 20.8 percent and 13.7 percent, respectively. The decrease in community betterment expenditures was caused by primarily by a reduction in fuel expenditures and the fact that one position in the Planning and Zoning Department was held open for much of the year.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

Capital outlay expenditures increased by 37.8 percent from fiscal year 2014 and fell short of the original budget and the amended budget by 53 percent and 2.1 percent, respectively. The increase in capital outlay expenditures was driven by the purchase of two pickup trucks in the current fiscal year versus the purchase of one bus in the prior fiscal year.

Capital Asset and Debt Administration

Capital assets. The City of Excelsior Springs' investment in capital assets for its governmental and business-type activities as of the end of the current fiscal year amounts to \$58,207,574 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and infrastructure assets. The total increase in the City of Excelsior Springs' investment in capital assets for the current fiscal year was 24 percent (business-type capital assets increased by 15 percent while governmental capital assets increased by 42.5 percent).

Additional information on the City of Excelsior Springs' capital assets can be found in Note 4 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,614,419	\$ 1,613,619	\$ 1,136,537	\$ 1,136,537	\$ 2,750,956	\$ 2,750,156
Land improvements	-	-	117,664	125,765	117,664	125,765
Construction-in-progress	6,165,019	890,898	5,843,965	1,867,183	12,008,984	2,758,081
Buildings and improvements	2,216,070	2,276,463	1,448,812	1,695,053	3,664,882	3,971,516
Operating equipment	1,736,926	909,591	(149,930)	(125,640)	1,586,996	783,951
Furniture and office equipment	(17,356)	7,319	46,274	22,499	28,918	29,818
Vehicles	916,342	1,012,301	302,745	356,628	1,219,087	1,368,929
Infrastructure	9,349,477	8,717,489	27,480,610	26,419,397	36,830,087	35,136,886
	\$ 21,980,897	\$ 15,427,680	\$ 36,226,677	\$ 31,497,422	\$ 58,207,574	\$ 46,925,102

Long-term debt. At the end of the current fiscal year, the City of Excelsior Springs had total capital leases, bonded debt and certificates of participation of \$49,833, \$18,000,000, and \$32,795,000, respectively, for a total of \$50,844,833. Of this amount, \$18,000,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The remainder of the City of Excelsior Springs' debt represents capital lease agreements and certificates of participation.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Lease-purchase agreement	\$ -	\$ -	\$ 49,833	\$ 105,081	\$ 49,833	\$ 105,081
Revenue bonds	18,000,000	18,475,000	-	-	18,000,000	18,475,000
Certificates of participation	-	-	32,795,000	33,930,000	32,795,000	33,930,000
	\$ 18,000,000	\$ 18,475,000	\$ 32,844,833	\$ 34,035,081	\$ 50,844,833	\$ 52,510,081

The City of Excelsior Springs' total debt decreased by \$1,665,248 (3.2 percent) during the current fiscal year. This decrease resulted from scheduled principal payments.

The City of Excelsior Springs maintains an "A+" rating from Standard and Poor's for general obligation debt.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2015

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the City of Excelsior Springs is \$29.434 million. As the City of Excelsior Springs has no outstanding general obligation debt, this entire amount is available for issuance with voter approval.

Additional information on the City of Excelsior Springs' long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clay County, which includes the City of Excelsior Springs, is currently 4.0 percent, which is 2.3 percent lower than it was one year ago. This is below the state's average unemployment rate of 4.5 percent and the national average of 4.9 percent.
- Inflationary trends in the region compare favorably to national indices.
- Residential real estate values and related assessed values have experienced a slight decline over the past few years, although the decline in this area is not as substantial as the declines seen in other parts of the nation. Commercial real estate values and related assessed values have grown slightly during the past year. Overall assessed values grew by 1.98 percent for fiscal year 2015.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2016 fiscal year:

- During the fiscal year, the unassigned fund balance of the General Fund decreased to \$2,138,743.
- Water and sewer rate increases of 3 percent were included in the 2016 budget in accordance with an internal rate study that was performed during 2014.
- Various construction projects were included in the 2016 budget, including:
 - ✓ Construction of a new community center at a total estimated cost of \$18 million. Construction on this project began in March 2015 and it is anticipated that the center will open in late 2016.
 - ✓ Water line replacements to increase flows to parts of town.
 - ✓ Sanitary sewer system improvements and sanitary sewer infiltration and inflow repairs.
 - ✓ Sanitary sewer extensions to some areas that currently do not have sewers.
 - ✓ Realignment of Farris Street to allow for better traffic flows.

Requests for Information

This financial report is designed to provide a general overview of the City of Excelsior Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administrative Services, City of Excelsior Springs, 201 East Broadway, Excelsior Springs, Missouri 64024.

City of Excelsior Springs, Missouri

Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Assets				
Current assets:				
Cash and cash equivalents	\$ 8,428,007	\$ 1,049,543	\$ 9,477,550	\$ 5,512,575
Investments	-	1,235,000	1,235,000	-
Receivables, net of allowance for uncollectibles of \$213,476:				
Property taxes	1,869,283	-	1,869,283	-
Franchise taxes	154,187	-	154,187	-
Utility accounts	-	897,734	897,734	-
Other	314,990	-	314,990	462,663
Internal balances	977,097	(977,097)	-	-
Patient accounts, net of allowance	-	-	-	3,117,758
Estimated amounts due from third-party payers	-	-	-	446,000
Due from other governmental units	735,028	-	735,028	-
Inventory	-	5,861	5,861	-
Prepaid items	231,168	3,321	234,489	253,575
Assets held for sale	23,000	-	23,000	-
Supplies	-	-	-	427,478
Total current assets	12,732,760	2,214,362	14,947,122	10,220,049
Noncurrent assets:				
Nondepreciable:				
Land	1,614,419	1,136,537	2,750,956	-
Construction-in-progress	6,165,019	5,843,965	12,008,984	260,869
Depreciable:				
Land improvements	39,831	856,829	896,660	1,344,997
Buildings and improvements	6,302,630	5,402,058	11,704,688	16,053,197
Operating equipment	3,637,854	1,191,261	4,829,115	6,770,783
Furniture and office equipment	192,364	161,330	353,694	8,237,215
Vehicles	2,281,874	1,015,885	3,297,759	-
Infrastructure	48,547,939	41,064,597	89,612,536	-
Less accumulated depreciation	(46,801,033)	(20,445,785)	(67,246,818)	(21,067,901)
Total capital assets	21,980,897	36,226,677	58,207,574	11,599,160
Investments	996,094	2,140,654	3,136,748	-
Restricted cash and cash equivalents	6,246,035	7,937,466	14,183,501	937,531
Restricted investments	8,384,096	-	8,384,096	-
Cash and deposits held under bond indenture, due from primary government agency fund	-	-	-	1,193,729
Other	-	-	-	100,696
Net pension asset	2,209,454	253,714	2,463,168	-
Total noncurrent assets	39,816,576	46,558,511	86,375,087	13,831,116
Total assets	52,549,336	48,772,873	101,322,209	24,051,165
Deferred Outflows of Resources				
Pension related amounts	\$ 844,618	\$ 113,706	\$ 958,324	\$ -

See Notes to Basic Financial Statements.

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,752,902	\$ 801,181	\$ 2,554,083	\$ 1,537,274
Unearned revenue	-	105,806	105,806	-
Customer deposits	-	441,528	441,528	-
Accrued interest	57,921	189,765	247,686	34,422
Current portion of long-term obligations:				
Compensated absences	577,209	120,760	697,969	512,518
Lease purchase agreement	-	49,833	49,833	32,964
Note payable	-	-	-	78,186
Revenue bonds payable	200,000	-	200,000	317,477
Certificates of participation	-	1,195,000	1,195,000	-
Total current liabilities	2,588,032	2,903,873	5,491,905	2,512,841
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Other postemployment benefits obligation	200,760	54,240	255,000	-
Lease purchase agreement	-	-	-	81,194
Note payable	-	-	-	102,227
Revenue bonds payable	18,405,850	-	18,405,850	10,146,142
Certificates of participation, net	-	31,466,718	31,466,718	-
Total noncurrent liabilities	18,606,610	31,520,958	50,127,568	10,329,563
Total liabilities	21,194,642	34,424,831	55,619,473	12,842,404
Deferred inflows of resources				
Property taxes	1,842,440	-	1,842,440	-
Pension related amounts	107,273	11,171	118,444	-
Total deferred inflows of resources	1,949,713	11,171	1,960,884	-
Net position				
Net investment in capital assets	16,967,781	11,011,064	27,978,845	840,970
Restricted for:				
Debt service	657,057	-	657,057	769,224
Parks and recreation	381,020	-	381,020	-
Capital projects	4,909,841	-	4,909,841	390,083
Planning and development	1,926,995	-	1,926,995	-
Public safety	982,835	-	982,835	-
Other	-	-	-	238,220
Unrestricted	4,424,070	3,439,513	7,863,583	8,970,264
Total net position	\$ 30,249,599	\$ 14,450,577	\$ 44,700,176	\$ 11,208,761

City of Excelsior Springs, Missouri

Statement of Activities
Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (1,172,839)	\$ 123,734	\$ -	\$ -
Public safety	(5,401,800)	1,112,252	170,491	-
Transportation	(154,093)	36,281	62,949	-
Public works	(1,805,277)	286,285	461,984	-
Health and welfare	(64,079)	-	20,726	-
Cemetery operations	(48,667)	54,188	-	-
Recreational activities	(741,344)	76,786	-	-
Community betterment	(2,134,161)	56,334	49,174	-
Interest and fiscal charges	(648,826)	-	-	-
Total governmental activities	(12,171,086)	1,745,860	765,324	-
Business-type activities:				
Water	(2,996,381)	3,272,647	-	-
Pollution control	(3,524,472)	2,704,128	-	-
Golf	(871,239)	675,080	9,691	-
Airport	(40,140)	25,631	-	-
Refuse	(765,426)	793,364	-	-
Total business-type activities	(8,197,658)	7,470,850	9,691	-
Total primary government	\$ (20,368,744)	\$ 9,216,710	\$ 775,015	\$ -
Component unit - hospital	\$ (26,189,181)	\$ 25,510,625	\$ 203,205	\$ 2,000

General Revenues

Taxes:

Property taxes, levied for general purposes

Sales and use tax

Franchise tax

Cigarette tax

Railroad and utility/financial institution tax

Investment earnings

Miscellaneous

Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Changes in net position

Net position, beginning, as restated

Net position, ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Hospital	
\$ (1,049,105)	\$ -	\$ (1,049,105)	\$ -	-
(4,119,057)	-	(4,119,057)	-	-
(54,863)	-	(54,863)	-	-
(1,057,008)	-	(1,057,008)	-	-
(43,353)	-	(43,353)	-	-
5,521	-	5,521	-	-
(664,558)	-	(664,558)	-	-
(2,028,653)	-	(2,028,653)	-	-
(648,826)	-	(648,826)	-	-
(9,659,902)	-	(9,659,902)	-	-
-	276,266	276,266	-	-
-	(820,344)	(820,344)	-	-
-	(186,468)	(186,468)	-	-
-	(14,509)	(14,509)	-	-
-	27,938	27,938	-	-
-	(717,117)	(717,117)	-	-
(9,659,902)	(717,117)	(10,377,019)	-	-
-	-	-	(473,351)	-
2,146,128	-	2,146,128	297,606	-
7,289,398	-	7,289,398	-	-
1,467,003	-	1,467,003	-	-
117,491	-	117,491	-	-
64,086	-	64,086	-	-
254,996	799,951	1,054,947	-	-
228,781	-	228,781	34,623	-
171,119	31,955	203,074	-	-
294,709	(294,709)	-	-	-
12,033,711	537,197	12,570,908	332,229	-
2,373,809	(179,920)	2,193,889	(141,122)	-
27,875,790	14,630,497	42,506,287	11,349,883	-
\$ 30,249,599	\$ 14,450,577	\$ 44,700,176	\$ 11,208,761	-

City of Excelsior Springs, Missouri

**Balance Sheet
Governmental Funds
September 30, 2015**

Assets	General	Community Center Sales Tax
Cash and cash equivalents	\$ 1,078,811	480,333
Receivables, net of allowance for uncollectibles of \$188,711:		
Property taxes	924,527	-
Franchise taxes	147,058	-
Other	312,090	-
Due from other governments	237,580	123,315
Prepaid items	231,168	-
Assets held for sale	-	-
Advances to other funds	977,394	-
Investments	499,967	-
Restricted cash and cash equivalents	117,964	-
Restricted investments	250,000	-
Total assets	\$ 4,776,559	\$ 603,648
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable and accrued expenditures	\$ 140,349	\$ -
Advances from other funds	-	-
Total liabilities	140,349	-
Deferred inflows of resources, unavailable revenue - property taxes	920,941	-
Fund balance:		
Nonspendable	1,208,562	-
Restricted	367,964	603,648
Unassigned	2,138,743	-
Total fund balance	3,715,269	603,648
Total liabilities, deferred inflows of resources and fund balance	\$ 4,776,559	\$ 603,648

See Notes to Basic Financial Statements.

Community Center Project	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,868,863	\$ 8,428,007
-	944,756	1,869,283
-	7,129	154,187
-	2,900	314,990
-	374,133	735,028
-	-	231,168
-	23,000	23,000
-	-	977,394
-	496,127	996,094
5,630,985	497,086	6,246,035
7,961,749	172,347	8,384,096
<u>\$ 13,592,734</u>	<u>\$ 9,386,341</u>	<u>\$ 28,359,282</u>
\$ 1,523,422	\$ 89,131	\$ 1,752,902
-	297	297
<u>1,523,422</u>	<u>89,428</u>	<u>1,753,199</u>
-	942,741	1,863,682
-	212,909	1,421,471
12,069,312	8,141,560	21,182,484
-	(297)	2,138,446
<u>12,069,312</u>	<u>8,354,172</u>	<u>24,742,401</u>
<u>\$ 13,592,734</u>	<u>\$ 9,386,341</u>	<u>\$ 28,359,282</u>

City of Excelsior Springs, Missouri

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
September 30, 2015**

Total governmental fund balances	\$	24,742,401
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds		21,980,897
LAGERS net pension asset is not a financial resource and therefore is not reported in the governmental funds		2,209,454
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of the following:		
Accrued compensated absences	\$	(577,209)
Accrued interest on long-term debt		(57,921)
Other postemployment benefits obligation		(200,760)
Net premium on bond issuance		(605,850)
Bonds payable		(18,000,000)
		<u>(19,441,740)</u>
Pension related deferred outflows and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - pension related amounts		844,618
Deferred inflows of resources - pension related amounts		(107,273)
		<u>737,345</u>
Some of the City's revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds		21,242
Net position of governmental activities	\$	<u>30,249,599</u>

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended September 30, 2015**

	General	Community Center Sales Tax
Revenues:		
Taxes	\$ 4,537,379	\$ 1,415,849
Licenses, permits and fees	178,020	-
Intergovernmental	534,607	-
Charges for services	1,138,847	-
Fines and forfeitures	300,277	-
Investment earnings	122,701	711
Miscellaneous	286,765	-
Total revenues	7,098,596	1,416,560
Expenditures:		
Current:		
General government:		
Administration	59,094	376
City manager/council	452,302	-
Finance administration	442,280	-
Human resources	71,256	-
Building operations	116,031	-
Public works, street operations	954,679	-
Public safety:		
Police department	2,687,302	-
Municipal courts	124,169	-
Fire department	2,048,580	-
Cemetery operations	-	-
Recreational activities, parks and recreation	-	-
Community betterment:		
Transportation activities	136,801	-
Community development	279,523	-
Senior center	-	-
Capital outlay	63,608	-
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	7,435,625	376
Excess (deficiency) of revenues over expenditures	(337,029)	1,416,184
Other financing sources (uses):		
Proceeds from sale of capital assets	8,795	-
Transfers in	1,138,225	-
Transfers out	(142,624)	(812,536)
Total other financing sources (uses)	1,004,396	(812,536)
Net change in fund balance	667,367	603,648
Fund balances, beginning	3,047,902	-
Fund balances, ending	\$ 3,715,269	\$ 603,648

See Notes to Basic Financial Statements.

Community Center Project	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 5,130,868	\$ 11,084,096
-	-	178,020
-	230,717	765,324
-	128,716	1,267,563
-	-	300,277
84,720	46,864	254,996
-	14,559	301,324
84,720	5,551,724	14,151,600
-	3,248	62,718
-	-	452,302
-	-	442,280
-	-	71,256
-	41,163	157,194
-	272,650	1,227,329
-	157,860	2,845,162
-	-	124,169
-	70,063	2,118,643
-	48,667	48,667
-	626,965	626,965
-	-	136,801
-	1,848,457	2,127,980
-	66,034	66,034
5,341,065	2,338,849	7,743,522
-	475,000	475,000
-	675,791	675,791
-	1,413	1,413
5,341,065	6,626,160	19,403,226
(5,256,345)	(1,074,436)	(5,251,626)
-	172,620	181,415
-	858,993	1,997,218
-	(747,349)	(1,702,509)
-	284,264	476,124
(5,256,345)	(790,172)	(4,775,502)
17,325,657	9,144,344	29,517,903
\$ 12,069,312	\$ 8,354,172	\$ 24,742,401

City of Excelsior Springs, Missouri

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2015**

Total net change in fund balances - governmental funds	\$ (4,775,502)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period:</p>	
Depreciation	(1,245,174)
Capital outlays	7,808,687
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net position:</p>	
Proceeds from sale of capital assets	(181,415)
Gain on sale of capital assets	171,119
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(72,533)
<p>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 the governmental funds:</p>	
Change in compensated absences	(11,733)
Change in other postemployment benefits obligation	(27,121)
Pension related amounts, pension expense	204,103
<p>The issuance of long-term debt (e.g., bonds, loans, leases) provides current 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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:</p>	
Repayment of principal of long-term debt	475,000
Interest	2,602
Amortization of bond premium	25,776
Change in net position of governmental activities	<u><u>\$ 2,373,809</u></u>

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended September 30, 2015

	General Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 4,406,000	\$ 4,526,129	\$ 4,537,379	\$ 11,250
Licenses, permits and fees	179,750	179,928	178,020	(1,908)
Intergovernmental	630,500	549,321	534,607	(14,714)
Charges for services	575,500	538,161	852,562	314,401
Fines and forfeitures	251,500	307,500	300,277	(7,223)
Special assessment fees	-	3,515	-	(3,515)
Investment earnings	109,500	105,750	122,688	16,938
Other	174,000	212,923	240,089	27,166
Total revenues	6,326,750	6,423,227	6,765,622	342,395
Expenditures:				
Current:				
General government	1,100,398	1,130,701	1,090,655	40,046
Public works	574,319	569,987	527,060	42,927
Public safety	4,929,906	5,006,125	4,860,051	146,074
Community betterment	525,756	478,455	416,324	62,131
Capital outlay	135,200	65,000	63,608	1,392
Total expenditures	7,265,579	7,250,268	6,957,698	292,570
Excess (deficiency) of revenues over expenditures	(938,829)	(827,041)	(192,076)	634,965
Other financing sources (uses):				
Proceeds from sale of capital assets	-	5,395	8,795	3,400
Transfers in	1,089,580	1,047,695	974,523	(73,172)
Transfers out	(149,099)	(189,739)	(117,881)	71,858
Total other financing sources	940,481	863,351	865,437	2,086
Net change in fund balance	\$ 1,652	\$ 36,310	673,361	\$ 637,051
Reconciliation to GAAP Basis:				
Activities reported within the Construction Services Fund, Neighborhood Improvement District Fund and Elms Hotel Event Fees Fund (sub-funds of the General Fund):				
Total revenue			332,974	
Total expenditures			(477,927)	
Total other financing sources			138,959	
Total reconciling items			(5,994)	
Net change in fund balance			667,367	
Fund balances, beginning			3,047,902	
Fund balances, ending			\$ 3,715,269	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Community Center Sales Tax Fund
 Year Ended September 30, 2015

	Community Center Sales Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	\$ 1,445,000	\$ 1,415,849	29,151
Investment earnings	600	711	(111)
Total revenues	<u>1,445,600</u>	<u>1,416,560</u>	<u>29,040</u>
Expenditures, general government	-	376	(376)
Excess of revenues over expenditures	<u>1,445,600</u>	<u>1,416,184</u>	<u>29,416</u>
Other financing sources (uses),			
Transfers out	(825,000)	(812,536)	(12,464)
Net change in fund balance	<u>\$ 620,600</u>	<u>603,648</u>	<u>\$ 16,952</u>
Fund balances, beginning		-	
Fund balances, ending		<u>\$ 603,648</u>	

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

**Statement of Net Position
Enterprise Funds
September 30, 2015**

Assets	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Current assets:				
Cash and cash equivalents	\$ 902,183	\$ -	\$ 147,360	\$ 1,049,543
Investments	1,235,000	-	-	1,235,000
Accounts receivable, utility accounts net of allowance for uncollectibles of \$24,765	382,264	417,786	97,684	897,734
Inventory	-	-	5,861	5,861
Prepays	3,321	-	-	3,321
Total current assets	2,522,768	417,786	250,905	3,191,459
Noncurrent assets:				
Investments	1,990,654	-	150,000	2,140,654
Restricted cash	4,603,071	3,334,395	-	7,937,466
Net pension asset	117,765	82,529	53,420	253,714
Capital assets:				
Land	131,849	799,000	205,688	1,136,537
Construction-in-progress	4,994,983	393,974	455,008	5,843,965
Land improvements	22,569	-	834,260	856,829
Buildings and improvements	4,920,461	138,702	342,895	5,402,058
Operating equipment	254,831	252,612	683,818	1,191,261
Furniture and office equipment	50,393	77,437	33,500	161,330
Vehicles	450,618	565,267	-	1,015,885
Infrastructure	13,901,222	27,163,375	-	41,064,597
Total capital assets	24,726,926	29,390,367	2,555,169	56,672,462
Less accumulated depreciation	9,243,637	9,503,281	1,698,867	20,445,785
Net capital assets	15,483,289	19,887,086	856,302	36,226,677
Total noncurrent assets	22,194,779	23,304,010	1,059,722	46,558,511
Total assets	24,717,547	23,721,796	1,310,627	49,749,970
Deferred Outflows of Resources				
Pension related amounts	\$ 52,778	\$ 36,987	\$ 23,941	\$ 113,706

See Notes to Basic Financial Statements.

Liabilities	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Current liabilities:				
Accounts payable and accrued expenses	\$ 548,747	\$ 70,342	\$ 182,092	\$ 801,181
Unearned revenue	-	-	105,806	105,806
Compensated absences	56,067	17,893	46,800	120,760
Customer deposits and bonds, restricted	441,528	-	-	441,528
Accrued interest	77,293	112,233	239	189,765
Current portion of:				
Lease purchase agreement	-	-	49,833	49,833
Certificates of participation	580,000	615,000	-	1,195,000
Total current liabilities	1,703,635	815,468	384,770	2,903,873
Noncurrent liabilities:				
Advances from other funds	-	790,666	186,431	977,097
Other postemployment benefits obligation	24,117	16,423	13,700	54,240
Certificates of participation, net	13,355,651	18,111,067	-	31,466,718
Total noncurrent liabilities	13,379,768	18,918,156	200,131	32,498,055
Total liabilities	15,083,403	19,733,624	584,901	35,401,928
Deferred inflows of resources				
Pension related amounts	5,185	3,634	2,352	11,171
Net position				
Net investment in capital assets	5,709,181	4,495,414	806,469	11,011,064
Unrestricted (deficit)	3,972,556	(473,889)	(59,154)	3,439,513
\$ 9,681,737	\$ 4,021,525	\$ 747,315	\$ 14,450,577	

City of Excelsior Springs, Missouri

**Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Year Ended September 30, 2015**

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	\$ 3,178,585	\$ 2,694,484	\$ 1,434,815	\$ 7,307,884
Rental income	27,551	9,460	11,175	48,186
Other	66,511	184	57,776	124,471
Total operating revenues	3,272,647	2,704,128	1,503,766	7,480,541
Operating expenses:				
Personnel services	774,971	499,948	434,225	1,709,144
Contractual and professional services	31,100	68,996	704,859	804,955
Utilities	216,646	278,793	33,920	529,359
Maintenance and repairs	415,841	267,417	111,795	795,053
Cost of goods sold	-	-	103,783	103,783
Insurance	60,036	21,563	10,981	92,580
Supplies and materials (administrative)	251,200	108,326	193,225	552,751
Depreciation	611,338	1,059,314	78,240	1,748,892
Total operating expenses	2,361,132	2,304,357	1,671,028	6,336,517
Operating income (loss)	911,515	399,771	(167,262)	1,144,024
Nonoperating revenue (expense):				
Investment earnings	349,712	446,781	3,458	799,951
Gain on disposal of capital assets	30,000	1,955	-	31,955
Interest expense	(635,249)	(1,220,115)	(5,777)	(1,861,141)
Total nonoperating revenue (expense)	(255,537)	(771,379)	(2,319)	(1,029,235)
Income (loss) before transfers	655,978	(371,608)	(169,581)	114,789
Transfers in	-	11,881	193,381	205,262
Transfers out	(231,200)	(175,894)	(92,877)	(499,971)
	(231,200)	(164,013)	100,504	(294,709)
Change in net position	424,778	(535,621)	(69,077)	(179,920)
Total net position, beginning, as restated	9,256,959	4,557,146	816,392	14,630,497
Total net position, ending	\$ 9,681,737	\$ 4,021,525	\$ 747,315	\$ 14,450,577

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds
Year Ended September 30, 2015

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities:				
Cash collected from customers	\$ 3,303,807	\$ 2,599,024	\$ 1,583,559	\$ 7,486,390
Cash from other operating revenue	-	-	20,641	20,641
Cash paid to suppliers for goods and services	(562,220)	(833,378)	(1,021,666)	(2,417,264)
Cash paid to employees for services	(763,455)	(503,637)	(434,276)	(1,701,368)
Net cash provided by operating activities	1,978,132	1,262,009	148,258	3,388,399
Cash flows from noncapital financing activities:				
Increase in advances from other funds	-	439,397	111,502	550,899
Transfers in	-	11,881	193,381	205,262
Transfers out	(231,200)	(175,894)	(92,877)	(499,971)
Net cash provided by (used in) noncapital financing activities	(231,200)	275,384	212,006	256,190
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(5,374,006)	(472,176)	(166,835)	(6,013,017)
Proceeds from the sale of capital assets	30,000	1,955	-	31,955
Principal payments on revenue bonds and capital leases	(565,000)	(570,000)	(55,248)	(1,190,248)
Interest paid	(952,292)	(1,363,147)	(6,043)	(2,321,482)
Net cash (used in) capital and related financing activities	(6,861,298)	(2,403,368)	(228,126)	(9,492,792)
Cash flows from investing activities:				
Purchase of investments	(2,250,928)	-	(2,367)	(2,253,295)
Interest	349,712	446,781	3,458	799,951
Proceeds from sales and maturities of investments	-	-	-	-
Net cash provided by (used in) investing activities	(1,901,216)	446,781	1,091	(1,453,344)
Net increase (decrease) in cash and cash equivalents	(7,015,582)	(419,194)	133,229	(7,301,547)
Cash and cash equivalents:				
Beginning	12,520,836	3,753,589	14,131	16,288,556
Ending	\$ 5,505,254	\$ 3,334,395	\$ 147,360	\$ 8,987,009
Displayed as:				
Cash and cash equivalents	\$ 902,183	\$ -	\$ 147,360	\$ 1,049,543
Restricted cash	4,603,071	3,334,395	-	7,937,466
	\$ 5,505,254	\$ 3,334,395	\$ 147,360	\$ 8,987,009

(Continued)

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds (Continued)
Year Ended September 30, 2015

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 911,515	\$ 399,771	\$ (167,262)	\$ 1,144,024
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	611,338	1,059,314	78,240	1,748,892
(Increase) in accounts receivable	(25,808)	(105,104)	(5,372)	(136,284)
(Increase) in inventory	-	-	(3,514)	(3,514)
Increase (decrease) in accounts payable and accrued expenses	412,603	(88,283)	140,411	464,731
Increase in unearned revenues	-	-	105,806	105,806
Increase in other postemployment benefits obligation	3,564	2,499	1,617	7,680
Decrease in net pension asset	29,239	20,490	13,264	62,993
(Increase) in deferred outflows	(35,069)	(31,226)	(20,213)	(86,508)
Increase in deferred inflows	5,185	3,634	2,352	11,171
Increase in compensated absences	8,597	914	2,929	12,440
Increase in customer deposits and bonds	56,968	-	-	56,968
Net cash provided by operating activities	\$ 1,978,132	\$ 1,262,009	\$ 148,258	\$ 3,388,399
Schedule of noncash items:				
Capital and related financing activities, capitalized interest	\$ 318,582	\$ 146,547	\$ -	\$ 465,129
Investing activities, increase (decrease) in fair market value	6,379	-	-	6,379

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Assets and Liabilities - Agency Funds
September 30, 2015

Assets

Cash and cash equivalents	\$ 6,086,471
Taxes receivable	264,782
	<u>\$ 6,351,253</u>

Liabilities

Accounts payable	\$ 77,485
Due to component unit	5,757,962
Due to other governments	515,806
	<u>\$ 6,351,253</u>

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies

Reporting entity:

The City of Excelsior Springs, Missouri (the City) was formed in 1880 and covers an area of approximately 16 square miles in Clay and Ray Counties, Missouri. Excelsior Springs is a city of the third class and operates under the council-manager form of government. The City Manager is the chief administrative officer of the City. The City provides services to its estimated 11,500 residents in many areas, including law enforcement, fire protection, a hospital, paramedic services, water and sewer services, community enrichment and development, and various social services. Elementary, secondary and junior college education services are provided by various school districts, all of which are separate governmental entities.

The City's reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility the component unit will provide a financial benefit or impose a financial burden on the primary government.

The accompanying financial statements present the City (the primary government) and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The component units have September 30 year-ends.

Blended component unit: The Facilities Authority serves all the citizens of the government and is governed by a self-perpetuating five-member board established by the City Council. The Authority was established to promote, acquire, develop, construct, own, operate, maintain and lease facilities within the City, which are approved by the City Council for the purpose of promoting the economic, social, industrial, cultural and commercial growth and for the general benefit of the City and its residents. Administration of its various programs is performed by City employees. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its Board is substantively the same as the City Council and the Administration, and its sole purpose is to finance and construct the City's public buildings. The Facilities Authority is reported as the Debt Service Fund.

Discretely presented component unit: The City Hospital is a municipally owned hospital controlled by the Hospital Board, which is appointed by the City Council. City Council must approve bond issuances, but they do not take action on user charges or budget approvals. The financial statements of the City Hospital are audited by other auditors and may be obtained at the Hospital's administrative offices located at 1700 Rainbow Blvd., Excelsior Springs, Missouri 64024.

Basis of presentation:

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following fund types:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City reports the following major governmental funds:

General Fund: The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Community Center Sales Tax Fund: A Special Revenue Fund, accounts for the receipts and disbursements of sales tax collected for the Community Center.

Community Center Project Fund: A Capital Projects Fund, accounts for debt proceeds related to the 2014 Community Center Sales Tax revenue bonds and construction-related expenditures.

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

Special Revenue Funds: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The nonmajor special revenue funds account for the activities of the E-911 Phone Tax Fund, Tax Increment Financing-Paradise Playhouse Fund, Tax Increment Financing-Vintage Development Fund, Public Safety Sales Tax Fund, Equitable Sharing Fund, Tax Increment Financing-Elms Hotel Fund, Community Development Block Grant Fund, Tax Increment Financing – Vintage Development II Fund, Tax Increment Financing Wal-Mart Fund, and the Parks and Recreation Fund.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Capital Projects Funds: Accounts for and reports financial resources that are restricted, committed or assigned for capital projects. The nonmajor capital projects funds are the Transportation Trust Fund and the Capital Improvements Fund.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. The nonmajor debt service fund is the Debt Service Fund.

Permanent Fund: Accounts for and reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The nonmajor permanent fund is the Cemetery Fund.

Proprietary Fund Types: Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise funds: Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following are the City's major enterprise funds:

Water Fund: Accounts for the activities of the Water Department which operates the City's water plant and provides for the distribution of safe drinking water to the City's residential and commercial customers as well as surrounding communities.

Pollution Control Fund: Accounts for the activities of the Pollution Control (or Sewer) Department which is responsible for maintaining the City's sanitary sewer system.

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

Airport Fund: Accounts for the activities of the City's airport.

Refuse Fund: Accounts for the activities of the City's hazardous waste and other refuse collection.

Golf Fund: Accounts for the activities of the Excelsior Springs Municipal Golf Course.

Measurement focus and basis of accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. The agency funds have no measurement focus and utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Charges for sales and services (other than utility), and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2015 levy plus any uncollected amounts from the 2014 levy. Property taxes that are not available for current year operations are shown as a deferred inflow of resources. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each October 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

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 City's 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.

Summary of significant accounting policies:

The significant accounting policies followed by the City include the following:

Budgets and budgetary accounting: The City Council annually adopts budgets for the general fund, special revenue funds, debt service funds and capital projects funds of the primary government. All appropriations are legally controlled at the department level for the individual funds. On September 8, 2014 the City Council formally approved the original adopted budget, reflected in the financial statements.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

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

- The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed operating expenditures, capital expenditures and the means for financing them.
- Public hearings are conducted to obtain comments from all interested parties.
- The budget for the coming year is formally adopted on or before the last day of the current fiscal year.
- The City Manager is authorized to make changes within departments, between departments and between functions within each fund. Changes or transfers at the fund level require approval by the City Council.
- Under Missouri law, expenditures may not legally exceed budgeted appropriations at the fund level. If expenditures for a fund exceed the budget, either the budget must be amended or the City Council must pass a resolution authorizing the expenditures in excess of the budget.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Statement for the General Fund, Parks and Recreation Fund and Capital Improvements Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All annual appropriations lapse at fiscal year-end. Encumbrances are reappropriated for the ensuing year's budget.

Cash and cash equivalents: The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statements of net position or balance sheets as "Cash and Cash Equivalents." In addition, certain resources set aside are classified as restricted assets on the statement of net position or balance sheet because their use is limited by applicable bond covenants. The bond reserve account is used to report resources set aside to subsidize potential deficiencies from the capital projects and special revenue fund's operations that could adversely affect debt service payments. The amount available in Debt Service Fund is used to report resources accumulated for future debt service payments and construction.

Investments are stated at fair value, which is based on quoted market prices. For U.S. government securities and bankers' acceptances with maturity dates of less than one year, the investments are valued at amortized cost, which approximates fair value. Because the City uses the pooled cash investment method, individual fund overdrafts are reclassified as due to/due from other funds or internal balances for financial statement purposes. Income from the investment of pooled cash is allocated to the various funds based on the percentage of cash and temporary investments of each fund to the total pooled cash and temporary investments.

Statement of cash flows: For purposes of the statement of cash flows for proprietary fund type funds, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Accounts receivable: Balances result primarily from miscellaneous services provided to citizens and are accounted for in the General Fund and nonmajor governmental funds. Water and sewer services are accounted for in the Water Fund and Pollution Control Fund. All are net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements and expenditures are recognized using the consumption method.

Capital assets: Capital assets, which include land, construction-in-progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure assets, are 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 cost of more than \$1,000 for equipment and vehicles and \$25,000 for buildings and improvements and infrastructure and an estimated useful life in excess of one year. All land purchases are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest was \$318,582 in the Water Fund and \$146,547 in the Pollution Control Fund.

Capital assets of the primary government, as well as the component units, is depreciated using the straight-line method and the following estimated useful lives:

Land improvements	10 to 20 years
Building and improvements	7 to 30 years
Infrastructure	20 to 40 years
Operating equipment	3 to 5 years
Furniture and office equipment	3 to 5 years
Vehicles	4 to 10 years

Upon sale or retirement of land, buildings and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The only deferred outflow reported on the statement of net position consists of unrecognized items not yet charged to pension expense related to the net pension asset, such as the unamortized portion of the net difference between projected and actual plan experience and plan investment returns, and contributions paid by the City after the measurement date but before the end of the City's reporting period.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the City's government-wide statements, the property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which the taxes are levied. The City's government-wide statements also include the unamortized portion of the difference between the expected and actual pension plan experience related to the net pension asset.

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

Compensated absences: Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based on length of service. In the event of termination or separation, an employee is paid for accumulated vacation up to the maximum he/she can earn over a two-year period. Employees are also paid for accumulated sick leave upon termination in an amount equal to one day for every four days in excess of 30 days that have been accrued.

For governmental activities and proprietary fund types, these accumulations are recorded as expenses and liabilities in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave, which is payable from available resources, is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Interfund transactions: Interfund transactions are defined as transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as “due to/from other funds” and “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Deficit fund balance: The City has a deficit fund balance in the Tax Increment Financing-Paradise Playhouse Fund of \$297, a special revenue fund.

Long-term obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using a method which approximates the effective interest method. Debt issuance costs are recognized as an expense in the year in which the costs were incurred.

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 the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Noncurrent cash and deposits: Noncurrent cash and deposits include (1) assets externally restricted by donors, (2) assets held under bond indentures and (3) assets held by the City Hospital Foundation.

Patient accounts receivable: The City Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The City Hospital provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

The City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers as of September 30, 2015 was:

Medicare	\$ 1,362,937
Medicaid	413,004
Other third-party payers	1,156,541
Patients	<u>631,783</u>
	3,564,265
Less allowances for uncollectible accounts	<u>446,507</u>
	<u><u>\$ 3,117,758</u></u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Charity care: The City Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not included in net patient service revenue. Charges excluded from revenue under the City Hospital's charity care policy were \$256,869 for 2015.

Fund balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. It is the City's policy that the authority to assign fund balance has been delegated by the City Council to the Director of Administrative Services. Likewise, the Director of Administrative Services has the authority to take necessary actions to un-assign amounts in this category.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Net position: Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds for governmental activities were \$13,592,734. Unspent debt proceeds for the Water and Pollution Control enterprise funds were \$4,603,071 and \$3,334,395, respectively. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consist of \$657,057 for debt service, \$4,909,841 for capital projects, \$1,259,703 for tax increment financing projects and \$731,021 for public safety.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Deposits and Investments

As of September 30, 2015, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Government Agencies	\$ 9,540,725	\$ 6,910,725	\$ 2,630,000	\$ -	\$ -
Certificate of deposit	3,057,319	2,809,160	248,159	-	-
Total	\$ 12,598,044	\$ 9,719,885	\$ 2,878,159	\$ -	\$ -

As of September 30, 2015, the City has \$157,800 in Mutual funds which are not subject to interest rate risk.

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of limiting its exposure to fair value losses arising from increasing market rates.

Credit Risk: Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposit. Statutes also required that collateral pledged have a fair market value equal to 100 percent of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by state statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

As of September 30, 2015, the City's investments consisted of Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes, all of which were rated Aaa by Moody's Investor Service and AA+ by Standard & Poor's.

The City's general investment policy is to apply the prudent-person rule: Investments shall be made with the exercise of judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

Concentration of Credit Risk: The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of September 30, 2015 the City's investments are invested in FHLMC, FNMA, FHLB, FFEB and certificates of deposit, which represents 8, 8, 38, 21 and 24 percent, respectively, of total investments.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. As of September 30, 2015, the City's investments were not exposed to custodial risk. It is the City's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. As of September 30, 2015, none of the City's bank balance of \$33,043,117, which excludes the Hospital agency fund, was exposed to custodial credit risk.

The bank balance of deposits for the Excelsior Springs City Hospital, including the Hospital agency fund, was \$7,627,241 of which none was exposed to custodial credit risk.

Excelsior Springs City Hospital, the discretely presented component unit, had no investments as of September 30, 2015.

A summary of deposits and investments of the City, along with the financial statement classification, is as follows:

Deposits and cash on hand	\$ 29,747,522
Investments	12,755,844
	<u>\$ 42,503,366</u>
Cash and cash equivalents	\$ 9,477,550
Investments	4,371,748
Restricted cash and cash equivalents	14,183,501
Restricted investments	8,384,096
Cash and cash equivalents, fiduciary funds	6,086,471
	<u>\$ 42,503,366</u>

Note 3. Property Taxes

The City's property tax is levied each October 1 on the assessed value of the prior January 1 for all property located in the City. Property taxes are due in total by December 31 following the levy date and are collected by the Finance Office. The City records property tax receivable when levied, net of estimated uncollectible amounts.

Assessed values are established by County Assessors subject to review by the County's Board of Equalization and State Tax Commission. The assessed value for property, excluding railroad and utility properties located in the City as of January 1, 2014, on which the fiscal year 2015 levy was based, was \$142,850,899. The assessed value of railroad and utility properties as of January 1, 2014 was \$5,702,193. During the year ended September 30, 2015, the City collected 100.72 percent of property taxes, excluding interest and penalty which were levied in the period. Collections exceeded the levy as the County Assessor continues to assess properties after tax calculations are complete.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 3. Property Taxes (Continued)

The City is permitted by Missouri State Statutes to levy taxes in unlimited amounts for the payment of principal and interest on long-term debt. Property tax levies per \$100 assessed valuation for the year ended September 30, 2015 are as follows:

Fund	Levy
General	\$ 0.6391
Parks/recreation	0.3598
Total primary government	0.9989
Component unit - City Hospital	0.1799
Total reporting entity	\$ 1.1788

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2015:

	2014 Balance	Additions	Retirements	2015 Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,613,619	\$ 800	\$ -	\$ 1,614,419
Construction-in-progress	890,898	6,617,033	1,342,912	6,165,019
Total capital assets, not being depreciated	2,504,517	6,617,833	1,342,912	7,779,438
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	6,172,042	130,588	-	6,302,630
Operating equipment	2,588,017	1,049,837	-	3,637,854
Furniture and office equipment	192,364	-	-	192,364
Vehicles	2,692,628	96,623	507,377	2,281,874
Infrastructure	47,291,221	1,256,718	-	48,547,939
Total capital assets, being depreciated	58,976,103	2,533,766	507,377	61,002,492
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	3,895,579	190,981	-	4,086,560
Operating equipment	1,678,426	222,502	-	1,900,928
Furniture and office equipment	185,045	24,675	-	209,720
Vehicles	1,680,327	182,286	497,081	1,365,532
Infrastructure	38,573,732	624,730	-	39,198,462
Total accumulated depreciation	46,052,940	1,245,174	497,081	46,801,033
Total capital assets, being depreciated, net	12,923,163	1,288,592	10,296	14,201,459
Governmental activities capital assets, net	\$ 15,427,680	\$ 7,906,425	\$ 1,353,208	\$ 21,980,897

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

	2014 Balance	Additions	Retirements	2015 Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,136,537	\$ -	\$ -	\$ 1,136,537
Construction-in-progress	1,867,183	6,310,855	2,334,073	5,843,965
Total capital assets, not being depreciated	3,003,720	6,310,855	2,334,073	6,980,502
Capital assets, being depreciated:				
Land improvements	834,260	22,569	-	856,829
Buildings and improvements	5,402,058	-	-	5,402,058
Operating equipment	1,152,873	41,888	3,500	1,191,261
Furniture and office equipment	134,330	27,000	-	161,330
Vehicles	1,014,165	75,835	74,115	1,015,885
Infrastructure	38,730,524	2,334,073	-	41,064,597
Total capital assets, being depreciated	47,268,210	2,501,365	77,615	49,691,960
Less accumulated depreciation for:				
Land improvements	708,495	30,670	-	739,165
Buildings and improvements	3,707,005	246,241	-	3,953,246
Operating equipment	1,278,513	66,178	3,500	1,341,191
Furniture and office equipment	111,831	3,225	-	115,056
Vehicles	657,537	129,718	74,115	713,140
Infrastructure	12,311,127	1,272,860	-	13,583,987
Total accumulated depreciation	18,774,508	1,748,892	77,615	20,445,785
Total capital assets, being depreciated, net	28,493,702	752,473	-	29,246,175
Business-type activities capital assets, net	\$ 31,497,422	\$ 7,063,328	\$ 2,334,073	\$ 36,226,677

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental Activities

General government	\$ 29,788
Public safety	422,864
Transportation	20,556
Public works	637,520
Recreational activities	122,796
Community betterment	11,650
Total depreciation expense, governmental activities	<u>\$ 1,245,174</u>

Business-Type Activities

Water	\$ 611,338
Pollution control	1,059,314
Golf	67,615
Airport	10,625
Total depreciation expense, business-type activities	<u>\$ 1,748,892</u>

Activity for the Hospital for the year ended September 30, 2015 was as follows:

	2014 Balance	Additions	Retirements	2015 Balance
Component Unit: Hospital				
Capital assets, not being depreciated, construction-in-progress	\$ 28,959	\$ 659,771	\$ (427,861)	\$ 260,869
Capital assets, being depreciated:				
Land and improvements	1,344,997	-	-	1,344,997
Buildings and improvements	15,939,548	113,649	-	16,053,197
Operating equipment	6,706,609	64,174	-	6,770,783
Furniture and office equipment	7,975,594	861,486	(599,865)	8,237,215
Total capital assets, being depreciated, Hospital	31,966,748	1,039,309	(599,865)	32,406,192
Less accumulated depreciation for:				
Land and improvements	(732,618)	(57,431)	-	(790,049)
Buildings and improvements	(7,476,988)	(654,071)	-	(8,131,059)
Operating equipment	(5,695,785)	(264,127)	-	(5,959,912)
Furniture and office equipment	(6,158,060)	(628,686)	599,865	(6,186,881)
Total accumulated depreciation	(20,063,451)	(1,604,315)	599,865	(21,067,901)
Total capital assets, being depreciated, Hospital, net	11,903,297	(565,006)	-	11,338,291
Hospital capital assets, net	<u>\$ 11,932,256</u>	<u>\$ 94,765</u>	<u>\$ (427,861)</u>	<u>\$ 11,599,160</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2015 were as follows:

	Balance September 30, 2014, as Restated		Additions	Retirements	Balance September 30, 2015		Amounts Due Within One Year
Governmental activities:							
Revenue bonds	\$	18,475,000	\$ -	\$ 475,000	\$	18,000,000	\$ 200,000
Premiums		631,626	-	25,776		605,850	-
Compensated absences		565,476	577,209	565,476		577,209	577,209
Other postemployment benefits obligation		173,639	27,121	-		200,760	-
Governmental activities, long-term liabilities	\$	19,845,741	\$ 604,330	\$ 1,066,252	\$	19,383,819	\$ 777,209
Business-type activities:							
Lease purchase agreement	\$	105,081	\$ -	\$ 55,248	\$	49,833	\$ 49,833
Certificates of participation		33,930,000	-	1,135,000		32,795,000	1,195,000
Premiums (discounts)		(142,045)	-	(8,763)		(133,282)	-
Compensated absences		108,319	120,760	108,319		120,760	120,760
Other postemployment benefits obligation		46,561	7,679	-		54,240	-
Business-type activities, long-term liabilities	\$	34,047,916	\$ 128,439	\$ 1,289,804	\$	32,886,551	\$ 1,365,593
Component unit:							
Revenue bonds	\$	10,768,622	\$ -	\$ 305,003	\$	10,463,619	\$ 317,477
Note payable		255,538	-	75,125		180,413	78,186
Capital lease		146,804	49,950	82,596		114,158	32,964
Compensated absences		505,789	512,518	505,789		512,518	512,518
Component unit, long-term liabilities	\$	11,676,753	\$ 562,468	\$ 968,513	\$	11,270,708	\$ 941,145

The General Fund has generally been the fund to liquidate the liability for compensated absences and other postemployment benefits obligations for the governmental activities.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Long-term debt payable as of September 30, 2015, is comprised of the following individual issues:

	Balance September 30, 2014	Additions	Retirements	Balance September 30, 2015
Governmental activities:				
Revenue bonds:				
\$3,045,000 Facilities Authority Leasehold Refunding Revenue Bonds Series 2001, due in annual installments of \$135,000 to \$295,000 through December 15, 2015; interest at 2.30% to 5.05%	\$ 475,000	\$ -	\$ 475,000	\$ -
\$18,000,000 of Community Center Sales Tax revenue bonds, Series 2014, due in annual installments of \$200,000 to \$1,145,000 through March 1, 2039; interest at 2.0% to 5.0%	18,000,000	-	-	18,000,000
Total governmental activities	\$ 18,475,000	\$ -	\$ 475,000	\$ 18,000,000
	Balance September 30, 2014	Additions	Retirements	Balance September 30, 2015
Business-Type Activities:				
Lease purchase agreement:				
\$950,000 Series 2001 Lease Purchase Agreement, due in annual installments of \$20,164 to \$77,268 through September 1, 2016; interest at 5.75%	\$ 105,081	\$ -	\$ 55,248	\$ 49,833
Certificates of participation:				
\$2,305,000 2010 Water Series A certificates of participation, due in annual installments of \$305,000 to \$360,000 starting on September 1, 2012 through September 1, 2018; interest at 2.00% to 4.00%	1,370,000	-	330,000	1,040,000
\$13,280,000 2010 Water Series B certificates of participation, due in annual installments of \$35,000 to \$4,045,000 starting on September 1, 2012 through September 1, 2028; interest at 2.50% to 7.60%	13,175,000	-	235,000	12,940,000
\$20,205,000 2010 Sewer Series D certificates of participation, due in annual installments of \$290,000 to \$9,800,000 starting on March 1, 2013 through March 1, 2031; interest at 3.125% to 7.80%	19,385,000	-	570,000	18,815,000
Total business-type activities	\$ 34,035,081	\$ -	\$ 1,190,248	\$ 32,844,833

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2014	Additions	Retirements	Balance September 30, 2015
Component Unit:				
Revenue bonds:				
Hospital Revenue Bonds, Series 1999, maturing October 2030; 5.125% interest; interest payments annually through October 2002, annual principal and interest payments of \$100,734 thereafter; collateralized by a deed of trust on the Independent Living Facility	\$ 1,117,257	\$ -	\$ 24,247	\$ 1,093,010
Hospital Revenue Bonds, Series 1999, maturing October 2030; 5.0% interest; interest payments annually through October 2002, annual principal and interest payments of \$50,348 thereafter; collateralized by a deed of trust on the Independent Living Facility	472,554	-	47,704	424,850
Hospital Revenue Bonds, Series 2007A and Series 2007B, maturity October 1, 2038; 4.125% interest; interest annually through September 30, 2011, monthly principal and interest thereafter	7,300,960	-	189,546	7,111,414
Hospital Revenue Bonds, Series 2009, maturing October 1, 2040; 4.5% interest; interest only through September 30, 2013, monthly principal and interest thereafter	1,877,851	-	43,506	1,834,345
Note payable, maturity December 2018, 4% interest	255,538	-	75,125	180,413
Capital leases	146,804	49,950	82,596	114,158
Total component unit	\$ 11,170,964	\$ 49,950	\$ 462,724	\$ 10,758,190

General obligation debt limit: The state constitution permits a city, by vote of two thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10 percent of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not exceeding, in the aggregate, an additional 10 percent of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks and electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20 percent of the assessed valuation of taxable property.

During 2001, the Excelsior Springs Facilities Authority, a blended component unit, issued \$3,045,000 in Leasehold Refunding Revenue Bonds to fund the advance repayment of a series of 1994 Leasehold Refunding and Improvement Revenue bonds. These leasehold refunding revenue bonds under Missouri law are payable solely from rental payments derived by the Corporation from the lease of the Fire and Police facilities. The rental payments were projected to produce \$4,196,625 or 100 percent of the debt service requirements for the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there are insufficient rental payments to pay the full amount of principal and interest on the bonds. If the rental payments are insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. This loan was paid off in 2015.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

During 2014, the City issued \$18,000,000 in Community Center Sales Tax Revenue Bonds, Series 2014 maturing March 1, 2016 through March 1, 2039 with an interest rate of 2.0 percent to 5.0 percent. The bonds were issued to finance the construction of the Community Center.

During 2011, the City issued \$13,280,000 (Series 2010B) in Certificates of Participation to fund water system improvements. These certificates are payable solely from basic payments from the lease of the property. Payments under the lease, if appropriated by the City for the maximum renewal term, are intended to be sufficient, together with other funds available for such purpose, to pay the debt service requirements for the life of the certificates. Total principal and interest remaining on the certificates is \$20,520,402 payable through 2028. For the current year, principal and interest paid and lease revenues were \$1,135,241 and \$1,135,241, respectively.

During 2011, the City issued \$20,205,000 (Series 2010D) in Certificates of Participation to fund sewer system improvements. These certificates are payable solely from basic payments from the lease of the property. Payments under the lease, if appropriated by the City for the maximum renewal term, are intended to be sufficient, together with other funds available for such purpose, to pay the debt service requirements for the life of the certificates. Total principal and interest remaining on the certificates is \$32,375,370 payable through 2031. For the current year, principal and interest paid and lease revenues were \$1,929,046 and \$1,929,046, respectively.

During 2011, the City issued \$2,305,000 (Series 2010A) in Certificates of Participation. The proceeds of this issue were used to complete a current refunding of the 1998 Waterworks Refunding Bonds. These certificates are payable solely from basic payments from the lease of the property. Payments under the lease, if appropriated by the City for the maximum renewal term, are intended to be sufficient, together with other funds available for such purpose, to pay the debt service requirements for the life of the certificates. Total principal and interest remaining on the certificates is \$1,118,681 payable through 2018. For the current year, principal and interest paid and lease revenues were \$377,275 and \$377,275, respectively.

Component unit

During 1999, the City Hospital issued \$2,230,000 (Series A & B) in revenue bonds to fund expenses relating to the construction of the independent living facility. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2030. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is \$2,129,455. Principal and interest paid for the current year and total customer net revenues were \$151,092 and \$25,120,049, respectively.

During 2007, the City Hospital issued \$8,000,000 (Series A & B) in revenue bonds to fund expenses relating to the Outpatient Services Building. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 2 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is \$7,111,414 and \$3,799,396 through September 30, 2038, respectively. Principal and interest paid for the current year and total net operating revenues were \$487,128 and \$25,120,049, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

During 2009, the City Hospital issued \$2,000,000 (Series 2009) in revenue bonds to pay for construction through a temporary loan from the Department of Agriculture Rural Development until the bonds are issued final upon project completion. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2040. Annual principal and interest payments on the bonds are expected to require less than one percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is \$2,966,008. Principal and interest paid for the current year and total customer net revenues were \$127,068 and \$25,120,049, respectively.

Reserve accounts on debt: The bond ordinances authorizing the hospital revenue bonds require that certain funds from the City Hospital's operations be set aside for future debt service requirements, major repairs and other contingencies. The funds are managed by the City in an agency fund.

These special reserves and accounts consist of cash and investments and are reported in the basic financial statements as restricted assets.

	City Hospital
Bond reserve account	\$ 803,646
Replacement and extension funds	390,083
	\$ 1,193,729

Under the terms of the hospital bond ordinance, \$250,000 of investments are restricted in the General Fund as a reserve to be used to retire City Hospital revenue bonds should other City Hospital monies not be available. Interest earnings on this amount are restricted until bond payments are made, at which time these amounts can be released for use in the General Fund. The bonds are secured by the revenue of the City Hospital and Convalescent Center, a mortgage on the facility, and the funds in the Hospital Agency Fund. The bonds are subject to redemption by the City in whole or in part at par plus accrued interest.

Lease purchase agreement: In prior years, the City entered into various cancellable leases as lessee to finance the purchase of vehicles and equipment.

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of September 30, 2015, are as follows:

Governmental Activities:

Year ending September 30:	2014 Community Center Sales Tax Revenue Bonds	
	Principal	Interest
2016	\$ 200,000	\$ 697,402
2017	485,000	710,283
2018	500,000	701,653
2019	500,000	707,238
2020	525,000	691,341
2021-2025	3,105,000	3,169,774
2026-2030	3,805,000	2,142,836
2031-2035	4,550,000	1,219,493
2036-2039	4,330,000	354,800
Total	\$ 18,000,000	\$ 10,394,820

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Business-Type Activities:

Year ending September 30:	Golf Course Lease Purchase Agreement		2010 Water Series A Certificates of Participation		2010 Water Series B Certificates of Participation		2010 Sewer Series D Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 49,833	\$ 2,865						
2017			\$ 335,000	\$ 37,375	\$ 245,000	\$ 890,136	\$ 615,000	\$ 1,331,801
2018			345,000	26,906	540,000	878,193	670,000	1,298,804
2019			360,000	14,400	555,000	849,168	725,000	1,259,954
2020			-	-	950,000	817,255	785,000	1,215,560
2021-2025			-	-	990,000	760,255	845,000	1,165,815
2026-2030			-	-	5,615,000	2,760,675	5,375,000	4,831,436
2031			-	-	4,045,000	624,720	6,045,000	2,158,845
2031			-	-	-	-	3,755,000	298,155
Total	\$ 1,040,000	\$ 78,681	\$ 12,940,000	\$ 7,580,402	\$ 18,815,000	\$ 13,560,370		

Component Unit:

Year ending September 30:	Long-Term Debt		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2016	\$ 395,663	\$ 453,606	\$ 32,964	\$ 2,697
2017	413,366	435,902	30,635	2,051
2018	368,798	417,485	25,174	1,395
2019	363,601	401,687	7,234	984
2020	378,889	386,399	7,535	629
2021-2025	2,171,450	1,654,990	10,616	433
2026-2030	2,568,006	1,121,510	-	-
2031-2035	2,479,579	591,401	-	-
2036-2040	1,504,680	88,795	-	-
Total	\$ 10,644,032	\$ 5,551,775	\$ 114,158	\$ 8,189

Capital leases shown in long-term debt for the discretely presented component unit include leases for movable equipment at varying rates of imputed interest from 4 percent to 10 percent, maturing through 2022 and collateralized by the lease equipment. Property and equipment as of September 30, 2015 include the following assets under capital lease:

Movable equipment	\$ 1,245,392
Less accumulated depreciation	985,599
	<u>\$ 259,793</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 6. Interfund Balances and Transfers

The following is a schedule of transfers included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
General	\$ 1,138,225	\$ 142,624
Tax Increment Financing-Wal-Mart	-	6,667
Nonmajor governmental funds	858,993	747,349
Total governmental activities	1,997,218	896,640
Business-type activities:		
Water	-	231,200
Pollution control	11,881	175,894
Nonmajor enterprise funds	193,381	92,877
Total business-type activities	205,262	499,971
Total	\$ 2,202,480	\$ 1,396,611

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due; (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund advances as of September 30, 2015, were as follows:

	Advance Receivables	Advance Payables
Governmental activities:		
General Fund	\$ 977,394	\$ -
Nonmajor governmental funds	-	297
Total governmental activities	977,394	297
Business-type activities, nonmajor enterprise funds	-	977,097
Total	\$ 977,394	\$ 977,394

Advances are long-term interfund receivables/payables that are not expected to be fully paid within one year. All interfund advances were made to fund expenses in excess of available cash balances in the disclosed funds.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems

As a result of the adoption of GASB Statement Nos. 68 and 71, the beginning net positions of the governmental activities, business-type activities, Water Fund, Pollution Control Fund and aggregate remaining fund information was restated. The effect on fiscal year 2014 is as follows:

	Governmental Activities		Major Enterprise Funds			Nonmajor Enterprise Funds				
	Business-Type Activities		Water	Pollution Control	Refuse	Golf				
Net position at September 30, 2014, as previously reported	\$	24,651,573	\$	9,044,496	\$	4,408,317	\$	240,369	\$	365,673
Net pension asset at September 30, 2014		2,667,192		147,004		103,019		8,713		57,971
Deferred outflows of resources related to contributions made after June 30, 2014 measurement date		75,504		8,220		5,761		487		3,241
Reversal of net pension obligation at September 30, 2014		481,521		57,239		40,049		3,660		28,613
Net position at October 1, 2014, as restated	\$	27,875,790	\$	9,256,959	\$	4,557,146	\$	253,229	\$	455,498

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

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

	<u>2015 Valuation</u>
Benefit multiplier	1.5%
Final average salary	5 years
Member contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

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

Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	86
Active employees	109
	<u>274</u>

Contributions: The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Employees do not contribute to the pension plan. Employer contribution rates are 7.5 percent (General), 6.3 percent (Police), and 6.4 percent (Fire) of annual covered payroll.

Net pension asset: The employer's net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2015. Standard updated procedures were used to rollforward the total pension liability to June 30, 2015.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.50%
Fixed Income	25.00	2.25
Real Assets	20.00	4.50
Strategic Assets	6.50	7.50

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

Changes in the net pension liability (asset):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	\$ 16,362,657	\$ 19,346,556	\$ (2,983,899)
Changes for the year:			
Service Cost	431,807	-	431,807
Interest	1,181,395	-	1,181,395
Difference between expected and actual experience	(113,475)	-	(113,475)
Contributions - employer	-	398,989	(398,989)
Net investment income	-	377,177	(377,177)
Benefit payments, including refunds	(569,339)	(569,339)	-
Administrative expense	-	(20,039)	20,039
Other changes	-	222,869	(222,869)
Net changes	930,388	409,657	520,731
Balances at June 30, 2015	\$ 17,293,045	\$ 19,756,213	\$ (2,463,168)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25 percent, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25 percent or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 19,867,345	\$ 17,293,045	\$ 15,170,424
Plan fiduciary net position	19,756,213	19,756,213	19,756,213
Net pension liability (asset)	\$ 111,132	\$ (2,463,168)	\$ (4,585,789)

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended September 30, 2015 the employer recognized pension expense of \$180,761. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 36,119	\$ (118,444)
Excess investment returns	821,284	-
Contributions subsequent to the measurement date*	100,921	-
Total	\$ 958,324	\$ (118,444)

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ending September 30, 2016.

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

Year ended:	
2016	\$ 174,171
2017	174,171
2018	175,063
2019	205,691
2020	6,564
Thereafter	3,299
	<u>\$ 738,959</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment returns is being amortized over a closed five-year period.

Payable to the pension plan: At September 30, 2015, the City reported a payable of \$35,257 for the outstanding amount of contributions to the pension plan.

Subsequent events: Subsequent to the actuarial valuation date used by the LAGERS plan, the Society of Actuaries issued updated mortality scales and mortality improvement scales MP2014 and MP-15. It is expected these scales may increase the total pension liability by 4 percent – 8 percent unless the plan experience indicates otherwise. The City has not been provided the impact of these scales but believes the updated scales, if determined appropriate for the plan, will have a material impact on the City's net pension liability (asset).

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits

Plan description: The City sponsors a single-employer health care plan that provides medical, dental and vision benefits to all active and retired employees and their eligible dependents. Police and fire retirees must have completed five years of service as well as be at least 55 years old for normal retirement or have completed 5 years of service as well as be at least 50 years old for early retirement. All other employees must have completed five years of service as well as be at least 60 years old for normal retirement or have completed 5 years of service as well as be at least 55 years old for early retirement. Retirees and their dependents are allowed to remain on the plan until they are Medicare eligible at age 65. The plan does not issue a stand-alone financial report.

Funding policy: Management develops the health insurance plan contributions based on expected claims. The current funding policy of the City is to pay health claims as they occur. Retirees pay the full premium.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the City contributed \$20,500. Retiree and active members receiving benefits have required monthly contributions of:

	Individual	Family	Two-Party
HMO	\$ 564.85	\$ 1,462.93	N/A
Base	567.37	1,469.45	N/A
BuyUp	605.74	1,568.84	N/A
Dental	31.95	92.41	\$ 60.52
Vision	4.10	10.41	N/A

Annual OPEB cost and net OPEB obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	\$ 55,100
Interest on net OPEB obligation	8,300
Adjustment to annual required contribution	(8,100)
Annual OPEB cost (expense)	<u>55,300</u>
Contributions and payments made	<u>20,500</u>
Increase in net OPEB obligation	34,800
Net OPEB obligation - September 30, 2014	220,200
Net OPEB obligation - September 30, 2015	<u><u>\$ 255,000</u></u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2015 and the two preceding years follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2013	\$ 32,910	34.0%	\$ 181,300
September 30, 2014	47,900	19.0	220,200
September 30, 2015	55,300	37.1	255,000

Funded status and funding progress: As of September 30, 2015, the most recent valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$460,100 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$460,100. The covered payroll (annual payroll of active employees covered by the plan) was \$4,794,200 and the ratio of the UAAL to the covered payroll was 10 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2015 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 3.75 percent annual discount rate, a medical/retiree premium inflation rate of 6.4 percent initially decreasing each year until reaching the ultimate trend rate of 4.50 percent, a dental/vision premium inflation rate of 5 percent initially with an ultimate rate of 4.3 percent, and an annual payroll inflation rate of 3.0 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2015 was 30 years.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 9. Commitments and Contingencies

Legal matters: There are a number of claims and/or lawsuits to which the City is, or may be, a party as a result of certain law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel anticipate that the potential claims against the City, if any, which are not covered by insurance, resulting from such matters would not materially affect the financial position of the City.

Construction projects: The community center design and construction project, Water line replacement project, Sanitary sewer infiltration and inflow improvements project, Sanitary sewer system improvements project, Highway 69 bridge enhancements project, Farris Street realignment project, Highway 69 Water and Sewer line extension project, and the Wornall Street culvert replacement project were in process at year-end. Total costs related to these projects are expected to be \$30,134,014, of which \$11,315,752 had been expended through September 30, 2015.

Professional malpractice insurance: The City Hospital is insured for medical malpractice claims under a commercial claims-made policy. City Hospital management does not believe there are any unreported claims as of September 30, 2015 for which the City Hospital could be ultimately responsible if it did not renew its commercial claims-made policy.

Hospital net patient service revenues: The City Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the City Hospital and audits by the Medicare Fiscal Intermediary and the Medicaid Program. Estimated settlements have been reflected in the accompanying financial statements.

Note 10. Risk Management

The City is exposed to various risks of litigation and casualties. The City is insured for automobile liability, general liability, property damage, health claims and workers' compensation through a commercial carrier. Claims did not exceed coverage for the year ended September 30, 2015, and for each of the past three fiscal years.

Note 11. Net Patient Service Revenue

The City Hospital has agreements with third-party payers that provide for payments to the City Hospital at amounts different from its established rates. These payment arrangements include:

Medicare: Inpatient acute care services and outpatient services and defined capital assets related to Medicare Program beneficiaries are paid on a cost reimbursement methodology. The Hospital is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor. Estimated settlements have been reflected in the accompanying financial statements.

Medicaid: Inpatient and long-term care services rendered to Medicaid Program beneficiaries are reimbursed based upon a prospectively established per diem rate. Medicaid outpatient reimbursement is based on a prospective percentage payment rate determined from the fourth, fifth and sixth prior cost reports regressed forward.

Approximately 55 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the year ended September 30, 2015.

The City Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the City Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 12. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the City's fund balance are as follows:

Fund Balances:	General	Community Center		Nonmajor Governmental Funds	Total Governmental Funds
		Sales Tax	Project		
Nonspendable:					
Prepays	\$ 231,168	\$ -	\$ -	\$ -	\$ 231,168
Assets held for sale	-	-	-	23,000	23,000
Advances	977,394	-	-	-	977,394
Perpetual maintenance fund	-	-	-	189,909	189,909
Total Nonspendable	1,208,562	-	-	212,909	1,421,471
Restricted:					
Debt service	250,000	-	-	464,978	714,978
Parks and recreation	-	-	-	381,020	381,020
Capital projects	117,964	-	12,069,312	4,953,594	17,140,870
Planning and development	-	603,648	-	1,323,347	1,926,995
Public safety	-	-	-	982,835	982,835
Cemetery maintenance	-	-	-	35,786	35,786
Total Restricted	367,964	603,648	12,069,312	8,141,560	21,182,484
Unassigned	2,138,743	-	-	(297)	2,138,446
Total Fund Balances	\$ 3,715,269	\$ 603,648	\$ 12,069,312	\$ 8,354,172	\$ 24,742,401

Note 13. Governmental Accounting Standards Board (GASB) Statements

The GASB has issued several statements that are not yet effective and have not yet been implemented by the City of Excelsior Springs, Missouri. The statements which might impact the City are as follows:

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the City with its year ending September 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 13. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the City beginning with its fiscal year ending September 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the City beginning with its fiscal year ending September 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative GAAP consists of GASB Statements. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the City beginning with its fiscal year ending September 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.
- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015, will be effective for the City beginning with its fiscal year ending September 30, 2017. Statement No. 78 provides guidance to governments that participate in certain private or federally sponsored multiple-employer defined benefit pension plans. This statement assists these governments by focusing employer accounting and financial reporting requirements for those pension plans on obtainable information. In lieu of the existing requirements under Statement 68, the new guidance establishes separate requirements for employers that participate in these pension plans. This statement establishes the criteria for identifying the applicable pension plans and addresses: (a) measurement and recognition of pension liabilities, expense, and expenditures; (b) note disclosures of descriptive information about the plan, benefit terms, and contribution terms; and (c) required supplementary information presenting required contribution amounts for the past 10 fiscal years.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 13. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued December 2015, will be effective for the City beginning with its fiscal year ending September 30, 2016. Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants by establishing criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Statement also establishes additional note disclosure requirements for qualifying external investment pools and for governments that participate in those pools.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units*, issued February 2016, will be effective for the City beginning with its fiscal year ending September 30, 2017. Statement No. 80 clarifies the display requirements in GASB Statement No. 14, *The Financial Reporting Entity*, by requiring component units incorporated as not-for-profit corporations to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

City of Excelsior Springs, Missouri

**Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Local Government Employees Retirement System**

Year ending June 30,	2015
Total Pension Liability	
Service cost	\$ 431,807
Interest on the total pension liability	1,181,395
Benefit changes	-
Difference between expected and actual experience	(113,475)
Assumption changes	-
Benefit payments, including refunds	(569,339)
Net change in total pension liability	930,388
Total pension liability, beginning	16,362,657
Total pension liability, ending	\$ 17,293,045
Plan Fiduciary Net Position	
Contributions-employer	\$ 398,989
Contributions-employee	-
Pension plan net investment income	377,177
Benefit payments, including refunds	(569,339)
Pension plan administrative expense	(20,039)
Other	222,869
Net change in plan fiduciary net position	409,657
Plan fiduciary net position, beginning	19,346,556
Plan fiduciary net position, ending	\$ 19,756,213
Employer net pension liability (asset)	\$ (2,463,168)
Plan fiduciary net position as a percentage of the total pension liability	104.09%
Covered employee payroll	\$ 4,849,449
Employer's net pension liability (asset) as a percentage of covered employee payroll	(50.79)%

Ultimately 10 Years will be Displayed.

* Information for prior years is not available; amounts presented for the year-end were determined as of June 30, the measurement date.

City of Excelsior Springs, Missouri

**Required Supplementary Information
 Schedule of City Contributions
 Local Government Employees Retirement System
 Last 10 Fiscal Years**

	2015		2014		2013		2012
Actuarially determined contribution	\$ 455,474	\$	482,541	\$	473,717	\$	418,141
Contributions in relation to the actuarially determined contribution	406,729		377,706		329,784		269,364
Contribution deficiency (excess)	\$ 48,745	\$	104,835	\$	143,933	\$	148,777
Covered-employee payroll	\$ 4,844,249	\$	4,826,467	\$	4,734,325	\$	4,516,929
Contributions as a percentage of covered- employee payroll	8.40%		7.83%		6.97%		5.96%

Actuarial assumptions: See footnote 7 for summary of actuarial assumptions.

2011	2010	2009	2008	2007	2006
\$ 386,706	\$ 176,300	\$ 220,421	\$ 182,283	\$ 123,296	\$ 102,956
223,517	176,300	211,479	182,233	233,132	147,989
\$ 163,189	\$ -	\$ 8,942	\$ 50	\$ (109,836)	\$ (45,033)
\$ 4,501,587	\$ 4,428,502	\$ 4,268,427	\$ 3,902,536	\$ 3,869,605	\$ 3,851,849
4.97%	3.98%	4.95%	4.67%	6.02%	3.84%

City of Excelsior Springs, Missouri

**Required Supplementary Information
Other Postemployment Benefit Plan**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2013	9/30/13	\$ -	\$ 417,500	\$ 417,500	-	\$ 5,387,976	8%
2014	9/30/13	-	417,500	417,500	-	5,388,000	8
2015	9/30/15	-	460,100	460,100	-	4,794,200	10

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of September 30, 2015. Additional information follows:

- a. The actuarial method used to determine the ARC is the projected unit credit method.
- b. There are no plan assets.
- c. The actuarial assumptions included: a) 3.75 percent annual discount rate, b) a medical/retiree premium inflations rate of 6.4 percent initially, decreasing each year until reaching the ultimate trend rate of 4.50 percent, c) a dental/vision premium inflation rate of 5 percent initially with an ultimate rate of 4.3 percent and d) an annual payroll inflation rate of 3.0 percent.
- d. The amortization method is level percentage of projected payroll on an open basis over 30 years.

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City of Excelsior Springs, Missouri

**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015**

	Special Revenue Funds	Capital Projects Funds	
		Transportation Trust	Capital Improvements
Assets			
Cash and cash equivalents	\$ 2,505,966	\$ 2,090,277	\$ 2,232,604
Receivables, net of allowance for uncollectibles:			
Property taxes	944,756	-	-
Franchise taxes	7,129	-	-
Other	2,900	-	-
Due from other governments	245,691	61,715	66,727
Assets held for sale	-	-	23,000
Investments	-	-	496,127
Restricted cash and cash equivalents	-	-	-
Restricted investments	14,546	-	-
Total assets	\$ 3,720,988	\$ 2,151,992	\$ 2,818,458
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)			
Liabilities:			
Accounts payable and accrued expenses	\$ 24,292	\$ 2,223	\$ 58,386
Advances from other funds	297	-	-
Total liabilities	24,589	2,223	58,386
Deferred inflows of resources, unavailable revenue - property taxes	942,741	-	-
Fund balance (deficit):			
Nonspendable	-	-	23,000
Restricted	2,753,955	2,149,769	2,737,072
Unassigned	(297)	-	-
Total fund balance	2,753,658	2,149,769	2,760,072
Total liabilities, deferred inflows of resources and fund balance	\$ 3,720,988	\$ 2,151,992	\$ 2,818,458

Debt Service Fund	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ 40,016	\$ 6,868,863
-	-	944,756
-	-	7,129
-	-	2,900
-	-	374,133
-	-	23,000
-	-	496,127
464,978	32,108	497,086
-	157,801	172,347
<u>\$ 464,978</u>	<u>\$ 229,925</u>	<u>\$ 9,386,341</u>

\$ -	\$ 4,230	\$ 89,131
-	-	297
<u>-</u>	<u>4,230</u>	<u>89,428</u>

-	-	942,741
---	---	---------

-	189,909	212,909
464,978	35,786	8,141,560
-	-	(297)
<u>464,978</u>	<u>225,695</u>	<u>8,354,172</u>

<u>\$ 464,978</u>	<u>\$ 229,925</u>	<u>\$ 9,386,341</u>
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City of Excelsior Springs, Missouri

**Combining Statement of Revenues, Expenditures and
Changes In Fund Balances - Nonmajor Governmental Funds
Year Ended September 30, 2015**

	Special Revenue Funds	Capital Projects Funds	
		Transportation Trust	Capital Improvements
Revenues:			
Taxes	\$ 3,342,814	\$ 873,555	\$ 914,499
Intergovernmental revenues	230,717	-	-
Charges for services	76,786	-	-
Investment earnings (loss)	16,141	9,577	20,679
Miscellaneous	9,677	-	2,502
Total revenues	3,676,135	883,132	937,680
Expenditures:			
Current:			
General government	1,498	-	42,913
Public works	-	272,650	-
Public safety	157,860	-	70,063
Recreational activities	607,610	-	19,355
Cemetery operations	-	-	-
Community betterment	1,796,846	-	117,645
Capital outlay	1,136,311	686,718	515,820
Debt service:			
Principal	-	-	-
Interest	-	-	-
Trustee fees	-	-	-
Total expenditures	3,700,125	959,368	765,796
Excess (deficiency) of revenues over (under) expenditures	(23,990)	(76,236)	171,884
Other financing sources (uses):			
Proceeds from sale of capital assets	142,420	30,200	-
Transfers in	7,505	-	-
Transfers out	(633,216)	(2,824)	(111,309)
Total other financing sources (uses)	(483,291)	27,376	(111,309)
Net change in fund balances	(507,281)	(48,860)	60,575
Fund balances, beginning	3,260,939	2,198,629	2,699,497
Fund balances, ending	\$ 2,753,658	\$ 2,149,769	\$ 2,760,072

Debt Service Fund	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 5,130,868
-	-	230,717
-	51,930	128,716
588	(121)	46,864
-	2,380	14,559
<u>588</u>	<u>54,189</u>	<u>5,551,724</u>
-	-	44,411
-	-	272,650
-	-	227,923
-	-	626,965
-	48,667	48,667
-	-	1,914,491
-	-	2,338,849
475,000	-	475,000
675,791	-	675,791
1,413	-	1,413
<u>1,152,204</u>	<u>48,667</u>	<u>6,626,160</u>
<u>(1,151,616)</u>	<u>5,522</u>	<u>(1,074,436)</u>
-	-	172,620
851,488	-	858,993
-	-	(747,349)
<u>851,488</u>	<u>-</u>	<u>284,264</u>
(300,128)	5,522	(790,172)
765,106	220,173	9,144,344
<u>\$ 464,978</u>	<u>\$ 225,695</u>	<u>\$ 8,354,172</u>

City of Excelsior Springs, Missouri

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2015**

	E-911 Phone Tax	Tax Increment Financing- Paradise Playhouse
Assets		
Cash and cash equivalents	\$ 42,085	\$ -
Receivables, net of allowance for uncollectibles:		
Property taxes	-	11,513
Franchise taxes	7,129	-
Other	-	-
Due from other governments	-	-
Restricted cash and cash equivalents	-	-
Total assets	\$ 49,214	\$ 11,513
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,345	\$ -
Advances from other funds	-	297
Total liabilities	3,345	297
Deferred inflows of resources, unavailable revenue - property taxes	-	11,513
Fund balance (deficit):		
Restricted	45,869	-
Unassigned	-	(297)
Total fund balance (deficit)	45,869	(297)
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 49,214	\$ 11,513

(Continued)

Tax Increment Financing-Vintage Development	Public Safety Sales Tax	Equitable Sharing	Tax Increment Financing-Elms Hotel	Community Development Block Grant	Tax Increment Financing-Vintage Development II
\$ 20,109	\$ 628,784	\$ 252,554	\$ 3,026	\$ 51,753	\$ 7,176
113,921	-	-	-	-	23,901
-	-	-	-	-	-
-	-	-	-	-	-
11,608	61,711	-	19,018	15,000	3,279
-	-	-	-	-	-
<u>\$ 145,638</u>	<u>\$ 690,495</u>	<u>\$ 252,554</u>	<u>\$ 22,044</u>	<u>\$ 66,753</u>	<u>\$ 34,356</u>
\$ -	\$ 5,343	\$ 740	\$ 572	\$ -	\$ -
-	-	-	-	-	-
-	5,343	740	572	-	-
113,921	-	-	-	-	23,901
31,717	685,152	251,814	21,472	66,753	10,455
-	-	-	-	-	-
<u>31,717</u>	<u>685,152</u>	<u>251,814</u>	<u>21,472</u>	<u>66,753</u>	<u>10,455</u>
<u>\$ 145,638</u>	<u>\$ 690,495</u>	<u>\$ 252,554</u>	<u>\$ 22,044</u>	<u>\$ 66,753</u>	<u>\$ 34,356</u>

City of Excelsior Springs, Missouri

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2015**

	Tax Increment Financing-Wal-Mart	Parks and Recreation	Total
Assets			
Cash and cash equivalents	\$ 1,136,792	\$ 363,687	\$ 2,505,966
Receivables, net of allowance for uncollectibles:			
Property taxes	269,989	525,432	944,756
Franchise taxes	-	-	7,129
Other	-	2,900	2,900
Due from other governments	122,911	12,164	245,691
Restricted cash and cash equivalents	-	14,546	14,546
Total assets	\$ 1,529,692	\$ 918,729	\$ 3,720,988
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)			
Liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 14,292	\$ 24,292
Advances from other funds	-	-	297
Total liabilities		14,292	24,589
Deferred inflows of resources, unavailable revenue - property taxes	269,989	523,417	942,741
Fund balance (deficit):			
Restricted	1,259,703	381,020	2,753,955
Unassigned	-	-	(297)
Total fund balance (deficit)	1,259,703	381,020	2,753,658
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 1,529,692	\$ 918,729	\$ 3,720,988

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City of Excelsior Springs, Missouri

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds
Year Ended September 30, 2015**

	E-911 Phone Tax	Tax Increment Financing- Paradise Playhouse
Revenues:		
Taxes	\$ 78,664	\$ 12,239
Intergovernmental revenues	-	-
Charges for services	-	-
Investment earnings	264	-
Miscellaneous	-	-
Total revenues	78,928	12,239
Expenditures:		
Current:		
General government	200	-
Public safety	35,079	-
Recreational activities	-	-
Community betterment	-	12,904
Capital outlay	-	-
Total expenditures	35,279	12,904
Excess (deficiency) of revenues over expenditures	43,649	(665)
Other financing sources (uses):		
Proceeds from sale of capital assets	-	-
Transfers in	-	-
Transfers out	(155,660)	-
Total other financing sources (uses)	(155,660)	-
Net change in fund balance	(112,011)	(665)
Fund balances (deficit), beginning	157,880	368
Fund balances (deficit), ending	\$ 45,869	\$ (297)

(Continued)

Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Equitable Sharing	Tax Increment Financing- Elms Hotel	Community Development Block Grant	Tax Increment Financing- Vintage Development II
\$ 243,769	\$ 870,996	\$ -	\$ 67,254	\$ -	\$ 51,391
-	-	170,491	-	39,500	-
-	-	-	-	-	-
-	5,677	-	-	-	-
-	-	-	-	-	-
243,769	876,673	170,491	67,254	39,500	51,391
-	-	-	-	-	-
-	1,298	-	-	-	-
-	88,165	34,616	-	-	-
-	-	-	-	-	-
231,978	-	-	25,825	43,000	46,077
-	1,126,097	-	-	-	-
231,978	1,215,560	34,616	25,825	43,000	46,077
11,791	(338,887)	135,875	41,429	(3,500)	5,314
-	139,000	-	-	-	-
-	-	-	-	7,505	-
(2,508)	(450,382)	-	(7,142)	-	-
(2,508)	(311,382)	-	(7,142)	7,505	-
9,283	(650,269)	135,875	34,287	4,005	5,314
22,434	1,335,421	115,939	(12,815)	62,748	5,141
\$ 31,717	\$ 685,152	\$ 251,814	\$ 21,472	\$ 66,753	\$ 10,455

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds (Continued)
Year Ended September 30, 2015

	Tax Increment Financing-Wal-Mart	Parks and Recreation	Total
Revenues:			
Taxes	\$ 1,370,156	\$ 648,345	\$ 3,342,814
Intergovernmental revenues	-	20,726	230,717
Charges for services	-	76,786	76,786
Investment earnings	-	10,200	16,141
Miscellaneous	-	9,677	9,677
Total revenues	1,370,156	765,734	3,676,135
Expenditures:			
Current:			
General government	-	-	1,498
Public safety	-	-	157,860
Recreational activities	-	607,610	607,610
Community betterment	1,371,028	66,034	1,796,846
Capital outlay	-	10,214	1,136,311
Total expenditures	1,371,028	683,858	3,700,125
Excess (deficiency) of revenues over expenditures	(872)	81,876	(23,990)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	3,420	142,420
Transfers in	-	-	7,505
Transfers out	(6,667)	(10,857)	(633,216)
Total other financing sources (uses)	(6,667)	(7,437)	(483,291)
Net change in fund balance	(7,539)	74,439	(507,281)
Fund balances (deficit), beginning	1,267,242	306,581	3,260,939
Fund balances (deficit), ending	\$ 1,259,703	\$ 381,020	\$ 2,753,658

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City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - General Fund Sub-Funds -
Budget to Actual
Year Ended September 30, 2015

	Construction Services	
	Budget	Actual
Revenues:		
Intergovernmental revenues	\$ 25,000	\$ -
Charges for services	1,107,000	286,285
Special assessment fees	-	-
Investment earnings	-	-
Miscellaneous	500	(2,350)
Total revenues	1,132,500	283,935
Expenditures:		
Current:		
General government	-	-
Public works	979,763	427,619
Total expenditures	979,763	427,619
Excess (deficiency) of revenues over expenditures	152,737	(143,684)
Other financing sources (uses):		
Transfers in	245,000	163,702
Transfers out	(25,758)	(24,298)
Total other financing sources (uses)	219,242	139,404
Net change in fund balance (deficit)	\$ 371,979	(4,280)
Fund balances, beginning		47,777
Fund balances, ending		\$ 43,497

(Continued)

Neighborhood Improvement District		Elms Hotel Event Fees	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
-	-	-	-
102	-	-	-
-	-	30	13
-	-	49,026	49,026
102	-	49,056	49,039
-	-	-	-
-	-	90,060	50,308
-	-	-	-
-	-	90,060	50,308
102	-	(41,004)	(1,269)
-	-	-	-
(204)	(51)	(13,042)	(394)
(204)	(51)	(13,042)	(394)
<u>\$ (102)</u>	<u>(51)</u>	<u>\$ (54,046)</u>	<u>(1,663)</u>
	51		5,414
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>3,751</u>

City of Excelsior Springs, Missouri

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds -
Budget to Actual
Year Ended September 30, 2015**

	E-911 Phone Tax	
	Budget	Actual
Revenues:		
Taxes	\$ 78,500	\$ 78,664
Intergovernmental revenues	-	-
Investment earnings	240	264
Total revenues	78,740	78,928
Expenditures:		
Current:		
General government	300	200
Public safety	35,000	35,079
Community betterment	-	-
Capital outlay	-	-
Total expenditures	35,300	35,279
Excess (deficiency) of revenues over expenditures	43,440	43,649
Other financing sources (uses):		
Proceeds from sale of capital assets	-	-
Transfers in	-	-
Transfers out	(155,660)	(155,660)
Total other financing sources (uses)	(155,660)	(155,660)
Net change in fund balance (deficit)	\$ (112,220)	(112,011)
Fund balances, beginning		157,880
Fund balances (deficit), ending		\$ 45,869

(Continued)

Tax Increment Financing - Paradise Playhouse		Tax Increment Financing - Vintage Development		Public Safety Sales Tax	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 13,432	\$ 12,239	\$ 228,394	\$ 243,769	\$ 864,665	\$ 870,996
-	-	-	-	-	-
-	-	-	-	5,407	5,677
13,432	12,239	228,394	243,769	870,072	876,673
-	-	-	-	-	-
-	-	-	-	1,250	1,298
-	-	-	-	130,000	88,165
13,800	12,904	248,321	231,978	-	-
-	-	-	-	1,134,107	1,126,097
13,800	12,904	248,321	231,978	1,265,357	1,215,560
(368)	(665)	(19,927)	11,791	(395,285)	(338,887)
-	-	-	-	139,000	139,000
-	-	-	-	-	-
-	-	(2,508)	(2,508)	(475,000)	(450,382)
-	-	(2,508)	(2,508)	(336,000)	(311,382)
<u>\$ (368)</u>	<u>(665)</u>	<u>\$ (22,435)</u>	<u>9,283</u>	<u>\$ (731,285)</u>	<u>(650,269)</u>
	<u>368</u>		<u>22,434</u>		<u>1,335,421</u>
	<u>\$ (297)</u>		<u>\$ 31,717</u>		<u>\$ 685,152</u>

City of Excelsior Springs, Missouri

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds -
Budget to Actual (Continued)
Year Ended September 30, 2015**

	Equitable Sharing		Tax Increment Financing - Elms Hotel	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ 62,500	\$ 67,254
Intergovernmental revenues	180,000	170,491	40,000	-
Investment earnings	-	-	4,046	-
Total revenues	180,000	170,491	106,546	67,254
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	54,900	34,616	-	-
Community betterment	-	-	118,160	25,825
Capital outlay	-	-	-	-
Total expenditures	54,900	34,616	118,160	25,825
Excess (deficiency) of revenues over expenditures	125,100	135,875	(11,614)	41,429
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(7,767)	(7,142)
Total other financing sources (uses)	-	-	(7,767)	(7,142)
Net change in fund balance (deficit)	\$ 125,100	135,875	\$ (19,381)	34,287
Fund balances (deficit), beginning		115,939		(12,815)
Fund balances (deficit), ending		<u>\$ 251,814</u>		<u>\$ 21,472</u>

(Continued)

Community Development Block Grant		Tax Increment Financing- Vintage Development II		Tax Increment Financing - Wal-Mart	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 46,103	\$ 51,391	\$ 1,072,003	\$ 1,370,156
60,000	39,500	-	-	-	-
-	-	-	-	-	-
60,000	39,500	46,103	51,391	1,072,003	1,370,156
-	-	-	-	-	-
-	-	-	-	-	-
67,505	43,000	51,243	46,077	1,386,028	1,371,028
-	-	-	-	-	-
67,505	43,000	51,243	46,077	1,386,028	1,371,028
(7,505)	(3,500)	(5,140)	5,314	(314,025)	(872)
-	-	-	-	-	-
7,505	7,505	-	-	-	-
-	-	-	-	(6,667)	(6,667)
7,505	7,505	-	-	(6,667)	(6,667)
<u>\$ -</u>	<u>4,005</u>	<u>\$ (5,140)</u>	<u>5,314</u>	<u>\$ (320,692)</u>	<u>(7,539)</u>
	<u>62,748</u>		<u>5,141</u>		<u>1,267,242</u>
	<u>\$ 66,753</u>		<u>\$ 10,455</u>		<u>\$ 1,259,703</u>

City of Excelsior Springs, Missouri

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds -
Budget to Actual (Continued)
Year Ended September 30, 2015**

	Parks and Recreation	
	Budget	Actual
Revenues:		
Taxes	\$ 633,620	\$ 648,345
Intergovernmental revenues	23,000	20,726
Charges for services	75,000	76,786
Investment earnings	5,800	10,200
Miscellaneous	8,950	9,677
Total revenues	746,370	765,734
Expenditures:		
Current:		
Recreational activities	656,553	607,610
Community betterment	67,059	66,034
Capital outlay	55,667	10,214
Total expenditures	779,279	683,858
Excess (deficiency) of revenues over expenditures	(32,909)	81,876
Other financing sources (uses):		
Proceeds from sale of capital assets	3,420	3,420
Transfers in	-	-
Transfers out	(12,000)	(10,857)
Total other financing sources (uses)	(8,580)	(7,437)
Net change in fund balance (deficit)	\$ (41,489)	74,439
Fund balances, beginning		306,581
Fund balances, ending		\$ 381,020

City of Excelsior Springs, Missouri

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Debt Service Fund -
Budget to Actual
Year Ended September 30, 2015**

	Debt Service	
	Budget	Actual
Revenues, investment earnings (loss)	\$ (134)	\$ 588
Expenditures, debt service:		
Principal	475,000	475,000
Interest	724,173	675,791
Trustee fees	6,025	1,413
Total expenditures	1,205,198	1,152,204
(Deficiency) of revenues over (under) expenditures	(1,205,332)	(1,151,616)
Other financing sources:		
Transfers in	865,000	851,488
Total other financing sources	865,000	851,488
Net change in fund balance	\$ (340,332)	(300,128)
Fund balances, beginning		765,106
Fund balances, ending		\$ 464,978

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Transportation Trust Fund
 Year Ended September 30, 2015

	Budget	Actual
Revenues:		
Taxes	\$ 859,665	\$ 873,555
Investment earnings	8,000	9,577
Total revenues	867,665	883,132
Expenditures:		
Current:		
Public works	281,988	272,650
Capital outlay	1,020,000	686,718
Total expenditures	1,301,988	959,368
Excess (deficiency) of revenues over expenditures	(434,323)	(76,236)
Other financing sources (uses):		
Proceeds on sale of capital assets	30,200	30,200
Transfers out	(3,000)	(2,824)
Total other financing sources	27,200	27,376
Net change in fund balance	\$ (407,123)	(48,860)
Fund balances, beginning		2,198,629
Fund balances, ending		\$ 2,149,769

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Capital Improvements Fund
 Year Ended September 30, 2015

	Budget	Actual
Revenues:		
Taxes	\$ 879,665	\$ 914,499
Investment earnings	18,500	20,679
Miscellaneous	2,427	2,502
Total revenues	900,592	937,680
Expenditures:		
Current:		
General government	173,827	42,913
Public works	-	-
Public safety	93,176	70,063
Recreational activities	77,403	19,355
Community betterment	424,572	117,645
Capital outlay	703,861	515,820
Total expenditures	1,472,839	765,796
Excess (deficiency) of revenues over expenditures	(572,247)	171,884
Other financing sources (uses), transfers out	(1,182,380)	(111,309)
Net change in fund balance	\$ (1,754,627)	60,575
Fund balances, beginning		2,699,497
Fund balances, ending		\$ 2,760,072

City of Excelsior Springs, Missouri

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 September 30, 2015

Assets	Airport	Refuse	Golf	Total
Current assets:				
Cash and cash equivalents	\$ 25,067	\$ 51,742	\$ 70,551	\$ 147,360
Accounts receivable, net of allowance for uncollectibles	7,175	90,509	-	97,684
Inventory	5,861	-	-	5,861
Total current assets	38,103	142,251	70,551	250,905
Noncurrent assets:				
Net pension asset	-	6,980	46,440	53,420
Investments	-	150,000	-	150,000
Capital assets:				
Land	50,000	-	155,688	205,688
Construction-in-progress	16,539	-	438,469	455,008
Land improvements	25,000	-	809,260	834,260
Buildings and improvements	48,624	-	294,271	342,895
Operating equipment	52,247	-	631,571	683,818
Furniture and office equipment	10,950	-	22,550	33,500
Total capital assets	203,360	-	2,351,809	2,555,169
Less accumulated depreciation	78,078	-	1,620,789	1,698,867
Net capital assets	125,282	-	731,020	856,302
Total noncurrent assets	125,282	156,980	777,460	1,059,722
Total assets	163,385	299,231	848,011	1,310,627
Deferred outflows of resources,				
Pension related amounts	-	3,128	20,813	23,941
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 26,243	\$ 58,503	\$ 97,346	\$ 182,092
Unearned revenues	-	-	105,806	105,806
Compensated absences	-	251	46,549	46,800
Accrued interest	-	-	239	239
Lease purchase agreement	-	-	49,833	49,833
Total current liabilities	26,243	58,754	299,773	384,770
Noncurrent liabilities:				
Advances from other funds	-	-	186,431	186,431
Other postemployment benefits obligation	-	1,545	12,155	13,700
Total noncurrent liabilities	-	1,545	198,586	200,131
Total liabilities	26,243	60,299	498,359	584,901
Deferred inflows of resources,				
Pension related amounts	-	307	2,045	2,352
Net position (deficit)				
Net investment in capital assets	125,282	-	681,187	806,469
Unrestricted	11,860	241,753	(312,767)	(59,154)
Total net position	\$ 137,142	\$ 241,753	\$ 368,420	\$ 747,315

City of Excelsior Springs, Missouri

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2015**

	Airport	Refuse	Golf	Total
Operating revenues:				
Charges for services	\$ 3,506	\$ 756,229	\$ 675,080	\$ 1,434,815
Rental income	11,175	-	-	11,175
Other	10,950	37,135	9,691	57,776
Total operating revenues	25,631	793,364	684,771	1,503,766
Operating expenses:				
Personnel services	-	50,479	383,746	434,225
Contractual and professional services	2,236	701,560	1,063	704,859
Utilities	5,540	-	28,380	33,920
Maintenance and repairs	12,724	807	98,264	111,795
Cost of goods sold	2,829	-	100,954	103,783
Insurance	2,100	-	8,881	10,981
Supplies and materials (administrative)	4,086	12,580	176,559	193,225
Depreciation	10,625	-	67,615	78,240
Total operating expenses	40,140	765,426	865,462	1,671,028
Operating income (loss)	(14,509)	27,938	(180,691)	(167,262)
Nonoperating revenue (expense):				
Investment earnings	5	3,421	32	3,458
Interest expense	-	-	(5,777)	(5,777)
Total nonoperating revenue (expense)	5	3,421	(5,745)	(2,319)
Income (loss) before transfers	(14,504)	31,359	(186,436)	(169,581)
Transfers in	49,781	-	143,600	193,381
Transfers out	(5,800)	(42,835)	(44,242)	(92,877)
	43,981	(42,835)	99,358	100,504
Change in net position	29,477	(11,476)	(87,078)	(69,077)
Total net position, beginning, as restated	107,665	253,229	455,498	816,392
Total net position, ending	\$ 137,142	\$ 241,753	\$ 368,420	\$ 747,315

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended September 30, 2015

	Airport	Refuse	Golf	Total
Cash flows from operating activities:				
Cash collected from customers	\$ 14,631	\$ 788,042	\$ 780,886	\$ 1,583,559
Cash from other operating revenue	10,950	-	9,691	20,641
Cash paid to suppliers for goods and services	(7,816)	(657,551)	(356,299)	(1,021,666)
Cash paid to employees for services	-	(51,099)	(383,177)	(434,276)
Net cash provided by operating activities	17,765	79,392	51,101	148,258
Cash flows from noncapital financing activities:				
Increases (decreases) in advances from other funds	(9,195)	-	120,697	111,502
Transfers in	49,781	-	143,600	193,381
Transfers out	(5,800)	(42,835)	(44,242)	(92,877)
Net cash provided by (used in) noncapital financing activities	34,786	(42,835)	220,055	212,006
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(27,489)	-	(139,346)	(166,835)
Principal payments on capital leases	-	-	(55,248)	(55,248)
Interest paid	-	-	(6,043)	(6,043)
Net cash (used in) capital and related financing activities	(27,489)	-	(200,637)	(228,126)
Cash flows from investing activities:				
Purchase of investments	-	(2,367)	-	(2,367)
Interest income	5	3,421	32	3,458
Proceeds from maturity of investment	-	-	-	-
Net cash provided by investing activities	5	1,054	32	1,091
Net (decrease) in cash and cash equivalents	25,067	37,611	70,551	133,229
Cash and cash equivalents:				
Beginning	-	14,131	-	14,131
Ending	\$ 25,067	\$ 51,742	\$ 70,551	\$ 147,360

(Continued)

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
Year Ended September 30, 2015

	Airport	Refuse	Golf	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (14,509)	\$ 27,938	\$ (180,691)	\$ (167,262)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	10,625	-	67,615	78,240
(Increase) in accounts receivable	(50)	(5,322)	-	(5,372)
(Increase) decrease in inventory	(3,514)	-	-	(3,514)
Increase (decrease) in accounts payable and accrued expenses	25,213	57,396	57,802	140,411
Increase in unearned revenues	-	-	105,806	105,806
Increase in other postemployment benefits obligation	-	211	1,406	1,617
Decrease in net pension asset	-	1,733	11,531	13,264
(Increase) in deferred outflows	-	(2,641)	(17,572)	(20,213)
Increase in deferred inflows	-	307	2,045	2,352
Increase (decrease) in compensated absences	-	(230)	3,159	2,929
Net cash provided by operating activities	\$ 17,765	\$ 79,392	\$ 51,101	\$ 148,258

City of Excelsior Springs, Missouri

Combining Statement of Assets and Liabilities - Agency Funds
September 30, 2015

	Hospital	Payroll	Road District	Total
Assets				
Cash and cash equivalents	\$ 5,493,180	\$ 77,485	\$ 515,806	\$ 6,086,471
Taxes receivable	264,782	-	-	264,782
Total assets	\$ 5,757,962	\$ 77,485	\$ 515,806	\$ 6,351,253
Liabilities				
Accounts payable	\$ -	\$ 77,485	\$ -	\$ 77,485
Due to component unit	5,757,962	-	-	5,757,962
Due to other governments	-	-	515,806	515,806
Total liabilities	\$ 5,757,962	\$ 77,485	\$ 515,806	\$ 6,351,253

City of Excelsior Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended September 30, 2015

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015
Hospital Fund				
Assets:				
Cash and cash equivalents	\$ 6,813,419	\$ 158,404	\$ 1,478,643	\$ 5,493,180
Taxes receivable	263,471	257,508	256,197	264,782
Total assets	\$ 7,076,890	\$ 415,912	\$ 1,734,840	\$ 5,757,962
Liabilities, due to component unit	\$ 7,076,890	\$ 415,912	\$ 1,734,840	\$ 5,757,962
Payroll Fund				
Assets, cash and cash equivalents	\$ 183,467	\$ 9,579,180	\$ 9,685,162	\$ 77,485
Liabilities, accounts payable	\$ 183,467	\$ 7,260,285	\$ 7,366,267	\$ 77,485
Road District Fund				
Assets, cash and cash equivalents	\$ 730,238	\$ 153,069	\$ 367,501	\$ 515,806
Liabilities:				
Accounts payable	\$ 850	\$ 366,291	\$ 367,141	\$ -
Due to other governments	729,388	153,068	366,650	515,806
Total liabilities	\$ 730,238	\$ 519,359	\$ 733,791	\$ 515,806
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 7,727,124	\$ 9,890,653	\$ 11,531,306	\$ 6,086,471
Taxes receivable	263,471	257,508	256,197	264,782
Total assets	\$ 7,990,595	\$ 10,148,161	\$ 11,787,503	\$ 6,351,253
Liabilities:				
Accounts payable	\$ 184,317	\$ 7,626,576	\$ 7,733,408	\$ 77,485
Due to component unit	7,076,890	415,912	1,734,840	5,757,962
Due to other governments	729,388	153,068	366,650	515,806
Total liabilities	\$ 7,990,595	\$ 8,195,556	\$ 9,834,898	\$ 6,351,253

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City of Excelsior Springs, Missouri

Statistical Section Contents

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	97 - 102
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the	103 - 108
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt	109 - 112
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	113 - 114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and	115 - 122

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in fiscal year 2003: schedules presenting government-wide information include information beginning in that year.

City of Excelsior Springs, Missouri

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
[a]										
Governmental Activities:										
Net investment in capital assets	8,215,502	8,920,357	9,600,400	11,453,475	12,241,755	12,996,356	14,097,836	14,653,459	13,799,025	16,967,781
Restricted	3,915,524	4,443,656	5,066,289	5,375,415	5,493,852	8,196,025	7,891,720	8,367,261	9,073,288	8,857,748
Unrestricted	2,889,439	3,035,103	4,607,991	4,580,245	4,070,307	2,634,310	2,955,188	1,966,343	1,779,260	4,424,070
Total governmental activities net position	15,020,465	16,399,116	19,274,680	21,409,135	21,805,914	23,826,691	24,944,744	24,987,063	24,651,573	30,249,599
Business-type activities:										
Net investment in capital assets	5,502,722	5,752,386	6,876,597	6,951,927	7,033,568	7,360,002	10,074,915	11,496,124	10,399,991	11,011,064
Restricted	1,101,621	1,004,472	896,282	797,019	621,500	237,500	122,500	-	-	-
Unrestricted	1,915,682	2,090,881	1,675,923	2,144,788	3,703,362	4,791,239	3,457,770	3,138,388	3,766,529	3,439,513
Total business-type activities net position	8,520,025	8,847,739	9,448,802	9,893,734	11,358,430	12,388,741	13,655,185	14,634,512	14,166,520	14,450,577
Primary government:										
Net investment in capital assets	13,718,224	14,672,743	16,476,997	18,405,402	19,275,323	20,356,358	24,172,751	26,149,583	24,199,016	27,978,845
Restricted	5,017,145	5,448,128	5,962,571	6,172,434	6,115,352	8,433,525	8,014,220	8,367,261	9,073,288	8,857,748
Unrestricted	4,805,121	5,125,984	6,283,914	6,725,033	7,773,669	7,425,549	6,412,958	5,104,731	5,545,789	7,863,583
Total primary government net position	23,540,490	25,246,855	28,723,482	31,302,869	33,164,344	36,215,432	38,599,929	39,621,575	38,818,093	44,700,176

[a] As restated for the addition of governmental infrastructure assets.

City of Excelsior Springs, Missouri

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General Government	\$ 939,821	\$ 999,410	\$ 966,831	\$ 1,264,010	\$ 1,128,823	\$ 1,161,049	\$ 1,404,253	\$ 1,371,894	\$ 1,335,488	\$ 1,172,839
Public Safety	4,569,672	4,450,412	4,048,900	4,853,975	5,361,872	5,055,440	5,133,158	5,437,030	5,524,073	5,401,800
Transportation	108,254	97,584	134,436	143,769	143,981	152,676	179,921	186,189	183,239	154,093
Public Works	1,067,169	1,428,481	1,767,511	1,549,922	1,929,547	1,840,211	2,699,104	2,016,591	2,108,427	1,805,277
Health and Welfare	52,971	53,196	49,318	52,943	51,887	55,520	61,743	59,570	64,496	64,079
Recreational Activities	311,201	511,358	504,097	459,717	528,013	634,316	681,551	764,780	874,303	741,344
Cemetery Operations	-	-	-	-	-	17,810	64,716	48,599	37,375	48,667
Community Betterment	967,437	1,287,102	1,089,998	1,731,000	1,728,610	1,508,422	1,342,907	2,289,384	1,817,201	2,134,161
Interest on long-term debt	346,140	230,991	195,191	176,710	137,029	102,165	68,995	44,116	353,700	648,826
Total governmental activities expenses	8,362,665	9,058,534	8,756,282	10,232,046	11,009,762	10,527,609	11,636,348	12,218,153	12,298,302	12,171,086
Business-type activities:										
Water	1,690,883	1,707,102	1,666,996	1,678,836	1,660,959	1,892,942	2,117,104	2,518,433	3,024,878	2,996,381
Sewer	978,084	973,446	877,837	1,127,120	1,204,401	1,330,063	2,112,373	2,591,028	3,258,762	3,524,472
Golf	780,348	773,545	849,696	851,479	792,062	785,508	827,847	781,813	756,811	871,239
Airport	3,087	3,087	7,211	9,595	16,988	30,282	30,038	41,414	40,434	40,140
Refuse	352,558	376,787	439,794	537,746	667,284	638,336	652,258	719,793	746,090	765,426
Total business-type activities expenses	3,804,960	3,833,967	3,841,536	4,204,776	4,341,664	4,677,131	5,739,620	6,652,481	7,826,975	8,197,658
Total primary government expenses	12,167,625	12,892,501	12,597,818	14,436,822	15,351,426	15,204,740	17,375,968	18,870,634	20,125,277	20,368,744
Program revenue:										
Governmental activities:										
Charges for services:										
General Government	153,400	154,677	158,180	108,035	121,535	115,858	119,458	119,951	327,086	123,734
Public Safety	845,597	798,748	1,080,352	1,216,136	1,396,007	1,406,395	1,429,581	1,293,890	438,417	1,112,252
Transportation	30,264	26,156	31,802	30,213	33,036	30,767	29,377	58,240	37,018	36,281
Public Works	74,217	15,638	355,916	52,566	159,468	333,091	452,309	220,923	349,308	286,285
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Recreational Activities	32,080	31,919	23,720	36,985	50,018	127,279	80,942	82,755	66,540	76,786
Cemetery Operations	-	-	-	-	-	10,095	69,581	41,767	51,695	54,188
Community Betterment	175,159	156,780	78,710	130,182	53,766	203,450	101,659	52,471	66,326	56,334
Operating grants and contributions:										
Public Safety	23,523	19,187	-	90,704	437,247	274,758	74,419	38,552	52,227	170,491
Transportation	35,852	29,057	56,385	55,079	56,004	61,309	62,338	59,067	65,611	62,949
Public Works	535,311	590,406	553,271	1,388,218	477,368	492,908	482,165	738,211	438,439	461,984
Health and Welfare	19,250	12,375	21,323	17,875	16,500	16,500	13,750	19,650	21,067	20,726
Recreational Activities	20,377	17,220	-	5,619	29,288	-	-	-	10,129	-
Cemetery Operations	-	-	-	-	208,596	-	-	-	-	-
Community Betterment	200,934	13,111	73,723	464,910	499,170	69,509	59,246	94,597	-	49,174
Capital grants and contributions:										
Transportation	-	-	-	-	-	-	-	-	41,335	-
Public Works	-	-	-	-	-	-	535,655	-	-	-
Recreational Activities	-	-	-	-	-	-	-	304,485	-	-
Community Betterment	-	-	28,391	2,267	-	-	-	-	-	-
Cemetery Operations	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenue	2,145,964	1,865,274	2,433,382	3,596,502	3,329,387	3,350,515	3,510,480	3,124,559	1,965,198	2,511,184

City of Excelsior Springs, Missouri

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water	1,945,385	2,075,336	2,210,436	2,425,643	2,514,840	2,887,962	3,183,161	3,153,647	3,119,696	3,272,648
Sewer	983,116	1,055,082	1,087,548	1,125,837	1,198,899	1,555,214	1,918,120	2,159,835	2,200,706	2,704,128
Golf	719,440	720,394	774,704	736,047	603,071	583,241	590,107	582,958	582,576	675,080
Airport	9,600	1,200	22,055	18,985	25,074	33,729	22,534	19,691	19,159	25,631
Refuse	407,217	461,351	527,077	565,680	724,882	705,849	698,174	730,014	765,664	793,364
Operating/capital grants and contributions:										
Water	-	-	31,011	-	-	15,300	10,000	-	-	-
Sewer	-	-	-	-	-	-	85,000	-	-	-
Golf	4,044,758	15,250	-	4,872,192	16,483	12,577	9,918	14,916	27,128	9,691
Total business-type activities program revenue	4,044,758	4,328,613	4,652,831	4,872,192	5,083,249	5,793,872	6,517,014	6,661,063	6,714,929	7,480,541
Total primary government program revenues	6,190,722	6,193,887	7,086,213	8,468,694	8,412,636	9,144,387	10,027,494	9,785,620	8,680,127	9,991,725
Net (expense) revenue:	(6,216,701)	(7,193,260)	(6,322,900)	(6,635,544)	(7,680,375)	(7,177,094)	(8,125,868)	(9,093,594)	(10,333,104)	(9,659,902)
Governmental activities	239,798	494,646	811,295	687,416	741,585	1,116,741	777,394	8,580	(1,112,046)	(717,117)
Business-type activities	(5,976,903)	(6,698,614)	(5,511,605)	(5,968,128)	(6,938,790)	(6,060,353)	(7,348,474)	(9,085,014)	(11,445,150)	(10,377,019)
Total primary government net expense										
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	1,607,557	1,722,677	1,873,053	1,924,393	1,880,348	1,955,284	1,973,387	1,983,116	2,032,641	2,146,128
General sales and use tax	4,687,813	4,788,957	4,820,222	4,696,840	4,917,024	4,998,485	5,047,335	5,651,326	5,658,413	7,289,398
Franchise tax	1,047,889	1,101,815	1,481,454	1,256,515	1,530,424	1,625,117	1,386,103	1,608,499	1,531,495	1,467,003
Cigarette tax	108,050	124,716	131,389	128,419	117,079	116,058	121,767	120,186	118,377	117,491
Railroad and Utility/Financial Institution Tax	54,581	66,088	63,722	51,582	52,715	60,219	55,488	51,067	54,065	64,086
Interest and investment earnings	269,903	313,854	289,426	179,924	148,491	157,789	153,209	116,963	95,983	254,996
Miscellaneous	145,955	85,070	166,436	164,471	48,620	73,369	156,404	143,056	268,100	228,781
Gain on sale of capital assets	341,985	-	13,416	46,318	21,295	-	35,665	-	41,500	171,119
Transfers	8,263,733	8,571,911	9,170,073	319,270	(638,842)	211,550	314,563	(538,200)	197,040	294,709
Total governmental activities	16,908	16,908	120,723	96,786	84,269	125,120	803,613	929,984	841,094	799,951
Business-type activities:										
Investment earnings	(341,985)	(368,734)	(330,965)	(319,270)	638,842	(211,550)	(314,563)	538,200	(197,040)	31,955
Miscellaneous	(140,560)	(166,932)	(210,232)	(222,464)	723,111	(86,430)	489,050	1,483,184	644,064	(284,709)
Transfers	8,123,173	8,404,979	8,959,841	8,545,248	8,800,265	9,111,441	9,732,971	10,619,097	10,641,668	12,570,908
Total business-type activities	2,047,032	1,378,651	2,847,173	2,132,188	396,779	2,020,777	1,118,053	42,319	(335,490)	2,373,809
Governmental activities	99,238	327,714	601,063	444,932	1,464,696	1,030,311	1,266,444	1,491,764	(467,992)	(179,920)
Business-type activities	(2,146,270)	(1,706,365)	(3,448,236)	(2,577,120)	(1,861,475)	(3,051,088)	(2,364,497)	(1,534,083)	(603,482)	(2,193,889)
Total primary government										

City of Excelsior Springs, Missouri

Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General government	153,400	154,677	158,180	108,035	121,535	115,858	119,458	119,951	327,086	123,734
Public Safety	869,120	817,935	1,080,352	1,306,840	1,833,254	1,681,153	1,504,000	1,332,442	490,644	1,282,743
Transportation	66,116	55,213	88,187	85,292	89,040	92,076	91,715	117,307	143,964	99,230
Public works	609,528	606,044	909,187	1,440,784	636,836	825,999	1,470,129	959,134	787,747	748,269
Health and Welfare	19,250	12,375	21,323	17,875	16,500	16,500	13,750	19,650	21,067	20,726
Cemetery operations	-	-	-	-	-	218,691	69,581	41,767	51,695	54,188
Recreational Activities	32,080	31,919	23,720	42,584	79,286	127,279	80,942	387,240	76,669	76,786
Community Betterment	376,093	169,891	152,433	595,092	552,936	272,959	160,905	147,068	66,326	105,508
Total governmental activities	2,125,587	1,848,054	2,433,382	3,596,502	3,329,387	3,329,387	3,510,480	3,124,559	1,965,198	2,511,184
Business-type activities:										
Water	1,945,385	2,075,336	2,241,447	2,425,643	2,514,840	2,514,840	3,193,161	3,153,647	3,119,696	3,272,647
Sewer	963,116	1,055,082	1,087,548	1,125,837	1,198,899	1,198,899	2,003,120	2,159,835	2,200,706	2,704,128
Golf	719,440	735,644	774,704	736,047	619,554	619,554	600,025	597,874	609,704	684,771
Airport	9,600	1,200	22,055	18,985	25,074	25,074	22,534	19,691	19,159	25,631
Refuse	407,217	461,351	527,077	565,680	724,882	724,882	698,174	730,014	765,664	793,364
Total business-type activities	4,044,758	4,328,613	4,652,831	4,872,192	5,083,249	5,083,249	6,517,014	6,661,061	6,714,929	7,480,541
Total government	6,170,345	6,176,667	7,086,213	8,468,694	8,412,636	8,412,636	10,027,494	9,785,620	8,680,127	9,991,725

City of Excelsior Springs, Missouri

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 488,887	\$ 680,901	\$ 523,908	\$ 605,457	\$ 701,994	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	620,343	552,332	1,417,833	1,539,571	1,833,780	-	-	-	-	-
Unreserved, designated for board use	1,200,000	1,200,000	1,200,000	1,200,000	339,246	-	-	-	-	-
Nonspendable	-	-	-	-	-	609,295	718,647	332,332	286,296	1,208,562
Restricted	-	-	-	-	-	374,916	333,987	352,292	372,229	367,964
Assigned	-	-	-	-	-	-	149,913	-	-	-
Unassigned	-	-	-	-	-	2,503,528	2,708,532	2,530,112	2,409,377	2,138,743
Total General Fund	2,309,230	2,433,233	3,141,741	3,345,028	2,975,020	3,487,739	3,911,079	3,214,736	3,047,902	3,715,269
All Other Governmental Funds:										
Reserved	745,330	762,406	806,977	814,435	819,006	-	-	-	-	-
Unreserved, reported in:										
Permanent funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	4,035,096	4,627,324	6,235,964	6,369,183	6,341,362	-	-	-	-	-
Debt Service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	228,041	144,585	5,243	8,083	10,819	-	-	-	-	-
Nonspendable	-	-	-	-	-	179,349	191,454	191,454	205,360	212,909
Restricted	-	-	-	-	-	7,856,353	7,579,448	8,027,469	26,277,456	20,814,520
Assigned	-	-	-	-	-	56,620	48,257	33,610	-	-
Unassigned	-	-	-	-	-	(88,921)	(74,816)	(113,184)	(12,815)	(297)
Total all other governmental funds	5,008,467	5,534,315	7,048,204	7,191,701	7,171,187	8,003,501	7,744,343	8,139,349	26,470,001	21,027,132

Source: City financial statements.

Note: GASB 54 was adopted for Fiscal Year 2011. Fund balances for 2010 were restated for comparison purposes.

City of Excelsior Springs, Missouri

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	7,446,196	7,804,253	8,273,864	8,022,859	8,370,338	8,698,572	8,470,305	9,371,502	9,390,771	11,084,096
Special Assessments	149,320	69,343	96,071	116,814	137,445	165,353	25,448	2,314	(485)	-
Intergovernmental	885,109	695,535	728,967	2,000,132	1,522,091	1,250,393	1,142,453	1,103,476	587,473	765,324
Licenses and permits	246,662	198,893	187,445	156,292	167,034	162,592	216,721	167,959	149,073	178,020
Charges for services	604,883	533,340	1,100,585	689,044	739,316	857,411	865,814	843,481	826,199	1,267,563
Fines and forfeitures	239,717	270,671	253,044	449,262	583,827	513,521	589,176	486,303	361,602	300,277
Use of money and property	239,838	313,854	289,426	179,924	148,491	157,789	153,209	116,863	95,984	254,996
Other	255,987	182,562	358,073	377,003	366,736	322,609	333,723	545,192	309,600	301,324
Total revenues	10,087,712	10,068,451	11,287,475	11,991,330	12,035,278	12,128,240	11,796,849	12,637,090	11,720,217	14,151,600
Expenditures										
General government	884,157	942,909	911,771	1,152,687	1,565,011	1,036,565	1,145,511	1,156,978	1,138,125	1,185,750
Public Safety	4,422,419	4,614,695	4,263,484	4,618,281	5,006,361	4,712,148	4,798,155	5,020,233	5,112,654	5,087,974
Transportation	69,496	65,968	102,727	103,722	101,124	109,819	137,064	144,268	149,953	136,801
Public works	1,639,902	1,328,229	1,374,117	2,276,913	1,820,677	1,134,031	2,007,259	1,090,315	1,452,970	1,227,329
Health and Welfare	52,971	53,196	49,318	52,948	51,887	55,520	61,743	59,570	64,496	66,034
Recreational Activities	412,602	480,314	467,305	514,928	482,231	600,097	604,313	673,468	751,456	626,965
Cemetery operations	-	-	-	-	-	17,810	64,716	48,599	41,393	48,667
Community Betterment	962,414	1,284,475	1,083,373	1,723,383	1,688,209	1,502,589	1,337,350	2,279,967	1,807,155	2,127,980
Capital outlay	169,941	9,291	310,385	723,525	268,729	1,147,738	1,067,523	1,684,016	1,238,104	7,743,522
Debt service:										
Principal	842,496	1,120,388	670,249	661,500	684,166	786,939	689,823	470,000	285,000	475,000
Bond issuance costs	-	-	-	-	-	-	-	-	368,323	-
Interest	259,935	233,626	206,205	182,252	150,563	120,097	82,524	53,331	33,400	677,204
Total expenditures	9,716,333	10,134,091	9,438,934	12,010,134	11,818,958	11,223,353	11,985,961	12,680,745	12,443,029	19,403,226
Excess of revenues (under) expenditures	351,379	(65,640)	1,848,541	(18,804)	216,320	904,887	(199,132)	(43,655)	(722,812)	(5,251,626)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	3,197,878	2,913,768	2,392,131	2,595,875	2,587,941	1,953,238	1,537,307	1,404,695	1,469,779	1,997,218
Issuance of long-term debt	(2,855,893)	(2,545,034)	(2,061,176)	(2,276,605)	(3,226,783)	(1,741,688)	(1,222,744)	(1,942,895)	(1,272,739)	(1,702,509)
Proceeds of refunding bonds	-	346,365	-	-	-	-	-	-	18,631,626	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Premium (discount) on long-term debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property	-	392	42,901	46,318	32,000	208,596	48,751	151,085	41,500	181,415
Total other financing sources (uses)	341,985	715,491	373,856	365,588	(606,842)	440,146	363,314	(304,840)	18,870,166	476,124
Net changes in fund balance	693,364	649,851	2,222,397	346,784	(390,522)	1,345,033	164,182	(348,495)	18,147,354	(4,775,502)
Debt service as a percentage of noncapital expenditures	12.88%	14.20%	9.91%	7.39%	7.85%	9.00%	6.88%	4.76%	6.13%	9.94%

Source: City financial statements.

City of Excelsior Springs, Missouri

**Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

Fiscal Year	Property	General Sales and Use	Franchise	Cigarette	Railroad, Utility and Financial Institution	Total
2006	1,607,557	4,398,026	1,037,522	108,050	54,581	7,205,737
2007	1,722,677	4,788,957	1,101,815	124,716	66,088	7,804,253
2008	1,873,053	4,820,222	1,481,454	131,389	63,722	8,369,840
2009	1,924,393	4,696,840	1,256,515	128,419	51,582	8,057,749
2010	1,880,348	4,917,024	1,530,424	117,079	52,715	8,497,590
2011	1,951,492	4,941,894	1,625,117	116,058	64,011	8,698,572
2012	1,973,387	5,047,335	1,386,103	121,767	55,488	8,584,080
2013	1,983,116	5,651,326	1,608,499	120,186	51,067	9,414,194
2014	2,032,641	5,658,413	1,531,495	118,377	54,065	9,394,991
2015	2,146,128	7,289,398	1,467,003	117,481	64,086	11,084,096
Change 2006-2015	33.50%	65.74%	41.39%	8.73%	17.41%	53.82%

Source: City records.

City of Excelsior Springs, Missouri

**Principal Sales Tax Industries
Calendar Years 2015 and 2006
(Unaudited)**

Industry	Percentage of Total City Sales Tax Revenues:	
	Calendar Year 2015	Calendar Year 2006
	{1}	
General Merchandise Stores	33.33% %	28.84 %
Food Stores	15.59%	19.80
Eating And Drinking Places	10.26%	9.78
Miscellaneous Services	5.55%	1.03
Miscellaneous Retail	3.36%	4.81
Automotive Dealers And Gasoline Ser	2.37%	3.19
Communication	2.23%	4.06
Business Services	1.97%	0.91
Building Matl, Hdwe, Gdn Supply, Mo	1.90%	3.41
Automotive Repair, Services and Garage	1.22%	0.25
	<u>77.78% %</u>	<u>76.08 %</u>

Source: Missouri Department of Revenue Report of Sales Tax by Standard Industry Codes and City Sales Tax records.

Note: Due to confidentiality and limited revenue payers, the dollar amount has not been disclosed.

{1} Calendar year 2015 percentages based upon quarters 1 thru 3 values as fourth quarter values were not yet available when this schedule was prepared.

City of Excelsior Springs, Missouri

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Tax Year	Fiscal Year	Real Estate			Personal Property	Railroad and Utility (a)	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
		Residential	Commercial	Agricultural							
2005	2006	64,277,720	23,195,330	194,530	4,868,566	134,216,496	5.80%	1.0532	553,928,638	24.23%	
2006	2007	66,425,730	23,652,740	225,720	4,911,349	136,978,450	2.06%	1.0532	567,307,159	24.15%	
2007	2008	70,942,690	20,251,280	258,690	38,921,637	135,558,192	-1.04%	1.0532	572,967,553	23.66%	
2008	2009	72,109,900	23,411,180	829,940	35,531,416	136,569,489	0.75%	1.0712	581,919,923	23.47%	
2009	2010	71,746,210	28,351,490	1,213,940	32,227,527	138,196,806	1.19%	1.0910	586,537,374	23.48%	
2010	2011	72,000,090	28,578,500	1,162,620	29,170,555	135,700,296	-1.81%	1.1485	581,303,935	23.34%	
2011	2012	72,414,870	30,711,650	1,101,490	4,901,136	138,823,635	1.65%	1.1485	591,583,234	23.47%	
2012	2013	72,277,950	31,348,805	1,006,420	29,694,489	139,228,800	0.29%	1.1389	592,061,462	23.52%	
2013	2014	72,170,550	34,365,390	244,030	32,120,950	144,308,448	3.65%	1.1835	603,505,164	23.91%	
2014	2015	71,888,900	34,649,580	278,330	34,650,795	147,169,592	1.98%	1.1847	611,784,988	24.06%	

Source: City tax-billing records and county aggregate valuations.

(a)

Billed and collected by the county.

City of Excelsior Springs, Missouri

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Tax Year Levied	Fiscal Year	City Direct Rates				Overlapping Rates		Total Direct and Overlapping Rate	
		General Fund	Parks	Recreation	Hospital	School District	State	Clay County	Ray County
2005	2006	0.5720	0.1604	0.1604	0.1604	4.6673	0.6884	6.4389	7.2508
2006	2007	0.5720	0.1604	0.1604	0.1604	4.7673	0.6024	6.4529	7.3508
2007	2008	0.5720	0.1604	0.1604	0.1604	4.7673	0.9260	6.7765	7.3508
2008	2009	0.5819	0.1631	0.1631	0.1631	4.8592	0.9263	6.8867	7.3388
2009	2010	0.5927	0.1661	0.1661	0.1661	5.0285	1.1519	7.3014	7.5279
2010	2011	0.6229	0.1752	0.1752	0.1752	5.1500	1.1582	7.4667	7.7227
2011	2012	0.6289	0.1770	0.1770	0.1770	5.2000	0.8953	7.2852	7.9246
2012	2013	0.6178	0.1737	0.1737	0.1737	5.2000	0.8953	7.2642	7.9036
2013	2014	0.6417	0.1806	0.1806	0.1806	5.2000	0.8824	7.2959	7.5029
2014	2015	0.6423	0.1808	0.1808	0.1808	5.2000	0.8693	7.2840	7.5029

Source: City billing records, tax rate summaries prepared by county clerks.

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the City.

City of Excelsior Springs, Missouri
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Fiscal Year 2015 (Tax Year 2014)			Fiscal Year 2006 (Tax Year 2005)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ConAgra (American Italian Pasta Co)	17,977,062	1	12.22%	14,345,657	1	10.69%
Wal Mart Stores Inc	3,682,855	2	2.50%	3,682,855	2	2.74%
Kubetech Custom Molding Inc (Rexam Consumer Plastics)	3,022,811	5	2.05%	1,351,546	8	1.01%
Widewaters Excelsior Springs Company LLC (Elms Hotel)	2,735,631	3	1.86%	2,735,631	4	2.04%
Waller Truck Co Inc	2,649,518	4	1.80%	2,659,591	5	1.98%
Robert Bosch Tool Corporation/Gilmour Hose	1,782,029	6	1.21%	2,230,431	6	1.66%
Laclede Gas Co. (MGE)	1,715,521	7	1.17%	25,919	866	0.02%
Ford Motor Company	1,407,895	8	0.96%	3,241,321	3	2.41%
Price Chopper (Bloch Family 2005 Partnership, Lp)	1,170,941	9	0.80%	1,360,000	7	1.01%
Crown Hill Associates	1,049,427	10	0.71%	648,930	10	0.48%
Excelsior Properties	905,217	11	0.62%	19,710	1,482	0.01%
Clay-Ray Plastics, Inc.	659,565	12	0.45%	819,430	9	0.61%
Hwang, Jesse J. and Esther E.	535,050	13	0.36%	388,410	18	0.0029
Y Junction LLC	504,701	14	0.34%	562,750	13	0.42%
American United Development	493,731	15	0.34%	820	6,484	0.00%
Colony Plaza Apartments	471,070	16	0.32%	573,800	12	0.43%
Vermaas And Sons (VA Clinic)	449,716	17	0.31%	-	N/A *	0.00%
Liberty Carbon Service Inc	436,424	18	0.30%	283,011	26	0.21%
WB Five, LLC	406,617	19	0.28%	-	N/A *	0.00%
Walgreen Co	397,296	20	0.27%	-	N/A *	0.00%

SOURCE: County Assessor Report for 2015, City Tax Billing Records for 2006.

* Taxpayer was not located in Excelsior Springs in 2005.

City of Excelsior Springs, Missouri
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30:	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	1,422,693	1,297,619	91.21%	124,774	1,422,393	99.98% (a)
2007	2006	1,410,769	1,332,219	94.43%	78,163	1,410,382	99.97% (a)
2008	2007	1,492,912	1,387,574	92.94%	104,617	1,492,191	99.95% (a)
2009	2008	1,575,920	1,422,085	90.24%	135,742	1,557,827	98.85% (a)
2010	2009	1,608,210	1,551,456	96.47%	41,039	1,592,495	99.02% (a)
2011	2010	1,716,453	1,665,415	97.03%	37,881	1,701,337	99.12%
2012	2011	1,584,714	1,539,134	97.12%	21,710	1,573,019	99.26%
2013	2012	1,562,942	1,521,982	97.38%	30,424	1,552,406	99.33%
2014	2013	1,644,111	1,607,215	97.76%	59,022	1,666,237	101.35% (b)
2015	2014	1,677,700	1,689,819	100.72%	-	1,689,819	100.72%

SOURCE: City Tax Billing Records and County Collector remittances.

{a} Remaining balance written off.

{b} Beginning with tax year 2013, taxes are billed and collected by the County Collectors.

Source: Outstanding Account Listing and information obtained from the County Collectors.

City of Excelsior Springs, Missouri

Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Revenue Bonds	Neighborhood Improvement District Bonds	Loan Payable	Certificates of Participation	Lease Purchase Agreement	Revenue Bonds				
2006	121,700	4,950,000	425,000	710,000	-	451,584	5,024,167	11,682,451	2.04%	993	
2007	387,677	3,975,000	360,000	627,500	-	617,742	4,651,667	10,619,586	1.81%	890	
2008	282,428	3,480,000	290,000	540,000	-	536,402	4,257,917	9,386,747	1.55%	772	
2009	215,928	2,960,000	215,000	445,000	-	450,286	3,840,417	8,126,631	1.24%	646	
2010	146,762	2,420,000	140,000	345,000	-	359,112	3,401,250	6,812,124	0.82%	622	
2011	74,823	1,845,000	-	237,500	35,790,000	262,582	398,333	38,608,238	4.41%	3,496	
2012	-	1,230,000	-	122,500	35,450,000	253,447	183,750	37,239,697	4.09%	3,345	
2013	-	760,000	-	-	34,815,000	157,326	-	35,732,326	3.84%	3,173	
2014	-	19,106,626	-	-	33,787,955	105,081	-	52,999,662	5.29%	4,613	
2015	-	18,605,850	-	-	32,661,718	49,833	-	51,317,401	***	***	

City of Excelsior Springs, Missouri

**Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2015
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Clay County	[1] none	n/a	-
Ray County	[1] none	n/a	-
Excelsior Springs School District	[1] <u>26,268,050</u>	67.40% [2]	<u>17,704,666</u>
Subtotal, overlapping debt	<u>26,268,050</u>		<u>17,704,666</u>
City Direct Debt	<u>18,605,850</u>	100.00%	<u>18,605,850</u>
Total direct and overlapping debt	<u><u>44,873,900</u></u>		<u><u>\$ 36,310,516</u></u>

Sources:

[1] Outstanding G.O. debt obtained from the Ray County Clerk's Office, the Clay County Auditor's Office, the Excelsior Springs School District Administrative Office, and the Excelsior Springs Hospital Financial Statements.

[2] Assessed value (used to determine the estimated percentage applicable) obtained from the Missouri Department of Elementary and Secondary Education website.

City of Excelsior Springs, Missouri

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2015										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed value										\$ 147,170
Debt limit (20% of assessed value)										29,434
Debt applicable to limit:										
General obligation bonds										-
Less amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										<u>29,434</u>
Legal debt margin										
	27,112	27,396	27,112	27,314	27,639	27,140	27,765	27,846	27,794	29,434
Debt limit										
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>27,112</u>	<u>27,396</u>	<u>27,112</u>	<u>27,314</u>	<u>27,639</u>	<u>27,140</u>	<u>27,765</u>	<u>27,846</u>	<u>27,794</u>	<u>29,434</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

City of Excelsior Springs, Missouri

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Facilities Authority Revenue Bonds						
Fiscal Year	Facility Lease Payments	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
	(a)					
2006	290,930	2,275	288,655	175,000	113,655	1.00
2007	317,778	6,025	311,753	205,000	106,753	1.00
2008	319,280	5,275	314,005	215,000	99,005	1.00
2009	325,615	5,575	320,040	230,000	90,040	1.00
2010	318,299	3,025	315,274	235,000	80,274	1.00
2011	317,165	2,275	314,890	245,000	69,890	1.00
2012	326,900	3,025	323,875	265,000	58,875	1.00
2013	322,450	3,075	319,375	275,000	44,375	1.00
2014	318,400	3,025	315,375	285,000	30,375	1.00
2015	487,538	913	486,625	475,000	11,625	1.00
Water Revenue Bonds (including 2010 BABs)						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	1,945,385	1,075,320	870,065	200,000	186,575	2.25
2007	2,075,336	1,098,945	976,391	205,000	179,406	2.54
2008	2,210,436	1,077,166	1,133,270	215,000	170,776	2.94
2009	2,448,269	1,081,461	1,366,808	225,000	160,710	3.54
2010	2,542,576	1,073,112	1,469,464	235,000	144,549	3.87
2011	2,946,468	1,321,455	1,625,013	2,765,000 (b)	111,846	0.56
2012	3,144,310	1,279,459	1,864,851	340,000	974,239	1.42
2013	3,105,505	1,601,181	1,504,324	345,000	967,273	1.15
2014	3,080,160	1,805,336	1,274,824	355,000	959,402	0.97
2015	3,178,585	1,749,794	1,428,791	565,000	947,516	0.94
Pollution Control Revenue Bonds (including 2010 BABs)						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	963,116	517,455	445,661	157,500	108,515	1.68
2007	1,055,082	629,772	425,310	167,500	77,029	1.74
2008	1,087,548	654,017	433,531	178,750	87,349	1.63
2009	1,198,937	678,175	520,762	192,500	67,629	2.00
2010	1,253,696	740,818	512,878	204,167	51,226	2.01
2011	1,619,954	900,967	718,987	218,750	63,077	2.55
2012	1,911,127	1,061,506	849,621	235,000	947,239	0.72
2013	2,152,845	1,126,505	1,026,340	434,166	896,410	0.77
2014	2,188,814	1,106,607	1,082,207	530,000	1,382,238	0.57
2015	2,694,484	1,245,043	1,449,441	570,000	1,359,046	0.75

(a) The Facilities Authority Revenue Bonds were issued by the City's blended component unit. These bonds do not have a dedicated revenue source, but are funded by transfers from the General Fund which represent lease payments on the Police Department and Fire Department buildings.

(b) The principal reflected herein includes the refunding of \$2,515,000 in revenue bonds. Without this transaction, the coverage ratio would have been 4.44.

City of Excelsior Springs, Missouri

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Population {a}	Total Personal Income (in thousands) {b}	Median Household Income {c}	Per Capita Income {b}	Median Age {c}	School Enrollment {d}	Unemployment Rate		
							Clay County {e}	State of Missouri {f}	United States {g}
2006	11,563	7,490,110	48,625	36,295	36.1	2,927	5.60%	4.8%	4.4%
2007	11,728	7,955,096	49,301	37,670	37.7	2,864	4.40%	5.2%	4.5%
2008	11,952	8,300,878	49,660	38,583	39.2	2,848	5.40%	6.3%	6.0%
2009	12,369	8,225,563	52,037	37,445	35.7	2,779	8.70%	9.5%	9.5%
2010	10,957	8,353,128	51,263	37,504	35.0	2,783	8.50%	9.1%	9.2%
2011	11,045	8,760,278	54,146	38,914	36.6	2,783	7.80%	8.3%	8.8%
2012	11,133	9,099,952	53,762	39,986	38.7	2,960	6.00%	6.3%	7.6%
2013	11,262	9,297,011	51,679	41,887	40.2	2,672	5.70%	6.0%	7.0%
2014	11,488	10,024,570	49,779	42,898	***	2,716	6.30%	6.0%	5.7%
2015	***	***	***	***	***	2,745	4.00%	4.5%	4.9%

*** Not yet available.

Sources:

- {a} http://www.marco.org/Data-Economy/Metrodata/assets/Population_Estimates
- {b} Clay County Data obtained from Bureau of Economic Analysis Table CA 30 (www.bea.gov).
- {c} American Factfinder website.
- {d} School district.
- {e} Clay County unemployment rate, not seasonally adjusted (www.bls.gov).
- {f} State of Missouri unemployment rate, not seasonally adjusted (www.bls.gov).
- {g} National unemployment rate, not seasonally adjusted (www.bls.gov).

City of Excelsior Springs, Missouri
Employment Within the City Limits by NAICS Code
2015 and 2006

NAICS Codes	Description	2015			2006		
		Positions	Percentage	Ranking	Positions	Percentage	Ranking
31-33	Manufacturing	1,405	19.55%	1	2,049	29.93%	1
44-45	Retail Trade	1,379	19.19%	2	823	12.02%	2
62	Health Care and Social Assistance	884	12.30%	3	818	11.95%	3
72	Accommodation and Food Services	685	9.53%	4	531	7.76%	5
56	Administrative and Support and Waste Management and Remediation Services	619	8.62%	5	363	5.30%	7
61	Educational Services	617	8.59%	6	650	9.49%	4
48-49	Transportation and Warehousing	503	7.00%	7	342	5.00%	8
23	Construction	221	3.08%	8	411	6.00%	6
42	Wholesale Trade	220	3.06%	9	166	2.42%	10
81	Other Services (except Public Administration)	174	2.42%	10	150	2.19%	11
92	Public Administration	141	1.96%	11	104	1.52%	12
54	Professional, Scientific, and Technical Services	76	1.06%	12	173	2.53%	9
52	Finance and Insurance	72	1.00%	13	75	1.10%	13
53	Real Estate and Rental and Leasing	51	0.71%	14	41	0.60%	16
51	Information	46	0.64%	15	61	0.89%	14
71	Arts, Entertainment, and Recreation	43	0.60%	16	50	0.73%	15
22	Utilities	28	0.39%	17	27	0.39%	17
11	Agriculture, Forestry, Fishing and Hunting	7	0.10%	18	4	0.06%	19
21	Mining, Quarrying, and Oil and Gas Extraction	7	0.10%	19	3	0.04%	20
55	Management of Companies and Enterprises	7	0.10%	20	5	0.07%	18
		<u>7,185</u>			<u>6,846</u>		

Source: U.S. Census Bureau, LEHD data

Notes: 2015 Data was the most current available on the Census website at the time this schedule was prepared.

City of Excelsior Springs, Missouri

Full-Time Equivalent City Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Functions/Program										
General Government:										
Municipal Court	1	1	1	1	1	1	1	1	1	1
City Manager	2	2	2	2	2	2	2	2	2	2
Finance	4	4	4	4	4	4	4	4	4	4
Human Resources	0	0	1	1	1	1	1	1	1	1
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Community Development	2	1	1	1	1	1	1	1	1	1
Planning & Zoning	1	1	1	0	1	1	1	1	1	1
Inspections	2	2	3	3	3	3	3	3	3	3
Senior Center	1	1	1	1	1	1	1	1	1	1
Cemetery	0	0	0	0	0	0	0	0	0	0
Police:										
Officers	22	22	22	23	22	22	22	22	23	24
Civilians	10	10	11	11	12	12	12	12	10	11
Fire:										
Firefighters and Officers	18	17	19	20	19	19	19	19	19	20
Civilians	0	1	1	1	1	1	1	1	1	1
Street Maintenance	5	5	5	5	5	6	6	6	5	7
Water:										
Administration	2	2	2	1	1	1	1	1	2	2
Transmission/Purification	7	7	7	8	8	8	8	8	10	12
Sewer:										
Administration	0	0	0	0	0	1	1	1	1	1
Transmission/Treatment	6	6	6	8	11	11	11	11	9	11
Construction Services:										
Administration	1	1	1	1	1	0	0	0	0	0
Maintenance	10	10	10	8	7	7	7	7	7	7
Parks and Recreation	4	4	4	4	4	5	5	5	5	6
Transportation:										
Dispatch	1	1	1	1	1	1	1	1	1	1
Drivers	0	0	1	1	1	1	1	1	1	1
Golf:										
Maintenance	2	2	2	2	2	2	2	2	2	2
Pro Shop	1	1	1	1	1	1	1	1	1	1
Food and Beverage Sales	2	1	1	1	1	1	1	1	1	1
Total	105	103	109	110	112	114	114	114	113	123

City of Excelsior Springs, Missouri

Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Calls for service	11,014	11,316	9,386	9,231	7,982	8,497	8,773	8,093	8,726	9,101
Adult and Juvenile arrests	1,147	1,033	812	826	888	936	868	1,083	1,286	1,099
Speeding citations only	348	333	362	390	442	149	359	449	605	607
Traffic citations	3,014	2,596	2,195	2,439	2,819	1,673	2,394	2,828	3,474	3,392
Police Reports	2,879	2,638	2,359	2,285	2,317	2,249	2,362	2,403	2,740	2,553
DWI's - Municipal	75	70	39	98	77	14	15	36	71	67
Red Light Camera violations	-	-	-	4,039	3,110	4,971	4,062	3,041	-	-
E 9-1-1 Calls	-	-	-	-	4,586	4,981	5,505	4,818	5,087	5,978
Fire and EMS:										
Total ambulance runs	1,912	1,655	1,857	1,823	1,600	2,071	2,114	2,047	2,045	2,331
Total fire runs	522	430	441	602	345	412	477	481	511	549
Property loss	385,300	151,000	1,807,650	739,600	359,000	208,000	557,820	168,600	516,442	723,261
Building Inspections:										
Total building permits	960	421	319	284	333	298	462	270	299	267
Total value all permits	18,356,342	10,218,099	8,580,231	4,500,323	4,347,173	6,731,372	13,641,399	4,212,421	2,710,008	22,090,905
Public service:										
Garbage collected (ton)	3,810	3,330	3,360	2,324	1,865	2,474	2,551	2,471	2,623	2,856
Recycle collected (ton)	55	67	85	372	309	446	416	484	606	717
Parks and Recreation:										
Recreation program participation:										
Youth	1,177	1,255	1,400	1,113	1,249	1,423	1,968	2,020	1,200	1,147
Adult	178	282	400	354	436	565	574	608	430	364
Exercise programs	n/a	n/a	n/a	n/a	220	386	635	510	800	840
Youth art programs	n/a	n/a	n/a	n/a	208	234	61	120	450	725
Special events	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	930	975
Golf course:										
Golf rounds played	21,262	20,107	20,475	18,870	18,712	16,585	17,174	17,504	16,805	17,610
Golf memberships	237	256	256	263	262	197	178	169	200	182
Multi-year discounted memberships										1,037

Notes:

** Information not available.

{a} Building permits issued include both new construction and permits for remodeling/repairs. The dramatic jump in building permits issued during fiscal year 2006 was caused by repairs related to two different hail storms.

{b} Garbage service is provided by contract. Only 2005 thru 2008 statistics are available for this service.

{c} Traffic enforcement cameras became operable in July 2009 and ceased operation in June 2013.

City of Excelsior Springs, Missouri

Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Animal control shelters	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Parks and Recreation:										
Acreage	220	220	220	225	225	225	225	225	225	225
Parks	12	12	12	13	13	13	13	13	13	13
Baseball/Soccer Fields	4	4	4	4	4	4	4	4	4	4
Soccer/Football Fields	5	5	5	5	5	5	5	5	5	5
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Tennis Courts	1	1	1	1	1	1	1	1	1	1
Skate Parks	1	1	1	1	1	1	1	1	1	1
Parks with Playground Equipment	7	7	7	8	8	8	8	8	8	8
Golf courses	1	1	1	1	1	1	1	1	1	1
Picnic Shelters	9	9	9	11	11	11	11	11	11	11
Community Centers	1	1	1	1	1	1	1	1	1	1
Street Department	117	117	117	117	117	117	117	117	117	117
Miles of Streets	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007
Street Lights										
Water:										
Wells	6	6	6	6	6	6	6	6	6	6
Water Storage Tanks/Towers	9	9	9	9	9	9	9	9	9	9
Miles of Water Main	276	276	276	276	276	276	276	276	276	276
Storage Capacity (MGPD)	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Average Daily Consumption (MGPD)	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Peak Consumption (MGPD)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater:										
Sanitary Sewers (miles)	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00
Storm Sewers (miles)	42	42	42	42	42	42	42	42	42	42
Treatment Plants	1	1	1	1	1	1	1	1	1	1

{a} Includes facilities owned by the school district and used for recreation programs.

City of Excelsior Springs, Missouri

**Building Permits Issued (New Construction and Substantial Remodels Only)
Last Nine Fiscal Years
(Unaudited)**

Calendar Year	Residential		Commercial		Total	
	Number of Permits	Dollar Value	Number of Permits	Dollar Value	Number of Permits	Dollar Value
2006	36	4,481,901	8	5,177,821	44	9,659,722
2007	30	366,257	7	5,422,168	37	5,788,425
2008	9	1,164,424	6	3,858,877	15	5,023,301
2009	6	732,935	10	2,970,807	16	3,703,742
2010	3	411,350	13	2,009,688	16	2,421,038
2011	8	909,191	10	2,271,257	18	3,180,448
2012	54	3,825,317	18	7,916,865	72	11,742,182
2013	4	337,500	7	2,504,352	11	2,841,852
2014	18	773,035	19	1,201,906	37	1,974,941
2015	2	340,000	4	20,927,060 [1]	6	21,267,060

[1] Includes \$18,793,941 for Community Center construction

City of Excelsior Springs, Missouri

**Top 10 Water Users
Calendar Year Ending December 31, 2015
(Unaudited)**

Business Name	Type of Business	Percentage of Total Usage
Ray County Public Water District No. 1	Neighboring Water District	12.63%
City of Lawson	Neighboring City	11.22%
Clay County Public Water District No. 3	Neighboring Water District	10.95%
American Italian Pasta Company	Pasta manufacturer	4.82%
Liberty Carbon Service	Carbon regeneration	3.01%
Widewaters Excelsior Springs	Hotel	1.73%
City of Prathersville	Neighboring City	1.35%
Excelsior Springs Hospital	Medical Center	1.26%
Excelsior Springs Job Corps	Education facility	1.10%
Coveris	Consumer packaging manufacturer	1.05%

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City of Excelsior Springs, Missouri

**Water System Historical Customer information
Last Seven Fiscal Years
(Unaudited)**

	Fiscal		
	2009	2010	2011
Total number of customers			
Residential	3,952	4,098	4,084
Commercial	419	418	421
Percent outside customers			
Residential	4.20%	4.17%	4.21%
Commercial	1.90%	2.39%	2.14%
Percent billed greater than 30,000 gallons			
Residential	0.40%	0.47%	0.47%
Commercial	13.60%	12.60%	12.50%
Average annual customers			
Residential < 30,000 gallons	3,771	3,908	3,894
Residential > 30,000 gallons	15	19	18
Outside Residential < 30,000 gallons	165	170	171
Outside Residential > 30,000 gallons	1	1	1
Commercial < 30,000 gallons	355	358	361
Commercial > 30,000 gallons	56	50	51
Outside Commercial < 30,000 gallons	7	7	7
Outside Commercial > 30,000 gallons	1	3	2
Total average annual customers	<u>4,371</u>	<u>4,516</u>	<u>4,505</u>
Annual consumption (1,000 gal)			
Retail			
Residential < 30,000 gallons	192,840	189,177	186,915
Residential > 30,000 gallons	24,503	27,434	28,043
Outside Residential < 30,000 gallons	8,257	8,179	8,228
Outside Residential > 30,000 gallons	396	292	482
Commercial < 30,000 gallons	15,547	16,708	17,027
Commercial > 30,000 gallons	137,607	136,357	136,215
Outside Commercial < 30,000 gallons	346	304	263
Outside Commercial > 30,000 gallons	5,326	6,422	4,525
Tank water	1,081	977	1,233
Subtotal retail consumption (1,000 gal)	<u>385,903</u>	<u>385,850</u>	<u>382,931</u>
Wholesale			
Mosby	5,506	5,668	5,806
Prathersville	3,200	3,386	4,610
Clay County Public Water District # 3	61,092	61,078	68,142
City of Lawson	64,143	66,919	63,516
Ray County Public Water District # 1	61,705	59,980	61,580
Subtotal	<u>195,646</u>	<u>197,031</u>	<u>203,654</u>
Total annual consumption (1,000 gal)	<u>581,549</u>	<u>582,881</u>	<u>586,585</u>

[1] Mosby water is now billed with Prathersville.

Year Ended September 30,

2012	2013	2014	2015
4,047	4,073	4,066	3,765
420	382	381	375
4.32%	4.27%	4.25%	4.25%
1.90%	1.97%	2.10%	2.13%
0.44%	0.32%	0.50%	41.00%
12.62%	12.60%	12.50%	12.20%
3,855	3,886	3,889	3,590
17	13	18	15
174	173	158	159
1	1	1	1
360	327	327	323
52	47	46	44
7	7	2	6
1	1	6	2
4,467	4,455	4,447	4,140
189,251	179,032	168,150	160,879
26,616	19,443	24,029	20,076
9,537	7,402	7,205	7,075
451	804	386	108
15,242	14,257	16,032	15,249
126,809	112,239	107,129	99,569
252	702	235	246
4,432	5,525	4,716	5,512
1,241	1,109	1,213	1,048
373,831	340,513	329,095	309,762
3,090	4,607	983	- [1]
3,807	5,177	7,262	6,761
63,698	58,641	52,009	55,000
66,311	66,419	58,635	56,396
66,773	60,653	62,609	63,471
203,679	195,497	181,498	181,628
577,510	536,010	510,593	491,390

City of Excelsior Springs, Missouri

Sewer System Historical Customer information
Last Seven Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30,						
	2009	2010	2011	2012	2013	2014	2015
AVERAGE ANNUAL CUSTOMERS							
Residential	3,983	3,948	3,398	3,652	3,675	3,669	3,677
Outside Residential	11	10	8	8	11	12	11
Commercial	392	391	340	370	363	362	358
Outside Commercial	4	3	3	3	3	3	3
Total Average Annual Customers	4,390	4,352	3,750	4,033	4,052	4,046	4,049
ANNUAL CONSUMPTION (1,000 GALLONS)							
Residential	200,922	202,525	198,781	201,856	186,081	180,858	169,575
Outside Residential	87	79	36	39	150	160	174
Commercial	143,519	141,538	141,043	127,349	103,136	95,521	94,161
Outside Commercial	3,008	3,613	1,060	1,473	1,200	966	1,363
Total Annual Consumption (1,000 Gallons)	347,536	347,755	340,920	330,717	290,567	277,505	265,273

