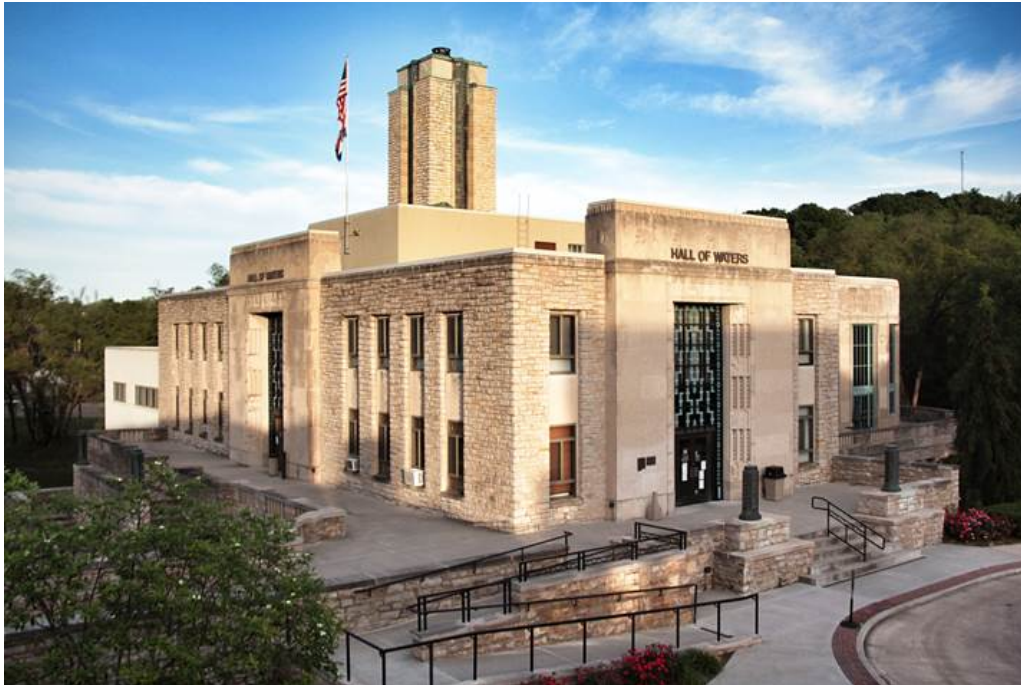


# **City of Excelsior Springs, Missouri**



## **Comprehensive Annual Financial Report**

**For the fiscal year ended  
September 30, 2016**



# **City of Excelsior Springs, Missouri**

Comprehensive Annual Financial Report  
Year Ended September 30, 2016

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Prepared by:  
Finance Department



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February 27, 2017

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, 2016, 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, 2016. 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, TreeHouse Foods (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 2016, which is below the state and national average of approximately 5.2% and 5.0%, 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 30.9 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 \$3,579,647, or 45.9%. The largest single contributor in this increase was general sales and use tax which increased by approximately \$2,879,000, or 60.1 percent. Property tax revenues also increased by approximately \$346,000, or 20.1 percent, during this ten-year period. Utility franchise fees increased by approximately \$368,000, or 33.4 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 (25.2 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 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 completed 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 2017.

### *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, 2015. This was the tenth 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,

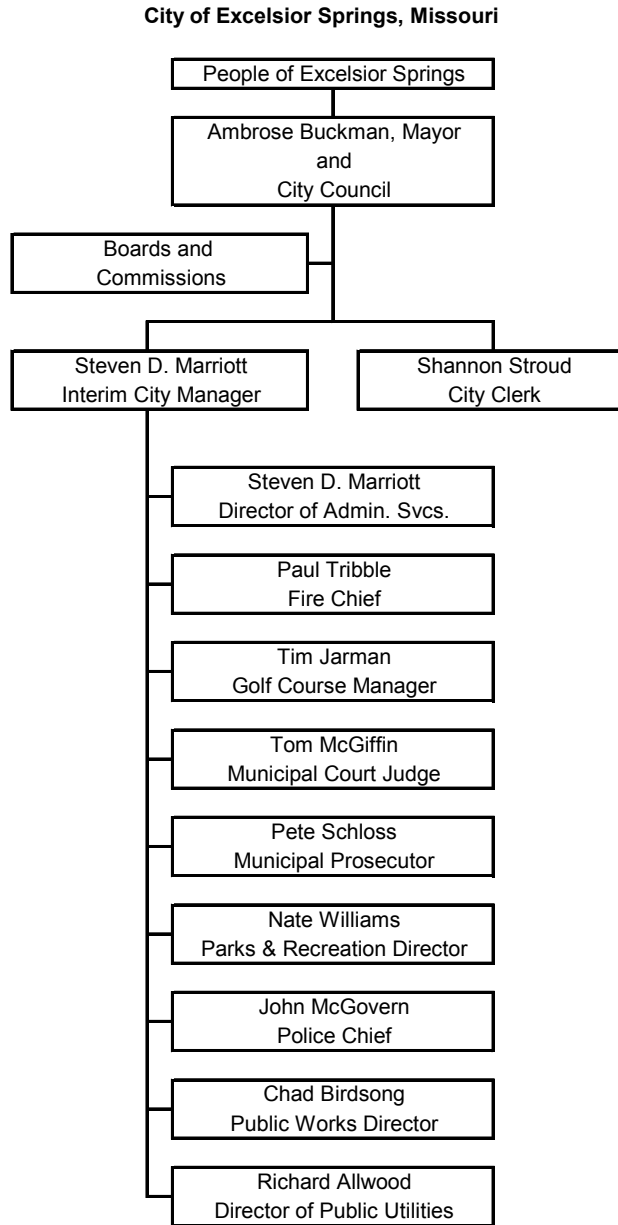
A handwritten signature in blue ink, appearing to read "Steven D. Marriott". The signature is fluid and cursive, with a large initial "S" and "M".

Steven D. Marriott  
Director of Administrative Services

**City of Excelsior Springs, Missouri**

**Organizational Chart  
Year Ended September 30, 2016**

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## City of Excelsior Springs, Missouri

### Principal Officials September 30, 2016

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#### Elected Officials

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

#### Appointed Officials

Interim City Manager	Steven D. Marriott
City Clerk	Shannon Stroud
Deputy City Clerk	Kathy Twichell
Director of Administrative Services	Steven D. Marriott
Fire Chief	Paul Tribble
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, 2015**

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, 2016, 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, 2016, 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 funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of City Contributions for the Local Government Employees Retirement System, and schedule of funding progress for other postemployment benefit plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required 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, 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  
February 27, 2017

## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

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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, 2016.

#### 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 \$45,598,458. Of this amount, \$7,060,347 (unrestricted balance) may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2015, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,700,176 of which \$7,863,583 was unrestricted.
- The government's total net position increased by \$898,282 for the fiscal year ended September 30, 2016 and \$2,193,889 for fiscal year ended September 30, 2015. 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 \$14,028,404, a decrease of \$10,713,997. Approximately \$1,746,780 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2015 were \$24,742,401.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,747,484 or 21.9 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by \$1,444,883 (2.8 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, 2016

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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 18 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, Tax Increment Financing – Wal-Mart Special Revenue Fund, and Community Center Capital 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 20-28 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, 2016

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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 29-33 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 34 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 35-65 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 66-94 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 \$45,598,458 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net position (63.2 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, 2016

	City of Excelsior Springs' Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 17,399,145	\$ 30,568,439	\$ 6,311,776	\$ 12,546,196	\$ 23,710,921	\$ 43,114,635
Capital assets	33,331,937	21,980,897	42,220,538	36,226,677	75,552,475	58,207,574
<b>Total assets</b>	<b>50,731,082</b>	<b>52,549,336</b>	<b>48,532,314</b>	<b>48,772,873</b>	<b>99,263,396</b>	<b>101,322,209</b>
Deferred outflows of resources	2,166,896	844,618	294,247	113,706	2,461,143	958,324
Long-term liabilities outstanding	18,126,563	18,606,610	29,983,594	31,520,958	48,110,157	50,127,568
Other liabilities	1,882,259	2,588,032	3,914,379	2,903,873	5,796,638	5,491,905
<b>Total liabilities</b>	<b>20,008,822</b>	<b>21,194,642</b>	<b>33,897,973</b>	<b>34,424,831</b>	<b>53,906,795</b>	<b>55,619,473</b>
Deferred inflows of resources	2,193,635	1,949,713	25,651	11,171	2,219,286	1,960,884
Net position:						
Net investment in capital assets	16,001,600	16,967,781	12,795,611	11,011,064	28,797,211	27,978,845
Restricted	9,618,400	8,857,748	122,500	-	9,740,900	8,857,748
Unrestricted	5,075,521	4,424,070	1,984,826	3,439,513	7,060,347	7,863,583
<b>Total net position</b>	<b>\$ 30,695,521</b>	<b>\$ 30,249,599</b>	<b>\$ 14,902,937</b>	<b>\$ 14,450,577</b>	<b>\$ 45,598,458</b>	<b>\$ 44,700,176</b>

A portion of the City of Excelsior Springs' net position (21.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,060,347 or 15.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2016 and 2015, 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 an increase of \$883,152 in restricted net position reported in connection with the City of Excelsior Springs' governmental activities. This increase was caused primarily by the opening of the Community Center Operating Fund and establishment of a repair and replacement reserve therein.

The government's net position increased by \$898,282 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, 2016

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

City of Excelsior Springs' Changes in Net Position						
	Governmental	Business-Type	2016	Governmental	Business-Type	2015
	Activities 2016	Activities 2016	Total	Activities 2015	Activities 2015	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,588,653	\$ 7,811,418	\$ 9,400,071	\$ 1,745,860	\$ 7,470,850	\$ 9,216,710
Operating grants and contributions	691,125	26,012	717,137	765,324	9,691	775,015
Capital grants and contributions	125,000	447,074	572,074	-	-	-
General revenues:						
Property taxes	2,075,669	-	2,075,669	2,146,128	-	2,146,128
Sales and use tax	7,742,792	-	7,742,792	7,289,398	-	7,289,398
Franchise tax	1,395,566	-	1,395,566	1,467,003	-	1,467,003
Cigarette tax	117,986	-	117,986	117,491	-	117,491
Railroad and utility/financial institution tax	58,900	-	58,900	64,086	-	64,086
Investment earnings	209,335	780,866	990,201	254,996	799,951	1,054,947
Miscellaneous	388,803	-	388,803	228,781	-	228,781
Gain on sale of capital assets	18,688	-	18,688	171,119	31,955	203,074
<b>Total revenues</b>	<b>14,412,517</b>	<b>9,065,370</b>	<b>23,477,887</b>	<b>14,250,186</b>	<b>8,312,447</b>	<b>22,562,633</b>
<b>Expenses:</b>						
General government	1,325,896	-	1,325,896	1,172,839	-	1,172,839
Public safety	6,091,952	-	6,091,952	5,401,800	-	5,401,800
Transportation	161,427	-	161,427	154,093	-	154,093
Public works	1,675,382	-	1,675,382	1,805,277	-	1,805,277
Health and welfare	64,565	-	64,565	64,079	-	64,079
Cemetery operations	48,570	-	48,570	48,667	-	48,667
Community center activities	96,767	-	96,767	-	-	-
Recreational activities	887,389	-	887,389	741,344	-	741,344
Community betterment	2,375,044	-	2,375,044	2,134,161	-	2,134,161
Interest and fiscal charges	669,999	-	669,999	648,826	-	648,826
Water	-	3,895,403	3,895,403	-	2,996,381	2,996,381
Sewer	-	3,606,317	3,606,317	-	3,524,472	3,524,472
Golf	-	840,019	840,019	-	871,239	871,239
Airport	-	36,932	36,932	-	40,140	40,140
Refuse	-	803,943	803,943	-	765,426	765,426
<b>Total expenses</b>	<b>13,396,991</b>	<b>9,182,614</b>	<b>22,579,605</b>	<b>12,171,086</b>	<b>8,197,658</b>	<b>20,368,744</b>
Excess before transfers	1,015,526	(117,244)	898,282	2,079,100	114,789	2,193,889
Transfers	(569,604)	569,604	-	294,709	(294,709)	-
Change in net position	445,922	452,360	898,282	2,373,809	(179,920)	2,193,889
Net position, beginning	30,249,599	14,450,577	44,700,176	27,875,790	14,630,497	42,506,287
Net position, ending	\$ 30,695,521	\$ 14,902,937	\$ 45,598,458	\$ 30,249,599	\$ 14,450,577	\$ 44,700,176

## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

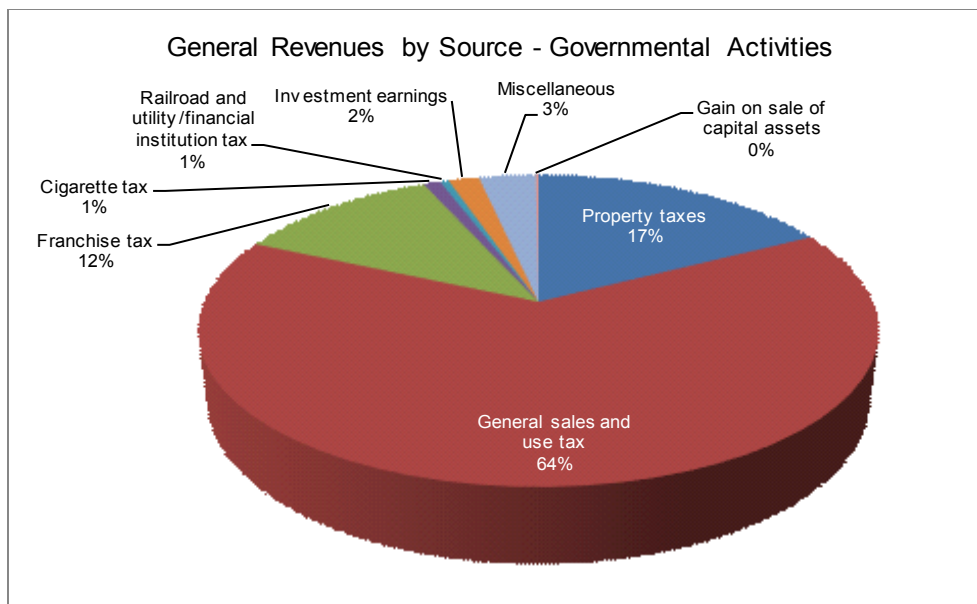
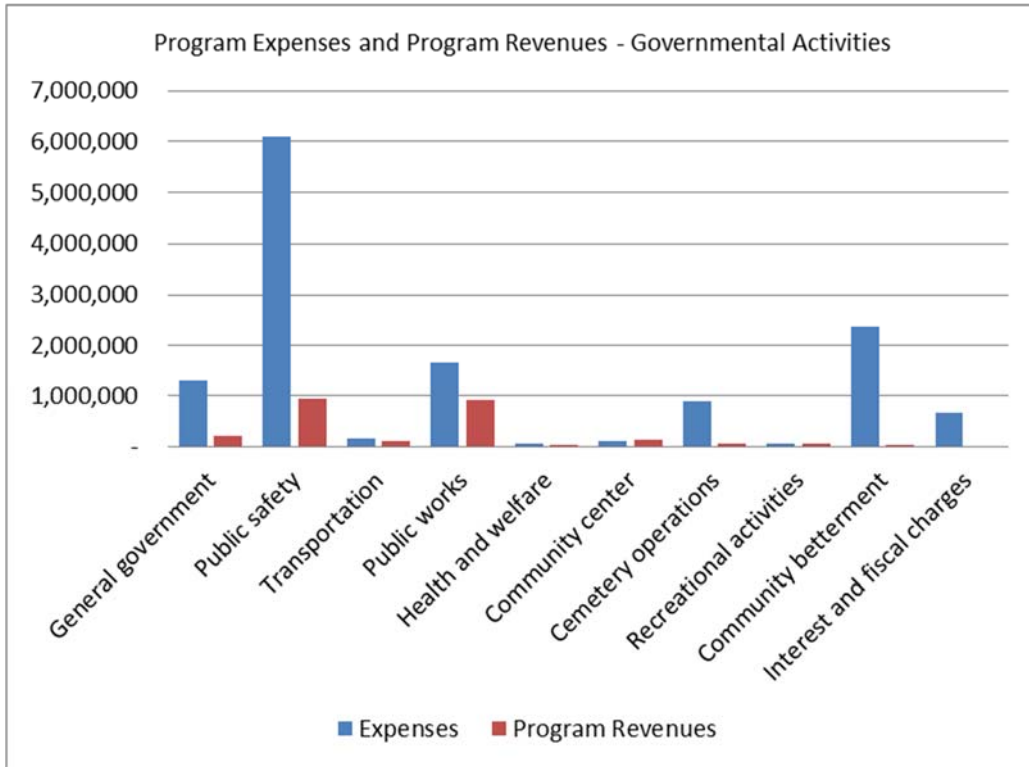
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**Governmental activities.** Governmental activities increased the City of Excelsior Springs' net position by \$445,922, accounting for 49.6 percent of the increase in the government's net position. Key elements of this increase are as follows:

- Charges for services decreased by \$157,207 (9.0 percent) during the fiscal year. This decrease was driven by a decrease in net ambulance billings and a decrease in park and recreation program fees.
- Operating grants and contribution revenues decreased by \$74,199 (9.7 percent) during the fiscal year. This decrease was caused by a decrease in federal forfeiture monies received partially offset by an increase in motor fuel tax receipts.
- Capital grants and contributions increased by \$125,000 during the fiscal year. This increase was caused by the receipt of grant funds from Clay County Senior Services related to construction of the Senior Site at the Community Center.
- Sales and use taxes increased by \$453,394 (6.2 percent) during the fiscal year. This increase was primarily caused by a \$750,460 (11.5 percent) increase in sales tax receipts, partially offset by a \$306,933 (45.5 percent) decrease in use tax receipts.
- Franchise tax revenues decreased by \$71,437 (4.9 percent) during the fiscal year. This decrease was driven by a \$72,900 (29.4 percent) decrease in gas franchise taxes and a \$29,750 decrease in telephone taxes. These decreases were partially offset by a \$26,450 (3.0 percent) increase in electric franchise taxes.
- Investment earnings decreased by \$45,661 (17.9 percent) during the fiscal year. This decrease was driven primarily by the decline in earnings on Community Center project monies as the funds were drawn down.
- Gains on the sale of capital assets decreased by \$152,431 (89.1 percent) during the fiscal year. This decrease was driven by the gain on a fire apparatus that was disposed of during the prior year.
- General Government expenses increased by \$129,262 (10.8 percent) during the fiscal year. This change was caused by the increased personnel expenses and legal fees.
- Public safety expenses increased by \$779,976 (14.7 percent) during the fiscal year. The largest factors in this increase were a \$223,757 increase in personnel expenses, a \$327,990 increase in pension expense, and a \$92,024 increase in depreciation expense.
- Public works expenses decreased by \$197,123 (10.5 percent) during the fiscal year. The largest factor in this decrease was a \$152,926 decrease in amounts expended for miscellaneous concrete repairs.
- Recreational expenses increased by \$146,045 (19.7 percent) during the fiscal year. The largest factor in this increase was a \$102,942 increase in capital maintenance expenses funded by the Capital Improvements Fund.
- Community betterment expenses increased by \$242,122 (11.3 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 \$21,173 (3.3 percent) during the fiscal year. This increase was caused by the fact that the first interest payment made on the Community Center bonds during the prior fiscal year was only for five and one-half months.

**City of Excelsior Springs, Missouri**

**Management's Discussion and Analysis  
For Fiscal Year Ended September 30, 2016**



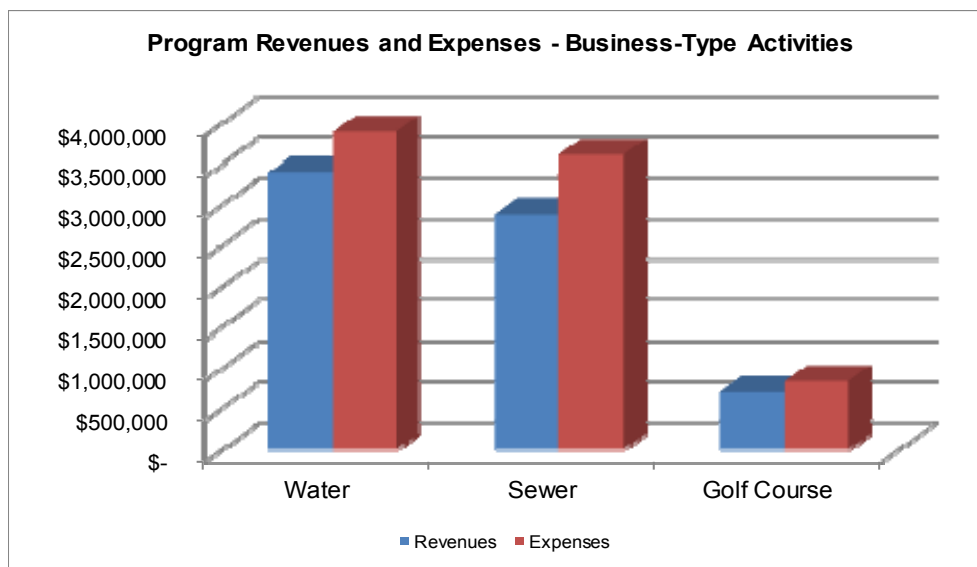
## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

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**Business-type activities.** Business-type activities increased the City of Excelsior Springs' net position by \$452,360, accounting for 50.4 percent of the increase in the government's net position. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by \$340,568 (4.6 percent). This increase was driven by a \$178,441 (6.6 percent) increase in sewer revenues, a \$122,759 (3.8 percent) increase in water revenues, a \$35,726 (4.5 percent) increase in refuse revenues, and a \$12,189 (1.8 percent) increase in golf revenues. The increases in utility revenues were caused by rate increases partially offset by reduced consumption.
- Operating and capital grant revenues increased by \$463,395 (4,782 percent) primarily due to state grant funds received for runway reconstruction.
- Interest income for business-type activities decreased by \$19,085 (2.4 percent), primarily due to reduced project funds on hand.



### 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 \$14,028,404, a decrease of \$10,713,997 in comparison with the prior year. Approximately \$1,746,780 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 \$1,747,484. 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 21.9 percent of General Fund expenditures, while the total fund balance represents 45.8 percent of that same amount.

## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

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The fund balance of the City of Excelsior Springs' General Fund decreased by \$63,329 during the current fiscal year. Key factors in this decrease are as follows:

- Total revenues decreased by \$153,179 (2.2 percent). This decrease was caused primarily by a \$139,752 (3.1 percent) decrease in tax revenues, a \$164,071 (14.4 percent) decrease in charge for services revenues, and a \$2,177 (0.7 percent) decrease in fines and forfeitures. These decreases were partially offset by a \$26,600 (14.9 percent) increase in licenses, permits and fees, a \$41,694 (7.8 percent) increase in intergovernmental revenues, and a \$84,527 (20.6 percent) increase in other revenues.
- Total expenditures increased by \$541,001 (7.3 percent). This increase was caused by a \$96,243 (8.4 percent) increase in general government expenditures, a \$37,043 (3.9 percent) increase in public works expenditures, a \$252,089 (5.2 percent) increase in public safety expenditures, a \$76,143 (27.2 percent) increase in community betterment expenditures, a \$7,133 (5.2 percent) increase in transportation expenditures and a \$72,350 (113.7 percent) increase in capital outlay expenditures.
  - ✓ The increase in general government expenditures was driven primarily by an increase in personnel-related expenditures and legal fees.
  - ✓ The increase in public works expenditures was driven by an increase in personnel-related expenditures.
  - ✓ The increase in public safety expenditures was driven primarily by an increase in personnel-related expenditures partially offset by reduced prisoner housing expenditures.
  - ✓ The increase in community betterment expenditures was driven by increase in personnel-related expenditures driven by a vacancy in the Planning and Zoning Department for most of the prior fiscal year.
  - ✓ The increase in transportation expenditures was driven by increase in personnel-related expenditures caused by the use of part-time drivers.
  - ✓ The increase in capital outlay expenditures was due to the purchase of a building during the current fiscal year partially offset by the purchase of two trucks during the prior fiscal year.
- Other financing sources decreased by \$143,419 (12.5 percent). This decrease was driven by a decrease in transfers in.
- Other financing uses decreased by \$106,903 (74.9 percent). This decrease was caused by reduced transfers to the golf fund and the debt service fund.

The fund balance of the Community Center Sales Tax Fund increased by \$166,553 during the 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.

- Fund revenues consisted of \$1,724,186 in sales and use tax revenues and \$1,225 in interest revenues.
- Fund expenditures from this fund have included \$1,557,653 in transfers to the debt service fund and community center operating fund as well as \$1,205 in banking fees.

The fund balance of the Tax Increment Financing – Wal-Mart Fund increased by \$57,541 during the year. Funding sources for the Tax Increment Financing – Wal-Mart Fund include economic activity taxes and payments in lieu of taxes that are receipts of the Wal-Mart TIF District.

- Fund revenues consisted of \$1,531,344 in tax revenues.
- Fund expenditures from this fund have included \$1,467,136 for community betterment.

## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

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The Community Center Project Fund has a total fund balance of \$657,615, as compared to \$12,069,312 at the end of the prior fiscal year.

- Fund revenues this year consisted of \$44,508 in investment gains, \$125,000 in intergovernmental revenue, and \$6,763 in miscellaneous revenue.
- Fund expenditures from this fund have included \$11,587,968 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 2017 and this fund will be closed out when the project is complete.

**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 (deficit) net position of the Water Fund and the Pollution Control (Sewer) Fund at the end of the current fiscal year amounted to \$3,532,380 and \$(1,379,359), respectively. The change in net position for these funds was (\$411,147) and \$281,388, 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 2016 revenue budget was \$7,443,760 including transfers of \$1,038,410. The amended 2016 revenue budget was \$7,338,669 including transfers and proceeds from sale of capital assets of \$937,093. Actual revenue, including transfers and proceeds from sale of capital assets was \$7,365,344 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 67.4 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the amended budget by approximately 0.2 percent. Some elements of this difference include the following:

- Property tax collections decreased by 3.9 percent from fiscal year 2015 and fell short of the original budget 0.5 percent but exceeded the amended budget by 0.2 percent.
- Sales and use tax collections decreased by 1.3 percent from fiscal year 2015 and fell short of the original budget by 1.4 percent but exceeded the amended budget by 0.5 percent.
- Cigarette taxes increased by 0.4 percent from fiscal year 2015 and exceeded the original budget and amended budget by 4.2 percent and 1 percent, respectively.
- Total franchise fees decreased by 5.0 percent from fiscal year 2015 and fell short of the original budget and amended budget by 5.6 percent and 0.2 percent, respectively. Telephone franchise fees decreased by \$47,481 (16.3 percent) from fiscal year 2015. Electric franchise fees increased by \$55,471 (6.6 percent) from fiscal year 2015 primarily due to rate increases. Gas franchise fees decreased by \$68,551 (28.2 percent) from fiscal year 2015 due to lower fuel rates and a warmer winter. Cable franchise fees increased by \$3,135 (4.0 percent) from fiscal year 2015.
- Licenses and permit revenues exceeded the original budget and amended budget by 26.6 percent and 3.5 percent, respectively, and increased by 14.9 percent from fiscal year 2015.
- Charges for services exceeded the original and amended budget by 2.9 and 9.7 percent, respectively, but decreased by 14.4 percent from fiscal year 2015. This decrease was driven by the write-off of old outstanding balances that existed before the City moved to a contract billing provider.



## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

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- Fines and forfeitures exceeded the original budget by 2.3 percent but fell short of the amended budget by 0.6 percent, and decreased by 0.7 percent from fiscal year 2015.
- Investment earnings exceeded the original budget by 20.4 percent but fell short of the amended budget by 1.0 percent and increased by 1.6 percent from fiscal year 2015.
- Other revenues exceeded the original and amended budget by 90.4 percent and 34.6 percent, respectively, and increased by 32.5 percent from fiscal year 2015.

General Fund Expenditures: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2016 expenditure budget was \$7,440,219 including transfers of \$78,500. The amended 2016 expenditure budget was \$7,731,580 including transfers of \$84,222. Actual expenditures, including transfers, were \$7,453,978, an increase of 5.4 percent from fiscal year 2015. Salary and benefit expenditures increased by \$368,684, or 6.9 percent, from fiscal year 2015 due to filling various vacancies that existed during the prior year and increased overtime expenditures. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 7.2 percent and increased by 8.4 percent from fiscal year 2015. Some elements of this difference are:
  - ✓ City manager and City council expenditures exceeded the original budget by 10.6 percent and increased by 14.6 percent from fiscal year 2015. The largest factors in this increase were a \$33,003 increase in legal fees and a \$38,039 increase in personnel-related expenditures.
  - ✓ Finance department expenditures fell short of the original budget and the amended budget by 2.7 percent and 0.8 percent, respectively, and decreased by 0.45 percent from fiscal year 2015.
  - ✓ Human Resources expenditures exceeded the original budget and the amended budget by 5.9 percent and 2.4 percent, respectively, and increased by 34.0 percent over fiscal year 2015. This increase was driven by an increase in personnel expenditures.
  - ✓ Building operations expenditures fell short of the original budget by 2.1 percent but increased by 7.6 percent from fiscal year 2015. This increase was caused primarily by an increase in insurance and maintenance expenditures due to the addition of a second building.
- Public works expenditures fell short of the original budget and amended budget by 15.1 percent and 8.4 percent, respectively, and decreased by 3.7 percent from fiscal year 2015. This decrease was driven by a 9.0 percent decrease in personnel expenditures due to vacancies throughout the year.
- Public safety expenditures exceeded the original by 1.9 percent but fell short of the amended budget by 0.3 percent, and increased by 5.2 percent from fiscal year 2015. Some elements of this difference are:
  - ✓ Police department expenditures exceeded the original and amended budget by 1.8 and 2.5 percent, respectively, and increased by 5.3 percent from fiscal year 2015. This increase was caused by a 6.6 percent increase in personnel expenditures.
  - ✓ Municipal court expenditures fell short of the original budget and the amended budget by 16.7 percent and 7.7 percent, respectively, and decreased by 5.5 percent from fiscal year 2015. This decrease was caused by a 65.3 percent decrease in prisoner housing expenditures.
  - ✓ Fire department expenditures exceeded the original budget by 3.2% but fell short of the amended budget by 3.2 percent and 4.1 percent, and increased by 5.6 percent from fiscal year 2015. This increase was caused primarily by a 4.2 percent increase in personnel expenditures.

## City of Excelsior Springs, Missouri

### Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

- Community betterment expenditures increased by 20.0 percent from fiscal year 2015 and fell short of the original budget and the amended budget by 5.6 percent and 7.0 percent, respectively. The increase in community betterment expenditures was caused by primarily increased personnel expenditures due to the fact that one position in the Planning and Zoning Department was held open for much of the prior year.
- Capital outlay expenditures increased by 113.7 percent from fiscal year 2015 and exceeded the original budget by 115.8 percent but fell short of the final budget by 33.0 percent. The increase in capital outlay expenditures was driven by the purchase of a building during the 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 \$75,552,475 (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 29.8 percent (business-type capital assets increased by 16.5 percent while governmental capital assets increased by 51.6 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,614,419	\$ 1,614,419	\$ 1,136,537	\$ 1,136,537	\$ 2,750,956	\$ 2,750,956
Land improvements	-	-	176,994	117,664	176,994	117,664
Construction-in-progress	17,751,825	6,165,019	12,961,335	5,843,965	30,713,160	12,008,984
Buildings and improvements	2,167,652	2,216,070	1,202,571	1,448,812	3,370,223	3,664,882
Operating equipment	1,438,936	1,736,926	307,314	(149,930)	1,746,250	1,586,996
Furniture and office equipment	(28,385)	(17,356)	43,967	46,274	15,582	28,918
Vehicles	1,073,004	916,342	201,987	302,745	1,274,991	1,219,087
Infrastructure	9,314,486	9,349,477	26,189,833	27,480,610	35,504,319	36,830,087
	<b>\$ 33,331,937</b>	<b>\$ 21,980,897</b>	<b>\$ 42,220,538</b>	<b>\$ 36,226,677</b>	<b>\$ 75,552,475</b>	<b>\$ 58,207,574</b>

**Long-term debt.** At the end of the current fiscal year, the City of Excelsior Springs had total bonded debt and certificates of participation of \$17,800,000, and \$31,600,000, respectively, for a total of \$49,400,000. Of this amount, \$17,800,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The remainder of the City of Excelsior Springs' debt represents certificates of participation.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Lease-purchase agreement	\$ -	\$ -	\$ -	\$ 49,833	\$ -	\$ 49,833
Revenue bonds	17,800,000	18,000,000	-	-	17,800,000	18,000,000
Certificates of participation	-	-	31,600,000	32,795,000	31,600,000	32,795,000
	<b>\$ 17,800,000</b>	<b>\$ 18,000,000</b>	<b>\$ 31,600,000</b>	<b>\$ 32,844,833</b>	<b>\$ 49,400,000</b>	<b>\$ 50,844,833</b>

The City of Excelsior Springs' total debt decreased by \$1,444,833 (2.8 percent) during the current fiscal year. This decrease resulted from scheduled principal payments.

## **City of Excelsior Springs, Missouri**

### **Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016**

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

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 \$30,749 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 unchanged from one year ago. This is below the state's average unemployment rate of 5.2 percent and the national average of 5.0 percent.
- Inflationary trends in the region compare favorably to national indices.
- Residential real estate values and related assessed values have begun to increase from the slump recognized over the past few years. Commercial real estate values and related assessed values declined by 5.5 percent from the past year. Overall assessed values grew by 4.5 percent for fiscal year 2016.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2017 fiscal year:

- During the fiscal year, the unassigned fund balance of the General Fund decreased to \$1,747,484.
- Water and sewer rate increases of 3 percent were included in the 2017 budget in accordance with an internal rate study that was performed during 2014.
- Various construction projects were included in the 2017 budget, including:
  - ✓ Remodeling of the building purchased as a new City hall.
  - ✓ Addition of a park on Milwaukee Street.
  - ✓ Overlays of streets and addition/replacement of sidewalks in areas affected by water and sewer line replacements.
  - ✓ Replacement of the Golf Hill retaining wall.
  - ✓ Sanitary sewer extensions to some areas that currently do not have sewers.
  - ✓ Replacement of the chemical feed system at the water plant.

#### **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, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 9,759,247	\$ 2,102,823	\$ 11,862,070	\$ 4,155,452
Receivables, net of allowance for uncollectibles of \$213,536:				
Property taxes	1,868,934	-	1,868,934	-
Franchise taxes	151,918	-	151,918	-
Utility accounts	-	921,686	921,686	-
Other	56,088	-	56,088	360,534
Internal balances	1,290,362	(1,290,362)	-	-
Patient accounts, net of allowance	-	-	-	3,904,599
Estimated amounts due from third-party payers	-	-	-	178,000
Due from other governments	571,980	-	571,980	-
Inventory	-	3,469	3,469	-
Prepaid items	236,272	3,321	239,593	270,299
Assets held for sale	23,000	-	23,000	-
Supplies	-	-	-	464,952
<b>Total current assets</b>	<b>13,957,801</b>	<b>1,740,937</b>	<b>15,698,738</b>	<b>9,333,836</b>
Noncurrent assets:				
Nondepreciable:				
Land	1,614,419	1,136,537	2,750,956	-
Construction-in-progress	17,751,825	12,961,335	30,713,160	14,797
Depreciable:				
Land improvements	39,831	946,829	986,660	1,344,997
Buildings and improvements	6,436,121	5,402,058	11,838,179	16,422,791
Operating equipment	3,637,854	1,696,257	5,334,111	6,770,783
Furniture and office equipment	192,364	161,330	353,694	8,711,294
Vehicles	2,448,124	1,030,887	3,479,011	-
Infrastructure	49,174,625	41,128,350	90,302,975	-
Less accumulated depreciation	(47,963,226)	(22,243,045)	(70,206,271)	(22,646,305)
<b>Total capital assets</b>	<b>33,331,937</b>	<b>42,220,538</b>	<b>75,552,475</b>	<b>10,618,357</b>
Investments	-	1,987,838	1,987,838	-
Restricted cash and cash equivalents	2,228,732	2,543,280	4,772,012	977,798
Restricted investments	407,826	-	407,826	-
Cash, deposits and investments held under bond indenture, due from primary government agency fund	-	-	-	1,450,943
Other	-	-	-	67,480
Net pension asset	804,786	39,721	844,507	-
<b>Total noncurrent assets</b>	<b>36,773,281</b>	<b>46,791,377</b>	<b>83,564,658</b>	<b>13,114,578</b>
<b>Total assets</b>	<b>50,731,082</b>	<b>48,532,314</b>	<b>99,263,396</b>	<b>22,448,414</b>
<b>Deferred Outflows of Resources</b>				
Pension related amounts	\$ 2,166,896	\$ 294,247	\$ 2,461,143	\$ -

See notes to basic financial statements.

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 682,611	\$ 1,550,732	\$ 2,233,343	\$ 1,355,821
Customer deposits	-	492,723	492,723	-
Accrued interest	57,588	185,159	242,747	33,868
Current portion of long-term obligations:				
Compensated absences	657,060	130,765	787,825	495,200
Lease purchase agreement	-	-	-	32,505
Note payable	-	-	-	81,372
Revenue bonds payable	485,000	-	485,000	331,994
Certificates of participation	-	1,555,000	1,555,000	-
<b>Total current liabilities</b>	<b>1,882,259</b>	<b>3,914,379</b>	<b>5,796,638</b>	<b>2,330,760</b>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Other postemployment benefits obligation	231,489	63,111	294,600	-
Lease purchase agreement	-	-	-	49,826
Note payable	-	-	-	20,855
Revenue bonds payable	17,895,074	-	17,895,074	9,814,148
Certificates of participation, net	-	29,920,483	29,920,483	-
<b>Total noncurrent liabilities</b>	<b>18,126,563</b>	<b>29,983,594</b>	<b>48,110,157</b>	<b>9,884,829</b>
<b>Total liabilities</b>	<b>20,008,822</b>	<b>33,897,973</b>	<b>53,906,795</b>	<b>12,215,589</b>
<b>Deferred inflows of resources</b>				
Property taxes	1,855,089	-	1,855,089	-
Pension related amounts	338,546	25,651	364,197	-
<b>Total deferred inflows of resources</b>	<b>2,193,635</b>	<b>25,651</b>	<b>2,219,286</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	16,001,600	12,795,611	28,797,211	287,657
Restricted for:				
Debt service	694,209	-	694,209	732,806
Parks and recreation	943,028	-	943,028	-
Capital projects	4,837,058	-	4,837,058	679,269
Planning and development	2,136,012	-	2,136,012	-
Public safety	783,360	-	783,360	-
Permanent Fund:				
Nonexpendable	196,610	-	196,610	-
Expendable	28,123	-	28,123	-
Renewal and replacement	-	122,500	122,500	-
Other	-	-	-	165,684
Unrestricted	5,075,521	1,984,826	7,060,347	8,367,409
<b>Total net position</b>	<b>\$ 30,695,521</b>	<b>\$ 14,902,937</b>	<b>\$ 45,598,458</b>	<b>\$ 10,232,825</b>

**City of Excelsior Springs, Missouri**

**Statement of Activities  
Year Ended September 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ (1,325,896)	\$ 204,620	\$ -	\$ -
Public safety	(6,091,952)	883,097	48,655	-
Transportation	(161,427)	20,949	74,387	-
Public works	(1,675,382)	368,830	531,828	-
Health and welfare	(64,565)	-	20,460	-
Cemetery operations	(48,570)	44,605	-	-
Community center activities	(96,767)	-	-	-
Recreational activities	(887,389)	66,552	-	125,000
Community betterment	(2,375,044)	-	15,795	-
Interest and fiscal charges	(669,999)	-	-	-
<b>Total governmental activities</b>	<b>(13,396,991)</b>	<b>1,588,653</b>	<b>691,125</b>	<b>125,000</b>
Business-type activities:				
Water	(3,895,403)	3,395,406	-	-
Pollution control	(3,606,317)	2,882,569	-	-
Golf	(840,019)	687,269	26,012	-
Airport	(36,932)	17,084	-	447,074
Refuse	(803,943)	829,090	-	-
<b>Total business-type activities</b>	<b>(9,182,614)</b>	<b>7,811,418</b>	<b>26,012</b>	<b>447,074</b>
<b>Total primary government</b>	<b>\$ (22,579,605)</b>	<b>\$ 9,400,071</b>	<b>\$ 717,137</b>	<b>\$ 572,074</b>
Component unit - hospital	\$ (27,355,470)	\$ 25,756,377	\$ 283,621	\$ 19,202

**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

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	
\$ (1,121,276)	\$ -	\$ (1,121,276)	\$ -	-
(5,160,200)	-	(5,160,200)	-	-
(66,091)	-	(66,091)	-	-
(774,724)	-	(774,724)	-	-
(44,105)	-	(44,105)	-	-
(3,965)	-	(3,965)	-	-
(96,767)	-	(96,767)	-	-
(695,837)	-	(695,837)	-	-
(2,359,249)	-	(2,359,249)	-	-
(669,999)	-	(669,999)	-	-
(10,992,213)	-	(10,992,213)	-	-
-	(499,997)	(499,997)	-	-
-	(723,748)	(723,748)	-	-
-	(126,738)	(126,738)	-	-
-	427,226	427,226	-	-
-	25,147	25,147	-	-
-	(898,110)	(898,110)	-	-
(10,992,213)	(898,110)	(11,890,323)	-	-
-	-	-	(1,296,270)	-
2,075,669	-	2,075,669	293,658	-
7,742,792	-	7,742,792	-	-
1,395,566	-	1,395,566	-	-
117,986	-	117,986	-	-
58,900	-	58,900	-	-
209,335	780,866	990,201	-	-
388,803	-	388,803	26,676	-
18,688	-	18,688	-	-
(569,604)	569,604	-	-	-
11,438,135	1,350,470	12,788,605	320,334	-
445,922	452,360	898,282	(975,936)	-
30,249,599	14,450,577	44,700,176	11,208,761	-
\$ 30,695,521	\$ 14,902,937	\$ 45,598,458	\$ 10,232,825	-

**City of Excelsior Springs, Missouri**

**Balance Sheet  
Governmental Funds  
September 30, 2016**

	General	Community Center Sales Tax
<b>Assets</b>		
Cash, cash equivalents and investments	\$ 1,527,257	\$ 656,000
Receivables, net of allowance for uncollectibles of \$188,711:		
Property taxes	929,419	-
Franchise taxes	145,113	-
Other	56,088	-
Due from other governments	179,160	114,201
Prepaid items	236,272	-
Assets held for sale	-	-
Advances to other funds	1,290,362	-
Restricted cash and cash equivalents	127,822	-
Restricted investments	250,000	-
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 4,741,493</b>	<b>\$ 770,201</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
Liabilities, accounts payable and accrued expenditures	\$ 145,917	\$ -
	<hr/>	<hr/>
Deferred inflows of resources, unavailable revenue - property taxes	943,636	-
	<hr/>	<hr/>
Fund balance:		
Nonspendable	1,526,634	-
Restricted	377,822	770,201
Unassigned	1,747,484	-
	<hr/>	<hr/>
<b>Total fund balance</b>	<b>3,651,940</b>	<b>770,201</b>
	<hr/>	<hr/>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 4,741,493</b>	<b>\$ 770,201</b>
	<hr/>	<hr/>

See notes to basic financial statements.



Tax Increment Financing Wal-Mart	Community Center Project	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,237,551	\$ 78,008	\$ 6,260,431	\$ 9,759,247
267,966	-	671,549	1,868,934
-	-	6,805	151,918
-	-	-	56,088
79,693	-	198,926	571,980
-	-	-	236,272
-	-	23,000	23,000
-	-	-	1,290,362
-	1,049,737	1,051,173	2,228,732
-	-	157,826	407,826
<u>\$ 1,585,210</u>	<u>\$ 1,127,745</u>	<u>\$ 8,369,710</u>	<u>\$ 16,594,359</u>
\$ -	\$ 470,130	\$ 66,564	\$ 682,611
267,966	-	671,742	1,883,344
-	-	219,610	1,746,244
1,317,244	657,615	7,412,498	10,535,380
-	-	(704)	1,746,780
<u>1,317,244</u>	<u>657,615</u>	<u>7,631,404</u>	<u>14,028,404</u>
<u>\$ 1,585,210</u>	<u>\$ 1,127,745</u>	<u>\$ 8,369,710</u>	<u>\$ 16,594,359</u>

**City of Excelsior Springs, Missouri**

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities  
September 30, 2016**

Total governmental fund balances	\$	14,028,404	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds			33,331,937
LAGERS net pension asset is not a financial resource and therefore is not reported in the governmental funds			804,786
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	\$	(657,060)	
Accrued interest on long-term debt		(57,588)	
Other postemployment benefits obligation		(231,489)	
Net premium on bond issuance		(580,074)	
Bonds payable		<u>(17,800,000)</u>	(19,326,211)
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		2,166,896	
Deferred inflows of resources - pension related amounts		<u>(338,546)</u>	1,828,350
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			<u>28,255</u>
<b>Net position of governmental activities</b>			<u><u>\$ 30,695,521</u></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, 2016**

	General	Community Center Sales Tax
<b>Revenues:</b>		
Taxes	\$ 4,397,627	\$ 1,724,186
Licenses, permits and fees	204,620	-
Intergovernmental	576,301	-
Charges for services	974,776	-
Fines and forfeitures	298,100	-
Investment earnings	124,661	1,225
Miscellaneous	369,332	-
<b>Total revenues</b>	<b>6,945,417</b>	<b>1,725,411</b>
<b>Expenditures:</b>		
Current:		
General government:		
Administration	58,295	1,205
City manager/council	518,262	-
Finance administration	440,289	-
Human resources	95,476	-
Building operations	124,884	-
Public works, street operations	991,722	-
Public safety:		
Police department	2,830,657	-
Municipal courts	117,356	-
Fire department	2,164,127	-
Cemetery operations	-	-
Community center activities	-	-
Recreational activities, parks and recreation	-	-
Community betterment:		
Transportation activities	143,934	-
Community development	355,666	-
Health and welfare	-	-
Capital outlay	135,958	-
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
<b>Total expenditures</b>	<b>7,976,626</b>	<b>1,205</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,031,209)</b>	<b>1,724,206</b>
<b>Other financing sources (uses):</b>		
Proceeds from sale of capital assets	1,785	-
Transfers in	1,001,816	-
Transfers out	(35,721)	(1,557,653)
<b>Total other financing sources (uses)</b>	<b>967,880</b>	<b>(1,557,653)</b>
<b>Net change in fund balance</b>	<b>(63,329)</b>	<b>166,553</b>
Fund balances, beginning	3,715,269	603,648
Fund balances, ending	<b>\$ 3,651,940</b>	<b>\$ 770,201</b>

See notes to basic financial statements.

Tax Increment Financing Wal-Mart	Community Center Project	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,531,344	\$ -	\$ 3,730,743	\$ 11,383,900
-	-	-	204,620
-	125,000	114,824	816,125
-	-	111,157	1,085,933
-	-	-	298,100
-	44,508	38,941	209,335
-	6,763	12,708	388,803
<u>1,531,344</u>	<u>176,271</u>	<u>4,008,373</u>	<u>14,386,816</u>
-	-	102,959	162,459
-	-	-	518,262
-	-	-	440,289
-	-	-	95,476
-	-	-	124,884
-	-	109,891	1,101,613
-	-	163,240	2,993,897
-	-	-	117,356
-	-	18,782	2,182,909
-	-	48,570	48,570
-	-	92,255	92,255
-	-	743,695	743,695
-	-	-	143,934
1,467,136	-	504,912	2,327,714
-	-	60,084	60,084
-	11,587,968	786,513	12,510,439
-	-	200,000	200,000
-	-	693,058	693,058
-	-	3,050	3,050
<u>1,467,136</u>	<u>11,587,968</u>	<u>3,527,009</u>	<u>24,559,944</u>
<u>64,208</u>	<u>(11,411,697)</u>	<u>481,364</u>	<u>(10,173,128)</u>
-	-	26,950	28,735
-	-	1,571,680	2,573,496
(6,667)	-	(1,543,059)	(3,143,100)
<u>(6,667)</u>	<u>-</u>	<u>55,571</u>	<u>(540,869)</u>
57,541	(11,411,697)	536,935	(10,713,997)
<u>1,259,703</u>	<u>12,069,312</u>	<u>7,094,469</u>	<u>24,742,401</u>
<u>\$ 1,317,244</u>	<u>\$ 657,615</u>	<u>\$ 7,631,404</u>	<u>\$ 14,028,404</u>

**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, 2016**

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Total net change in fund balances - governmental funds	\$ (10,713,997)
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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:

Depreciation	(1,367,937)
Capital outlays	12,729,024

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net position:

Proceeds from sale of capital assets	(28,735)
Gain on sale of capital assets	18,688

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

7,013

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:

Change in compensated absences	(79,851)
Change in other postemployment benefits obligation	(30,729)
Pension related amounts, pension expense	(313,663)

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:

Repayment of principal of long-term debt	200,000
Interest	333
Amortization of bond premium	25,776

**Change in net position of governmental activities**

**\$ 445,922**

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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, 2016**

	General Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 4,508,000	\$ 4,388,426	\$ 4,397,627	\$ 9,201
Licenses, permits and fees	161,650	197,625	204,620	6,995
Intergovernmental	585,000	598,299	576,301	(21,998)
Charges for services	588,700	552,180	605,946	53,766
Fines and forfeitures	291,500	299,800	298,100	(1,700)
Special assessment fees	-	3,000	-	(3,000)
Investment earnings	103,500	125,900	124,648	(1,252)
Other	167,000	236,346	321,022	84,676
<b>Total revenues</b>	<b>6,405,350</b>	<b>6,401,576</b>	<b>6,528,264</b>	<b>126,688</b>
<b>Expenditures:</b>				
Current:				
General government	1,153,932	1,227,730	1,189,200	38,530
Public works	598,054	553,969	507,511	46,458
Public safety	5,017,622	5,125,697	5,112,140	13,557
Community betterment	529,111	536,962	499,600	37,362
Capital outlay	63,000	203,000	135,958	67,042
<b>Total expenditures</b>	<b>7,361,719</b>	<b>7,647,358</b>	<b>7,444,409</b>	<b>202,949</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(956,369)</b>	<b>(1,245,782)</b>	<b>(916,145)</b>	<b>329,637</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	1,785	1,785	-
Transfers in	1,038,410	935,308	835,295	(100,013)
Transfers out	(78,500)	(84,222)	(9,569)	74,653
<b>Total other financing sources</b>	<b>959,910</b>	<b>852,871</b>	<b>827,511</b>	<b>(25,360)</b>
<b>Net change in fund balance</b>	<b>\$ 3,541</b>	<b>\$ (392,911)</b>	<b>(88,634)</b>	<b>\$ 304,277</b>
<b>Reconciliation to GAAP Basis:</b>				
Activities reported within the Construction Services Fund and Elms Hotel Event Fees Fund (sub-funds of the General Fund):				
Total revenue			417,153	
Total expenditures			(532,217)	
Total other financing sources			140,369	
Total reconciling items			25,305	
<b>Net change in fund balance</b>			<b>(63,329)</b>	
Fund balances, beginning			3,715,269	
Fund balances, ending			<b>\$ 3,651,940</b>	

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, 2016**

	Community Center Sales Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	\$ 1,776,997	\$ 1,724,186	52,811
Investment earnings	1,000	1,225	(225)
<b>Total revenues</b>	<u>1,777,997</u>	<u>1,725,411</u>	<u>52,586</u>
Expenditures, general government	-	1,205	(1,205)
<b>Excess of revenues over expenditures</b>	<u>1,777,997</u>	<u>1,724,206</u>	<u>53,791</u>
Other financing sources (uses),			
Transfers out	(1,558,853)	(1,557,653)	(1,200)
<b>Net change in fund balance</b>	<u>\$ 219,144</u>	<u>166,553</u>	<u>\$ 52,591</u>
Fund balances, beginning		<u>603,648</u>	
Fund balances, ending		<u>\$ 770,201</u>	

See notes to basic financial statements.



**City of Excelsior Springs, Missouri**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Tax Increment Financing - Wal-Mart Fund  
Year Ended September 30, 2016**

	Tax Increment Financing - Wal-Mart Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues, taxes	\$ 1,469,999	\$ 1,531,344	(61,345)
Expenditures, community betterment	1,437,136	1,467,136	(30,000)
<b>Excess of revenues over expenditures</b>	<b>32,863</b>	<b>64,208</b>	<b>(31,345)</b>
Other financing sources (uses), transfers out	(6,667)	(6,667)	-
<b>Net change in fund balance</b>	<b>\$ 26,196</b>	<b>57,541</b>	<b>\$ (31,345)</b>
Fund balances, beginning		1,259,703	
Fund balances, ending		<b>\$ 1,317,244</b>	

See notes to basic financial statements.

City of Excelsior Springs, Missouri

Statement of Net Position  
Enterprise Funds  
September 30, 2016

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 1,966,527	\$ 4,410	\$ 131,886	\$ 2,102,823
Accounts receivable, utility accounts net of allowance for uncollectibles of \$24,825	400,947	424,966	95,773	921,686
Inventory	-	-	3,469	3,469
Prepays	3,321	-	-	3,321
<b>Total current assets</b>	<b>2,370,795</b>	<b>429,376</b>	<b>231,128</b>	<b>3,031,299</b>
Noncurrent assets:				
Investments	1,987,838	-	-	1,987,838
Restricted cash	910,977	1,632,303	-	2,543,280
Net pension asset	19,382	9,991	10,348	39,721
Capital assets:				
Land	131,849	799,000	205,688	1,136,537
Construction-in-progress	8,769,586	3,597,092	594,657	12,961,335
Land improvements	22,244	-	924,585	946,829
Buildings and improvements	4,920,461	138,702	342,895	5,402,058
Operating equipment	260,254	252,612	1,183,391	1,696,257
Furniture and office equipment	50,393	77,437	33,500	161,330
Vehicles	465,620	565,267	-	1,030,887
Infrastructure	13,901,223	27,227,127	-	41,128,350
<b>Total capital assets</b>	<b>28,521,630</b>	<b>32,657,237</b>	<b>3,284,716</b>	<b>64,463,583</b>
Less accumulated depreciation	9,842,815	10,613,143	1,787,087	22,243,045
<b>Net capital assets</b>	<b>18,678,815</b>	<b>22,044,094</b>	<b>1,497,629</b>	<b>42,220,538</b>
<b>Total noncurrent assets</b>	<b>21,597,012</b>	<b>23,686,388</b>	<b>1,507,977</b>	<b>46,791,377</b>
<b>Total assets</b>	<b>23,967,807</b>	<b>24,115,764</b>	<b>1,739,105</b>	<b>49,822,676</b>
<b>Deferred Outflows of Resources</b>				
Pension related amounts	\$ 135,782	\$ 98,186	\$ 60,279	\$ 294,247

See notes to basic financial statements.

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 802,139	\$ 720,072	\$ 28,521	\$ 1,550,732
Compensated absences	63,817	14,321	52,627	130,765
Customer deposits and bonds, restricted	492,723	-	-	492,723
Accrued interest	75,425	109,734	-	185,159
Current portion of:				
Certificates of participation	885,000	670,000	-	1,555,000
<b>Total current liabilities</b>	<b>2,319,104</b>	<b>1,514,127</b>	<b>81,148</b>	<b>3,914,379</b>
Noncurrent liabilities:				
Advances from other funds	-	922,312	368,050	1,290,362
Other postemployment benefits obligation	28,195	19,430	15,486	63,111
Certificates of participation, net	12,473,858	17,446,625	-	29,920,483
<b>Total noncurrent liabilities</b>	<b>12,502,053</b>	<b>18,388,367</b>	<b>383,536</b>	<b>31,273,956</b>
<b>Total liabilities</b>	<b>14,821,157</b>	<b>19,902,494</b>	<b>464,684</b>	<b>35,188,335</b>
<b>Deferred inflows of resources</b>				
Pension related amounts	11,842	8,543	5,266	25,651
<b>Net position</b>				
Net investment in capital assets	5,738,210	5,559,772	1,497,629	12,795,611
Restricted for renewal and replacement	-	122,500	-	122,500
Unrestricted (deficit)	3,532,380	(1,379,359)	(168,195)	1,984,826
<b>\$ 9,270,590</b>	<b>\$ 4,302,913</b>	<b>\$ 1,329,434</b>	<b>\$ 14,902,937</b>	

**City of Excelsior Springs, Missouri**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Funds  
Year Ended September 30, 2016**

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
<b>Operating revenues:</b>				
Charges for services	\$ 3,346,440	\$ 2,872,925	\$ 1,481,796	\$ 7,701,161
Rental income	28,957	9,460	13,623	52,040
Other	20,009	184	64,036	84,229
<b>Total operating revenues</b>	<b>3,395,406</b>	<b>2,882,569</b>	<b>1,559,455</b>	<b>7,837,430</b>
<b>Operating expenses:</b>				
Personnel services	875,362	610,089	474,626	1,960,077
Contractual and professional services	118,689	38,229	733,337	890,255
Utilities	226,589	279,312	32,664	538,565
Maintenance and repairs	895,357	226,618	92,564	1,214,539
Cost of goods sold	-	-	107,377	107,377
Insurance	59,554	22,078	10,971	92,603
Supplies and materials (administrative)	251,056	101,685	138,509	491,250
Depreciation	619,102	1,109,863	88,219	1,817,184
<b>Total operating expenses</b>	<b>3,045,709</b>	<b>2,387,874</b>	<b>1,678,267</b>	<b>7,111,850</b>
<b>Operating income (loss)</b>	<b>349,697</b>	<b>494,695</b>	<b>(118,812)</b>	<b>725,580</b>
<b>Nonoperating revenue (expense):</b>				
Investment earnings	340,212	439,469	1,185	780,866
Interest expense	(849,694)	(1,218,443)	(2,627)	(2,070,764)
Capital grants	-	-	447,074	447,074
<b>Total nonoperating revenue (expense)</b>	<b>(509,482)</b>	<b>(778,974)</b>	<b>445,632</b>	<b>(842,824)</b>
<b>Income (loss) before transfers</b>	<b>(159,785)</b>	<b>(284,279)</b>	<b>326,820</b>	<b>(117,244)</b>
Transfers in	-	715,105	352,187	1,067,292
Transfers out	(251,362)	(149,438)	(96,888)	(497,688)
	(251,362)	565,667	255,299	569,604
<b>Change in net position</b>	<b>(411,147)</b>	<b>281,388</b>	<b>582,119</b>	<b>452,360</b>
Total net position, beginning	9,681,737	4,021,525	747,315	14,450,577
Total net position, ending	\$ 9,270,590	\$ 4,302,913	\$ 1,329,434	\$ 14,902,937

See notes to basic financial statements.

**City of Excelsior Springs, Missouri**

**Statement of Cash Flows - Enterprise Funds  
Year Ended September 30, 2016**

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
<b>Cash flows from operating activities:</b>				
Cash collected from customers	\$ 3,407,909	\$ 2,875,205	\$ 1,391,524	\$ 7,674,638
Cash from other operating revenue	20,009	184	64,036	84,229
Cash paid to suppliers for goods and services	(1,297,853)	(18,192)	(1,266,601)	(2,582,646)
Cash paid to employees for services	(841,498)	(594,406)	(457,365)	(1,893,269)
<b>Net cash provided by (used in) operating activities</b>	<b>1,288,567</b>	<b>2,262,791</b>	<b>(268,406)</b>	<b>3,282,952</b>
<b>Cash flows from noncapital financing activities:</b>				
Increase in advances from other funds	-	131,646	181,619	313,265
Transfers in	-	715,105	352,187	1,067,292
Transfers out	(251,362)	(149,438)	(96,888)	(497,688)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(251,362)</b>	<b>697,313</b>	<b>436,918</b>	<b>882,869</b>
<b>Cash flows from capital and related financing activities:</b>				
Capital grants	-	-	447,074	447,074
Acquisition and construction of capital assets	(3,733,797)	(3,148,730)	(729,546)	(7,612,073)
Principal payments on revenue bonds and capital leases	(580,000)	(615,000)	(49,833)	(1,244,833)
Interest paid	(929,186)	(1,333,525)	(2,866)	(2,265,577)
<b>Net cash (used in) capital and related financing activities</b>	<b>(5,242,983)</b>	<b>(5,097,255)</b>	<b>(335,171)</b>	<b>(10,675,409)</b>
<b>Cash flows from investing activities:</b>				
Interest	340,212	439,469	1,185	780,866
Proceeds from sales and maturities of investments	497,816	-	150,000	647,816
<b>Net cash provided by investing activities</b>	<b>838,028</b>	<b>439,469</b>	<b>151,185</b>	<b>1,428,682</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(3,367,750)</b>	<b>(1,697,682)</b>	<b>(15,474)</b>	<b>(5,080,906)</b>
<b>Cash and cash equivalents:</b>				
Beginning	5,505,254	3,334,395	147,360	8,987,009
Ending	\$ 2,137,504	\$ 1,636,713	\$ 131,886	\$ 3,906,103
<b>Displayed as:</b>				
Cash and cash equivalents	\$ 1,226,527	\$ 4,410	\$ 131,886	\$ 1,362,823
Investments	740,000	-	-	740,000
<b>Total cash, cash equivalents and investments</b>	<b>1,966,527</b>	<b>4,410</b>	<b>131,886</b>	<b>2,102,823</b>
Restricted cash	910,977	1,632,303	-	2,543,280
<b>Total cash and cash equivalents</b>	<b>\$ 2,137,504</b>	<b>\$ 1,636,713</b>	<b>\$ 131,886</b>	<b>\$ 3,906,103</b>

(Continued)

**City of Excelsior Springs, Missouri**

**Statement of Cash Flows - Enterprise Funds (Continued)  
Year Ended September 30, 2016**

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 349,697	\$ 494,695	\$ (118,812)	\$ 725,580
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	619,102	1,109,863	88,219	1,817,184
(Increase) decrease in accounts receivable	(18,683)	(7,180)	1,911	(23,952)
Decrease in inventory	-	-	2,392	2,392
Increase (decrease) in accounts payable and accrued expenses	253,392	649,730	(153,571)	749,551
(Decrease) in unearned revenues	-	-	(105,806)	(105,806)
Increase in other postemployment benefits obligation	4,078	3,007	1,786	8,871
Decrease in net pension asset	98,383	72,538	43,072	213,993
(Increase) in deferred outflows	(83,004)	(61,199)	(36,338)	(180,541)
Increase in deferred inflows	6,657	4,909	2,914	14,480
Increase (decrease) in compensated absences	7,750	(3,572)	5,827	10,005
Increase in customer deposits and bonds	51,195	-	-	51,195
<b>Net cash provided by operating activities</b>	<b>\$ 1,288,567</b>	<b>\$ 2,262,791</b>	<b>\$ (268,406)</b>	<b>\$ 3,282,952</b>
Schedule of noncash items:				
Capital and related financing activities, capitalized interest	\$ 80,831	\$ 118,141	\$ -	\$ 198,972

See notes to basic financial statements.

**City of Excelsior Springs, Missouri**

**Statement of Assets and Liabilities - Agency Funds  
September 30, 2016**

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**Assets**

Cash and cash equivalents	\$	4,555,365
Taxes receivable		4,037
Prepaid items		<u>93,250</u>
	\$	<u><u>4,652,652</u></u>

**Liabilities**

Due to other funds	\$	93,250
Due to component unit		4,053,647
Due to other governments		<u>505,755</u>
	\$	<u><u>4,652,652</u></u>

See notes to basic financial statements.

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## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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#### **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 City 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

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#### **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.

Tax Increment Financing Wal-Mart Fund: A Special Revenue Fund, accounts for the receipts and disbursements of the Wal-Mart TIF District.

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, Parks and Recreation Fund, and the Community Center Operating Fund.

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.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

*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.

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, pensions and claims and judgments, are recorded only when payment is due.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

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 2016 levy plus any uncollected amounts from the 2015 levy and other prior years. 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 10, 2015 the City Council formally approved the original adopted budget, reflected in the financial statements.

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.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

- 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.

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.

Investments, except for money market funds and certificates of deposit, are stated at fair value. Fair value is 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. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 2 for additional information regarding fair value measures.

**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

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#### 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 acquisition 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 \$80,831 in the Water Fund and \$118,141 in the Pollution Control Fund.

Capital assets of the primary government are 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

The component unit's policy is similar.

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.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

**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) until then. The City has one item that qualifies for reporting in this category: 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, plan investment returns and changes in assumptions, and contributions paid by the City after the measurement date but before the end of the City's reporting period.

**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 and enterprise fund statements of net position 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.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

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.

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 \$704, 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.



## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

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, 2016 was:

Medicare	\$ 1,594,616
Medicaid	438,109
Other third-party payers	1,556,311
Patients	<u>795,469</u>
	4,384,505
Less allowances for uncollectible accounts	<u>479,906</u>
	<u><u>\$ 3,904,599</u></u>

**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 \$113,529 for 2016.

**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.

## 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)

**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 \$1,049,737. Unspent debt proceeds for the Water and Pollution Control enterprise funds were \$418,253 and \$1,632,298, 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 consists of \$694,209 for debt service, \$4,837,058 for capital projects, \$2,136,012 for tax increment financing projects and \$783,360 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.

**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, 2016, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		Fair Value Hierarchy Level
		Less Than 1	1 - 5	
Investments at fair value:				
U.S. Government Agencies:				
FNMA	\$ 1,220,000	\$ -	\$ 1,220,000	2
FFCB	250,000	-	250,000	2
Investments at cost:				
Certificate of deposit	6,094,000	3,393,000	2,701,000	N/A
Money market funds	157,826	157,826	-	N/A
Total	<u>\$ 7,721,826</u>	<u>\$ 3,550,826</u>	<u>\$ 4,171,000</u>	

**Fair Value Measurements:** During the fiscal year ended June 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Applications*, which provides guidance for determining a fair value measurement for financial reporting purposes. The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

**Level 1 input:** Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

**Level 2 input:** Inputs - other than quoted prices included with Level 1 - that are observable for an asset or liability, either directly or indirectly.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

**Level 3 input:** Inputs that are unobservable for the asset or liability which are typically based upon the City's own assumptions as there is little, in any, related market activity.

**Hierarchy:** The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

**Inputs:** If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

**U.S. Government agency securities:** U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out to 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

The City has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 7.

As of September 30, 2016, the City has \$157,826 in money market funds which are not subject to interest rate risk. Money market funds are classified as investments within the financial statements and are disclosed as having maturity of less than one year as they do not have a maturity date.

**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, 2016, the City's investments consisted of Federal National Mortgage Association 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.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

**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, 2016 the City's investments are invested in FNMA, which represents 16 of total investments.

**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, 2016, 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, 2016, none of the City's bank balance of \$15,784,634, 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 \$6,962,594 of which \$118,687 was exposed to custodial credit risk.

Excelsior Springs City Hospital, the discretely presented component unit, held investments in bank repurchase agreements in the amount of \$293,633 as of September 30, 2016.

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

Deposits and cash on hand	\$ 15,863,285
Investments	7,721,826
	<u>\$ 23,585,111</u>
Cash, cash equivalents and investments	\$ 11,862,070
Investments	1,987,838
Restricted cash and cash equivalents	4,772,012
Restricted investments	407,826
Cash and cash equivalents, fiduciary funds	4,555,365
	<u>\$ 23,585,111</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. On January 1, a lien attaches to all property. Property taxes are due in total by December 31 following the levy date and are collected by the Finance Office. Property taxes are recognized as a receivable at the time they become an enforceable legal claim (the lien date) and revenue is recognized in the year for which the property tax is levied.

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, 2015, on which the fiscal year 2016 levy was based, was \$143,444,511. The assessed value of railroad and utility properties as of January 1, 2015 was \$5,660,971. During the year ended September 30, 2016, the City collected 97.46 percent of property taxes, excluding interest and penalty which were levied in the period.

**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, 2016 are as follows:

Fund:	Levy
General	\$ 0.6408
Parks/recreation	0.3608
Total primary government	1.0016
Component unit - City Hospital	0.1804
Total reporting entity	\$ 1.1820

**Note 4. Capital Assets**

The following is a summary of changes in capital assets for the year ended September 30, 2016:

	2015 Balance	Additions	Retirements	2016 Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,614,419	\$ -	\$ -	\$ 1,614,419
Construction-in-progress	6,165,019	11,782,058	195,252	17,751,825
Total capital assets, not being depreciated	7,779,438	11,782,058	195,252	19,366,244
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	6,302,630	133,491	-	6,436,121
Operating equipment	3,637,854	-	-	3,637,854
Furniture and office equipment	192,364	-	-	192,364
Vehicles	2,281,874	382,041	215,791	2,448,124
Infrastructure	48,547,939	626,686	-	49,174,625
Total capital assets, being depreciated	61,002,492	1,142,218	215,791	61,928,919
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	4,086,560	181,909	-	4,268,469
Operating equipment	1,900,928	297,990	-	2,198,918
Furniture and office equipment	209,720	11,029	-	220,749
Vehicles	1,365,532	215,332	205,744	1,375,120
Infrastructure	39,198,462	661,677	-	39,860,139
Total accumulated depreciation	46,801,033	1,367,937	205,744	47,963,226
Total capital assets, being depreciated, net	14,201,459	(225,719)	10,047	13,965,693
Governmental activities capital assets, net	\$ 21,980,897	\$ 11,556,339	\$ 205,299	\$ 33,331,937

**City of Excelsior Springs, Missouri**

**Notes to Basic Financial Statements**

**Note 4. Capital Assets (Continued)**

	2015 Balance	Additions	Retirements	2016 Balance
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,136,537	\$ -	\$ -	\$ 1,136,537
Construction-in-progress	5,843,965	7,204,825	87,455	12,961,335
Total capital assets, not being depreciated	<u>6,980,502</u>	<u>7,204,825</u>	<u>87,455</u>	<u>14,097,872</u>
Capital assets, being depreciated:				
Land improvements	856,829	90,000	-	946,829
Buildings and improvements	5,402,058	-	-	5,402,058
Operating equipment	1,191,261	504,996	-	1,696,257
Furniture and office equipment	161,330	-	-	161,330
Vehicles	1,015,885	34,926	19,924	1,030,887
Infrastructure	41,064,597	63,753	-	41,128,350
Total capital assets, being depreciated	<u>49,691,960</u>	<u>693,675</u>	<u>19,924</u>	<u>50,365,711</u>
Less accumulated depreciation for:				
Land improvements	739,165	30,670	-	769,835
Buildings and improvements	3,953,246	246,241	-	4,199,487
Operating equipment	1,341,191	47,752	-	1,388,943
Furniture and office equipment	115,056	2,307	-	117,363
Vehicles	713,140	135,684	19,924	828,900
Infrastructure	13,583,987	1,354,530	-	14,938,517
Total accumulated depreciation	<u>20,445,785</u>	<u>1,817,184</u>	<u>19,924</u>	<u>22,243,045</u>
Total capital assets, being depreciated, net	<u>29,246,175</u>	<u>(1,123,509)</u>	<u>-</u>	<u>28,122,666</u>
Business-type activities capital assets, net	<u>\$ 36,226,677</u>	<u>\$ 6,081,316</u>	<u>\$ 87,455</u>	<u>\$ 42,220,538</u>

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

<b>Governmental Activities</b>	
General government	\$ 37,713
Public safety	514,888
Transportation	10,017
Public works	667,582
Recreational activities	122,112
Community betterment	15,625
Total depreciation expense, governmental activities	<u>\$ 1,367,937</u>
<b>Business-Type Activities</b>	
Water	\$ 619,102
Pollution control	1,109,863
Golf	67,355
Airport	20,864
Total depreciation expense, business-type activities	<u>\$ 1,817,184</u>

**City of Excelsior Springs, Missouri**

**Notes to Basic Financial Statements**

**Note 4. Capital Assets (Continued)**

Activity for the Hospital for the year ended September 30, 2016 was as follows:

	2015 Balance	Additions	Retirements	2016 Balance
Component Unit: Hospital				
Capital assets, not being depreciated, construction-in-progress	\$ 260,869	\$ 355,637	\$ (601,709)	\$ 14,797
Capital assets, being depreciated:				
Land and improvements	1,344,997	-	-	1,344,997
Buildings and improvements	16,053,197	369,594	-	16,422,791
Operating equipment	6,770,783	-	-	6,770,783
Furniture and office equipment	8,237,215	474,079	-	8,711,294
Total capital assets, being depreciated, Hospital	32,406,192	843,673	-	33,249,865
Less accumulated depreciation for:				
Land and improvements	(790,049)	(55,316)	-	(845,365)
Buildings and improvements	(8,131,059)	(683,814)	-	(8,814,873)
Operating equipment	(5,959,912)	(195,302)	-	(6,155,214)
Furniture and office equipment	(6,186,881)	(643,972)	-	(6,830,853)
Total accumulated depreciation	(21,067,901)	(1,578,404)	-	(22,646,305)
Total capital assets, being depreciated, Hospital, net	11,338,291	(734,731)	-	10,603,560
Hospital capital assets, net	\$ 11,599,160	\$ (379,094)	\$ (601,709)	\$ 10,618,357

**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, 2016 were as follows:

	Balance September 30, 2015	Additions	Retirements	Balance September 30, 2016	Amounts Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds	\$ 18,000,000	\$ -	\$ 200,000	\$ 17,800,000	\$ 485,000
Premiums	605,850	-	25,776	580,074	-
Compensated absences	577,209	657,060	577,209	657,060	657,060
Other postemployment benefits obligation	200,760	30,729	-	231,489	-
Governmental activities, long-term liabilities	<u>\$ 19,383,819</u>	<u>\$ 687,789</u>	<u>\$ 802,985</u>	<u>\$ 19,268,623</u>	<u>\$ 1,142,060</u>
<b>Business-type activities:</b>					
Lease purchase agreement	\$ 49,833	\$ -	\$ 49,833	\$ -	\$ -
Certificates of participation	32,795,000	-	1,195,000	31,600,000	1,555,000
Premiums (discounts)	(133,282)	-	(8,765)	(124,517)	-
Compensated absences	120,760	130,765	120,760	130,765	130,765
Other postemployment benefits obligation	54,240	8,871	-	63,111	-
Business-type activities, long-term liabilities	<u>\$ 32,886,551</u>	<u>\$ 139,636</u>	<u>\$ 1,356,828</u>	<u>\$ 31,669,359</u>	<u>\$ 1,685,765</u>
<b>Component unit:</b>					
Revenue bonds	\$ 10,463,619	\$ -	\$ 317,477	\$ 10,146,142	\$ 331,994
Note payable	180,413	-	78,186	102,227	81,372
Capital lease	114,158	-	31,827	82,331	32,505
Compensated absences	512,518	495,200	512,518	495,200	495,200
Component unit, long-term liabilities	<u>\$ 11,270,708</u>	<u>\$ 495,200</u>	<u>\$ 940,008</u>	<u>\$ 10,825,900</u>	<u>\$ 941,071</u>

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

Long-term debt payable as of September 30, 2016, is comprised of the following individual issues:

	Balance September 30, 2015	Additions	Retirements	Balance September 30, 2016
<b>Governmental activities:</b>				
<b>Revenue bonds:</b>				
\$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	\$ -	\$ 200,000	\$ 17,800,000



# City of Excelsior Springs, Missouri

## Notes to Basic Financial Statements

### Note 5. Long-Term Debt (Continued)

	Balance September 30, 2015	Additions	Retirements	Balance September 30, 2016
<b>Business-Type Activities:</b>				
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%	\$ 49,833	\$ -	\$ 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%	1,040,000	-	335,000	705,000
\$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%	12,940,000	-	245,000	12,695,000
\$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%	18,815,000	-	615,000	18,200,000
Total business-type activities	<u>\$ 32,844,833</u>	<u>\$ -</u>	<u>\$ 1,244,833</u>	<u>\$ 31,600,000</u>
	Balance September 30, 2015	Additions	Retirements	Balance September 30, 2016
<b>Component Unit:</b>				
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	\$ 1,093,010	\$ -	\$ 25,418	\$ 1,067,592
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	424,850	-	50,065	374,785
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	7,111,414	-	196,703	6,914,711
Hospital Revenue Bonds, Series 2009, maturing October 1, 2040; 4.5% interest; interest only through September 30, 2013, monthly principal and interest thereafter	1,834,345	-	45,291	1,789,054
Note payable, maturity December 2018, 4% interest	180,413	-	78,186	102,227
Capital leases	114,158	-	31,827	82,331
<b>Total component unit</b>	<u>\$ 10,758,190</u>	<u>\$ -</u>	<u>\$ 427,490</u>	<u>\$ 10,330,700</u>

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Debt (Continued)

**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 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 \$19,385,266 payable through 2028. For the current year, principal and interest paid and lease revenues were \$1,135,136 and \$1,135,136, 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 \$30,428,569 payable through 2031. For the current year, principal and interest paid and lease revenues were \$1,946,801 and \$1,946,801, 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 \$746,306 payable through 2018. For the current year, principal and interest paid and lease revenues were \$372,375 and \$372,375, respectively.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Debt (Continued)

**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 \$1,978,373. Principal and interest paid for the current year and total customer net revenues were \$151,082 and \$25,592,487, 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 \$6,914,711. Principal and interest paid for the current year and total net operating revenues were \$196,703 and \$25,592,487, respectively.

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 \$2,838,940. Principal and interest paid for the current year and total customer net revenues were \$127,068 and \$25,592,487, 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	\$ 771,674
Replacement and extension funds	679,269
	<u>\$ 1,450,943</u>

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. The leases were paid off in 2016.

**City of Excelsior Springs, Missouri**

**Notes to Basic Financial Statements**

**Note 5. Long-Term Debt (Continued)**

**Summary of principal and interest maturities:**

Annual debt service requirements to service all outstanding indebtedness as of September 30, 2016, are as follows:

**Governmental Activities:**

Year ending September 30:	2014 Community Center Sales Tax Revenue Bonds	
	Principal	Interest
2017	\$ 485,000	\$ 710,283
2018	500,000	701,653
2019	500,000	707,238
2020	525,000	691,341
2021	550,000	702,937
2022-2026	3,255,000	2,980,620
2027-2031	3,950,000	1,931,271
2032-2036	4,725,000	1,070,075
2037-2039	3,310,000	202,000
Total	<u>\$ 17,800,000</u>	<u>\$ 9,697,418</u>

**Business-Type Activities:**

Year ending September 30:	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
2017	\$ 345,000	\$ 26,906	\$ 540,000	\$ 878,193	\$ 670,000	\$ 1,298,804
2018	360,000	14,400	555,000	849,168	725,000	1,259,954
2019	-	-	950,000	817,255	785,000	1,215,560
2020	-	-	990,000	760,255	845,000	1,165,815
2021	-	-	1,030,000	698,875	915,000	1,110,340
2022-2026	-	-	5,870,000	2,369,220	5,805,000	4,433,041
2027-2031	-	-	2,760,000	317,300	8,455,000	1,745,055
Total	<u>\$ 705,000</u>	<u>\$ 41,306</u>	<u>\$ 12,695,000</u>	<u>\$ 6,690,266</u>	<u>\$ 18,200,000</u>	<u>\$ 12,228,569</u>

**Component Unit:**

Year ending September 30:	Long-Term Debt		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2017	\$ 413,366	\$ 435,902	\$ 32,505	\$ 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	397,034	368,254	7,849	368
2022-2026	2,269,358	1,557,082	2,034	65
2027-2031	2,528,383	1,010,041	-	-
2032-2036	2,585,575	485,405	-	-
2037-2039	943,365	35,914	-	-
Total	<u>\$ 10,248,369</u>	<u>\$ 5,098,169</u>	<u>\$ 82,331</u>	<u>\$ 5,492</u>

**City of Excelsior Springs, Missouri**

**Notes to Basic Financial Statements**

**Note 5. Long-Term Debt (Continued)**

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, 2016 include the following assets under capital lease:

Movable equipment	\$	167,450
Less accumulated depreciation		92,954
	<u>\$</u>	<u>74,496</u>

**Note 6. Interfund Balances and Transfers**

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General	\$ 1,001,816	\$ 35,721
Community Center Sales Tax	-	1,557,653
Tax Increment Financing - Wal-Mart	-	6,667
Nonmajor governmental funds	1,571,680	1,543,059
Total governmental activities	<u>2,573,496</u>	<u>3,143,100</u>
Business-type activities:		
Water	-	251,362
Pollution control	715,105	149,438
Nonmajor enterprise funds	352,187	96,888
Total business-type activities	<u>1,067,292</u>	<u>497,688</u>
Total	<u>\$ 3,640,788</u>	<u>\$ 3,640,788</u>

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, 2016, were as follows:

	<u>Advance Receivables</u>	<u>Advance Payables</u>
Governmental activities, general fund	\$ 1,290,362	\$ -
Business-type activities:		
Pollution control fund	-	922,312
Nonmajor enterprise funds	-	368,050
Total	<u>\$ 1,290,362</u>	<u>\$ 1,290,362</u>

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

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#### Note 7. Employee Retirement Systems

**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](http://www.molagers.org).

**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>2016 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 percent per year.

**Employees covered by benefit terms:** At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	90
Active employees	109
	<u>283</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 7.7 percent (General), 4.9 percent (Police), and 6.8 percent (Fire) of annual covered payroll.

**Net pension asset:** The employer's net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2016. Standard updated procedures were used to rollforward the total pension liability to June 30, 2016.

**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 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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	43.00%	5.29%
Fixed Income	26.00	2.23
Real Assets	21.00	3.31
Strategic Assets	10.00	5.73
	100.00%	

**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	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at September 30, 2015	\$ 17,293,045	\$ 19,756,213	\$ (2,463,168)
Changes for the year:			
Service Cost	434,493	-	434,493
Interest	1,249,224	-	1,249,224
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(331,590)	-	(331,590)
Changes of assumptions	664,219	-	664,219
Contributions - employer	-	402,260	(402,260)
Net investment income	-	(20,141)	20,141
Benefit payments, including refunds	(561,468)	(561,468)	-
Administrative expense	-	(18,674)	18,674
Other changes	-	34,240	(34,240)
Net changes	1,454,878	(163,783)	1,618,661
Balances at September 30, 2016	\$ 18,747,923	\$ 19,592,430	\$ (844,507)

*Note:* Change in assumptions – In 2016, amounts reported as changes in assumptions resulted primarily from the changes in the mortality table, inflation rate and salary increases.

**Sensitivity of the net pension liability (asset) to changes in the discount rate:** The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.25 percent, as well as what the employer's Net Pension Liability (Asset) 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	\$ 21,684,570	\$ 18,747,923	\$ 16,358,463
Plan fiduciary net position	19,592,430	19,592,430	19,592,430
Net pension liability (asset)	\$ 2,092,140	\$ (844,507)	\$ (3,233,967)



**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, 2016 the employer recognized pension expense of \$767,667. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual plan experience	\$ 64,857	\$ (364,197)
Changes in assumptions	517,709	-
Net difference between projected and actual earnings on pension plan investments	1,773,844	-
Contributions subsequent to the measurement date*	104,733	-
<b>Total</b>	<b>\$ 2,461,143</b>	<b>\$ (364,197)</b>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension asset for the year ending September 30, 2017.

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

Year ended:	
2017	\$ 526,726
2018	527,618
2019	558,246
2020	346,812
2021	24,365
Thereafter	8,446
	<b>\$ 1,992,213</b>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience and assumption changes 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.

**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 2016, the City contributed \$15,900. 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	\$ 55,600
Interest on net OPEB obligation	9,600
Adjustment to annual required contribution	(9,700)
Annual OPEB cost (expense)	55,500
Contributions and payments made	15,900
Increase in net OPEB obligation	39,600
Net OPEB obligation - September 30, 2015	255,000
Net OPEB obligation - September 30, 2016	\$ 294,600

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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#### 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 2016 and the two preceding years follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2014	\$ 47,900	19.0%	\$ 220,200
September 30, 2015	55,300	37.1	255,000
September 30, 2016	55,500	28.6	294,600

**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 \$4,771,358 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

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#### 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 \$25,064,643, of which \$23,504,029 had been expended through September 30, 2016.

**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, 2016 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, 2016, 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 60 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the year ended September 30, 2016.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

#### Note 11. Net Patient Service Revenue (Continued)

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.

#### 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		Tax Increment	Community Center	Nonmajor	Total
		Sales Tax	Financing	Wal-Mart		Governmental	Governmental
					Project	Funds	Funds
Nonspendable:							
Prepays	\$ 236,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,272
Assets held for sale	-	-	-	-	-	23,000	23,000
Advances	1,290,362	-	-	-	-	-	1,290,362
Perpetual maintenance fund	-	-	-	-	-	196,610	196,610
Total Nonspendable	1,526,634	-	-	-	-	219,610	1,746,244
Restricted:							
Debt service	250,000	-	-	-	-	501,797	751,797
Parks and recreation	-	-	-	-	-	943,028	943,028
Capital projects	127,822	-	-	-	657,615	4,917,733	5,703,170
Planning and development	-	770,201	1,317,244	-	-	48,567	2,136,012
Public safety	-	-	-	-	-	973,250	973,250
Cemetery maintenance	-	-	-	-	-	28,123	28,123
Total Restricted	377,822	770,201	1,317,244	657,615	7,412,498	10,535,380	
Unassigned	1,747,484	-	-	-	-	(704)	1,746,780
Total Fund Balances	\$ 3,651,940	\$ 770,201	\$ 1,317,244	\$ 657,615	\$ 7,631,404	\$ 14,028,404	

#### 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. 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.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

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. 82, *Pension Issues*, issued April 2016, will be effective for the City beginning with its fiscal year ending September 30, 2017. Statement No. 82 is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued December 2016, will be effective for the City beginning with its fiscal year ending September 30, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the City beginning with its fiscal year ending September 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

## City of Excelsior Springs, Missouri

### Notes to Basic Financial Statements

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

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

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 September 30,

	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service cost	\$ 434,493	\$ 431,807
Interest on the total pension liability	1,249,224	1,181,395
Difference between expected and actual experience	(331,590)	(113,475)
Assumption changes	664,219	-
Benefit payments, including refunds	(561,468)	(569,339)
<b>Net change in total pension liability</b>	<u>1,454,878</u>	<u>930,388</u>
<b>Total pension liability, beginning</b>	<u>17,293,045</u>	<u>16,362,657</u>
<b>Total pension liability, ending</b>	<u>\$ 18,747,923</u>	<u>\$ 17,293,045</u>
<b>Plan Fiduciary Net Position</b>		
Contributions-employer	\$ 402,260	\$ 398,989
Contributions-employee	-	-
Pension plan net investment income	(20,141)	377,177
Benefit payments, including refunds	(561,468)	(569,339)
Pension plan administrative expense	(18,674)	(20,039)
Other	34,240	222,869
<b>Net change in plan fiduciary net position</b>	<u>(163,783)</u>	<u>409,657</u>
<b>Plan fiduciary net position, beginning</b>	<u>19,756,213</u>	<u>19,346,556</u>
<b>Plan fiduciary net position, ending</b>	<u>\$ 19,592,430</u>	<u>\$ 19,756,213</u>
<b>Employer net pension liability (asset)</b>	<u>\$ (844,507)</u>	<u>\$ (2,463,168)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>104.50%</b>	114.24%
<b>Covered employee payroll</b>	<b>\$ 4,941,881</b>	\$ 4,849,449
<b>Employer's net pension liability (asset) as a percentage of covered employee payroll</b>	<b>(17.09)%</b>	(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.

Note: Changes in assumptions - In 2016, amounts reported as changes in assumptions resulted primarily from the changes in mortality table, inflation rate and salary increase.



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**City of Excelsior Springs, Missouri**

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

	<b>2016</b>	2015	2014	2013
Actuarially determined contribution	\$ 406,071	\$ 455,474	\$ 482,541	\$ 473,717
Contributions in relation to the actuarially determined contribution	<b>406,071</b>	406,729	377,706	329,784
Contribution deficiency (excess)	<b>\$ -</b>	\$ 48,745	\$ 104,835	\$ 143,933
Covered-employee payroll	\$ 5,154,055	\$ 4,844,249	\$ 4,826,467	\$ 4,734,325
Contributions as a percentage of covered- employee payroll	<b>7.88%</b>	8.40%	7.83%	6.97%

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

	2012		2011		2010		2009		2008		2007
\$	418,141	\$	386,706	\$	176,300	\$	220,421	\$	182,283	\$	123,296
	269,364		223,517		176,300		211,479		182,233		233,132
\$	148,777	\$	163,189	\$	-	\$	8,942	\$	50	\$	(109,836)
\$	4,516,929	\$	4,501,587	\$	4,428,502	\$	4,268,427	\$	3,902,536	\$	3,869,605
	5.96%		4.97%		3.98%		4.95%		4.67%		6.02%

**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]
2012	9/30/11	\$ -	\$ 377,200	\$ 377,200	-	\$ 4,695,852	8%
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
<b>2016</b>	<b>9/30/15</b>	-	<b>460,100</b>	<b>460,100</b>	-	<b>4,771,358</b>	<b>10</b>

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, 2016**

	Special Revenue Funds	Capital Projects Funds	
		Transportation Trust	Capital Improvements
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,506,409	\$ 2,669,513	\$ 2,054,576
Receivables, net of allowance for uncollectibles:			
Property taxes	671,549	-	-
Franchise taxes	6,805	-	-
Due from other governments	80,751	57,136	61,039
Assets held for sale	-	-	23,000
Restricted cash and cash equivalents	510,592	-	-
Restricted investments	-	-	-
<b>Total assets</b>	<b>\$ 2,776,106</b>	<b>\$ 2,726,649</b>	<b>\$ 2,138,615</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)</b>			
Liabilities, accounts payable and accrued expenses	\$ 59,548	\$ 5,067	\$ 139
Deferred inflows of resources, unavailable revenue - property taxes	671,742	-	-
Fund balance (deficit):			
Nonspendable	-	-	23,000
Restricted	2,045,520	2,721,582	2,115,476
Unassigned	(704)	-	-
<b>Total fund balance</b>	<b>2,044,816</b>	<b>2,721,582</b>	<b>2,138,476</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 2,776,106</b>	<b>\$ 2,726,649</b>	<b>\$ 2,138,615</b>

Debt Service Fund	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ 29,933	\$ 6,260,431
-	-	671,549
-	-	6,805
-	-	198,926
-	-	23,000
501,797	38,784	1,051,173
-	157,826	157,826
<hr/>		
\$ 501,797	\$ 226,543	\$ 8,369,710
<hr/>		
\$ -	\$ 1,810	\$ 66,564
<hr/>		
-	-	671,742
<hr/>		
-	196,610	219,610
501,797	28,123	7,412,498
-	-	(704)
<hr/>		
501,797	224,733	7,631,404
<hr/>		
\$ 501,797	\$ 226,543	\$ 8,369,710
<hr/>		

**City of Excelsior Springs, Missouri**

**Combining Statement of Revenues, Expenditures and  
Changes In Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2016**

	Special Revenue Funds	Capital Projects Funds	
		Transportation Trust	Capital Improvements
<b>Revenues:</b>			
Taxes	\$ 1,965,337	\$ 868,355	\$ 897,051
Intergovernmental revenues	114,824	-	-
Charges for services	66,552	-	-
Investment earnings	9,649	11,990	16,915
Miscellaneous	8,704	-	1,114
<b>Total revenues</b>	<b>2,165,066</b>	<b>880,345</b>	<b>915,080</b>
<b>Expenditures:</b>			
Current:			
General government	1,069	-	101,890
Public works	-	109,891	-
Public safety	158,968	-	23,054
Community center activities	92,255	-	-
Recreational activities	621,398	-	122,297
Cemetery operations	-	-	-
Community betterment	489,533	-	75,463
Capital outlay	411,827	195,641	179,045
Debt service:			
Principal	-	-	-
Interest	-	-	-
Trustee fees	-	-	-
<b>Total expenditures</b>	<b>1,775,050</b>	<b>305,532</b>	<b>501,749</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>390,016</b>	<b>574,813</b>	<b>413,331</b>
<b>Other financing sources (uses):</b>			
Proceeds from sale of capital assets	26,950	-	-
Transfers in	639,027	-	-
Transfers out	(505,132)	(3,000)	(1,034,927)
<b>Total other financing sources (uses)</b>	<b>160,845</b>	<b>(3,000)</b>	<b>(1,034,927)</b>
<b>Net change in fund balances</b>	<b>550,861</b>	<b>571,813</b>	<b>(621,596)</b>
Fund balances, beginning	1,493,955	2,149,769	2,760,072
Fund balances, ending	\$ 2,044,816	\$ 2,721,582	\$ 2,138,476



Debt Service Fund	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 3,730,743
-	-	114,824
-	44,605	111,157
274	113	38,941
-	2,890	12,708
<u>274</u>	<u>47,608</u>	<u>4,008,373</u>
-	-	102,959
-	-	109,891
-	-	182,022
-	-	92,255
-	-	743,695
-	48,570	48,570
-	-	564,996
-	-	786,513
200,000	-	200,000
693,058	-	693,058
3,050	-	3,050
<u>896,108</u>	<u>48,570</u>	<u>3,527,009</u>
(895,834)	(962)	481,364
-	-	26,950
932,653	-	1,571,680
-	-	(1,543,059)
<u>932,653</u>	<u>-</u>	<u>55,571</u>
36,819	(962)	536,935
<u>464,978</u>	<u>225,695</u>	<u>7,094,469</u>
<u>\$ 501,797</u>	<u>\$ 224,733</u>	<u>\$ 7,631,404</u>

**City of Excelsior Springs, Missouri**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
September 30, 2016**

	E-911 Phone Tax	Tax Increment Financing- Paradise Playhouse
<b>Assets</b>		
Cash and cash equivalents	\$ 39,122	\$ 83
Receivables, net of allowance for uncollectibles:		
Property taxes	-	11,408
Franchise taxes	6,805	-
Due from other governments	-	-
Restricted cash and cash equivalents	-	-
<b>Total assets</b>	<b>\$ 45,927</b>	<b>\$ 11,491</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)</b>		
Liabilities, accounts payable and accrued expenses	\$ 2,793	\$ 787
Deferred inflows of resources, unavailable revenue - property taxes	-	11,408
Fund balance (deficit):		
Restricted	43,134	-
Unassigned	-	(704)
<b>Total fund balance (deficit)</b>	<b>43,134</b>	<b>(704)</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 45,927</b>	<b>\$ 11,491</b>

(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
\$ 16,382	\$ 683,473	\$ 191,698	\$ -	\$ 80,675	\$ 11,077
112,875	-	-	-	-	11,239
-	-	-	-	-	-
9,504	57,097	-	9,561	-	2,278
-	-	-	-	-	-
<u>\$ 138,761</u>	<u>\$ 740,570</u>	<u>\$ 191,698</u>	<u>\$ 9,561</u>	<u>\$ 80,675</u>	<u>\$ 24,594</u>
\$ -	\$ 344	\$ 1,808	\$ 17	\$ -	\$ 218
112,875	-	-	-	-	11,239
25,886	740,226	189,890	9,544	80,675	13,137
-	-	-	-	-	-
<u>25,886</u>	<u>740,226</u>	<u>189,890</u>	<u>9,544</u>	<u>80,675</u>	<u>13,137</u>
\$ 138,761	\$ 740,570	\$ 191,698	\$ 9,561	\$ 80,675	\$ 24,594

**City of Excelsior Springs, Missouri**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
September 30, 2016**

	Parks and Recreation	Community Center Operating	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 434,842	\$ 49,057	\$ 1,506,409
Receivables, net of allowance for uncollectibles:			
Property taxes	536,027	-	671,549
Franchise taxes	-	-	6,805
Due from other governments	2,311	-	80,751
Restricted cash and cash equivalents	10,592	500,000	510,592
<b>Total assets</b>	<b>\$ 983,772</b>	<b>\$ 549,057</b>	<b>\$ 2,776,106</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)</b>			
Liabilities, accounts payable and accrued expenses	\$ 38,442	\$ 15,139	\$ 59,548
Deferred inflows of resources, unavailable revenue - property taxes	536,220	-	671,742
Fund balance (deficit):			
Restricted	409,110	533,918	2,045,520
Unassigned	-	-	(704)
<b>Total fund balance (deficit)</b>	<b>409,110</b>	<b>533,918</b>	<b>2,044,816</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 983,772</b>	<b>\$ 549,057</b>	<b>\$ 2,776,106</b>

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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, 2016**

	E-911 Phone Tax	Tax Increment Financing- Paradise Playhouse
<b>Revenues:</b>		
Taxes	\$ 74,688	\$ 12,386
Intergovernmental revenues	-	-
Charges for services	-	-
Investment earnings	108	-
Miscellaneous	-	-
<b>Total revenues</b>	<b>74,796</b>	<b>12,386</b>
<b>Expenditures:</b>		
Current:		
General government	63	-
Public safety	39,668	-
Community center activities	-	-
Recreational activities	-	-
Community betterment	-	12,793
Capital outlay	-	-
<b>Total expenditures</b>	<b>39,731</b>	<b>12,793</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>35,065</b>	<b>(407)</b>
<b>Other financing sources (uses):</b>		
Proceeds from sale of capital assets	-	-
Transfers in	-	-
Transfers out	(37,800)	-
<b>Total other financing sources (uses)</b>	<b>(37,800)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(2,735)</b>	<b>(407)</b>
Fund balances (deficit), beginning	45,869	(297)
Fund balances (deficit), ending	\$ 43,134	\$ (704)

(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
\$ 238,503	\$ 862,764	\$ -	\$ 85,461	\$ -	\$ 59,897
-	-	43,663	-	50,701	-
-	-	-	-	-	-
-	1,625	-	-	-	-
-	-	-	-	835	-
<u>238,503</u>	<u>864,389</u>	<u>43,663</u>	<u>85,461</u>	<u>51,536</u>	<u>59,897</u>
-	-	-	-	-	-
-	925	-	-	-	-
-	40,713	78,587	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
241,826	-	-	94,889	22,726	57,215
-	361,320	27,000	-	-	-
<u>241,826</u>	<u>402,958</u>	<u>105,587</u>	<u>94,889</u>	<u>22,726</u>	<u>57,215</u>
(3,323)	461,431	(61,924)	(9,428)	28,810	2,682
-	24,000	-	-	-	-
-	-	-	-	5,722	-
(2,508)	(430,357)	-	(2,500)	(20,610)	-
<u>(2,508)</u>	<u>(406,357)</u>	<u>-</u>	<u>(2,500)</u>	<u>(14,888)</u>	<u>-</u>
(5,831)	55,074	(61,924)	(11,928)	13,922	2,682
31,717	685,152	251,814	21,472	66,753	10,455
<u>\$ 25,886</u>	<u>\$ 740,226</u>	<u>\$ 189,890</u>	<u>\$ 9,544</u>	<u>\$ 80,675</u>	<u>\$ 13,137</u>

**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, 2016**

	Parks and Recreation	Community Center Operating	Total
<b>Revenues:</b>			
Taxes	\$ 631,638	\$ -	\$ 1,965,337
Intergovernmental revenues	20,460	-	114,824
Charges for services	66,552	-	66,552
Investment earnings	6,662	1,254	9,649
Miscellaneous	7,869	-	8,704
<b>Total revenues</b>	<b>733,181</b>	<b>1,254</b>	<b>2,165,066</b>
<b>Expenditures:</b>			
Current:			
General government	-	81	1,069
Public safety	-	-	158,968
Community center activities	-	92,255	92,255
Recreational activities	621,398	-	621,398
Community betterment	60,084	-	489,533
Capital outlay	23,507	-	411,827
<b>Total expenditures</b>	<b>704,989</b>	<b>92,336</b>	<b>1,775,050</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>28,192</b>	<b>(91,082)</b>	<b>390,016</b>
<b>Other financing sources (uses):</b>			
Proceeds from sale of capital assets	2,950	-	26,950
Transfers in	8,305	625,000	639,027
Transfers out	(11,357)	-	(505,132)
<b>Total other financing sources (uses)</b>	<b>(102)</b>	<b>625,000</b>	<b>160,845</b>
<b>Net change in fund balance</b>	<b>28,090</b>	<b>533,918</b>	<b>550,861</b>
Fund balances (deficit), beginning	381,020	-	1,493,955
Fund balances (deficit), ending	\$ 409,110	\$ 533,918	\$ 2,044,816



**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, 2016**

	Construction Services		Elms Hotel Event Fees	
	Budget	Actual	Budget	Actual
<b>Revenues:</b>				
Intergovernmental revenues	\$ 15,000	\$ -	\$ -	\$ -
Charges for services	675,000	368,830	-	-
Special assessment fees	-	-	-	-
Investment earnings	-	-	10	13
Miscellaneous	500	(716)	49,026	49,026
<b>Total revenues</b>	<b>690,500</b>	<b>368,114</b>	<b>49,036</b>	<b>49,039</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	48,347	48,006
Public works	558,246	484,211	-	-
<b>Total expenditures</b>	<b>558,246</b>	<b>484,211</b>	<b>48,347</b>	<b>48,006</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>132,254</b>	<b>(116,097)</b>	<b>689</b>	<b>1,033</b>
<b>Other financing sources (uses):</b>				
Transfers in	176,756	166,521	-	-
Transfers out	(26,000)	(25,758)	(4,440)	(394)
<b>Total other financing sources (uses)</b>	<b>150,756</b>	<b>140,763</b>	<b>(4,440)</b>	<b>(394)</b>
<b>Net change in fund balance (deficit)</b>	<b>\$ 283,010</b>	<b>24,666</b>	<b>\$ (3,751)</b>	<b>639</b>
Fund balances, beginning		43,497		3,751
Fund balances, ending		<b>\$ 68,163</b>		<b>\$ 4,390</b>

**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, 2016**

	E-911 Phone Tax	
	Budget	Actual
<b>Revenues:</b>		
Taxes	\$ 75,000	\$ 74,688
Intergovernmental revenues	-	-
Investment earnings	100	108
<b>Total revenues</b>	<b>75,100</b>	<b>74,796</b>
<b>Expenditures:</b>		
Current:		
General government	100	63
Public safety	38,000	39,668
Community betterment	-	-
Capital outlay	-	-
<b>Total expenditures</b>	<b>38,100</b>	<b>39,731</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>37,000</b>	<b>35,065</b>
<b>Other financing sources (uses):</b>		
Proceeds from sale of capital assets	-	-
Transfers in	-	-
Transfers out	(37,800)	(37,800)
<b>Total other financing sources (uses)</b>	<b>(37,800)</b>	<b>(37,800)</b>
<b>Net change in fund balance (deficit)</b>	<b>\$ (800)</b>	<b>(2,735)</b>
Fund balances, beginning		45,869
Fund balances (deficit), ending		<b>\$ 43,134</b>

(Continued)

Tax Increment Financing - Paradise Playhouse		Tax Increment Financing - Vintage Development		Public Safety Sales Tax	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 13,329	\$ 12,386	\$ 232,104	\$ 238,503	\$ 823,998	\$ 862,764
-	-	-	-	-	-
-	-	-	-	1,000	1,625
13,329	12,386	232,104	238,503	824,998	864,389
-	-	-	-	-	-
-	-	-	-	1,000	925
-	-	-	-	47,000	40,713
13,033	12,793	261,313	241,826	-	-
-	-	-	-	400,730	361,320
13,033	12,793	261,313	241,826	448,730	402,958
296	(407)	(29,209)	(3,323)	376,268	461,431
-	-	-	-	24,000	24,000
-	-	-	-	-	-
-	-	(2,508)	(2,508)	(465,000)	(430,357)
-	-	(2,508)	(2,508)	(441,000)	(406,357)
<u>\$ 296</u>	<u>(407)</u>	<u>\$ (31,717)</u>	<u>(5,831)</u>	<u>\$ (64,732)</u>	<u>55,074</u>
	<u>(297)</u>		<u>31,717</u>		<u>685,152</u>
	<u>\$ (704)</u>		<u>\$ 25,886</u>		<u>\$ 740,226</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, 2016

	Equitable Sharing		Tax Increment Financing - Elms Hotel	
	Budget	Actual	Budget	Actual
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 102,500	\$ 85,461
Intergovernmental revenues	80,000	43,663	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>80,000</b>	<b>43,663</b>	<b>102,500</b>	<b>85,461</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	92,200	78,587	-	-
Community betterment	-	-	125,517	94,889
Capital outlay	27,000	27,000	-	-
<b>Total expenditures</b>	<b>119,200</b>	<b>105,587</b>	<b>125,517</b>	<b>94,889</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(39,200)</b>	<b>(61,924)</b>	<b>(23,017)</b>	<b>(9,428)</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	4,046	-
Transfers out	-	-	(2,500)	(2,500)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,546</b>	<b>(2,500)</b>
<b>Net change in fund balance (deficit)</b>	<b>\$ (39,200)</b>	<b>(61,924)</b>	<b>\$ (21,471)</b>	<b>(11,928)</b>
Fund balances (deficit), beginning		<u>251,814</u>		<u>21,472</u>
Fund balances (deficit), ending		<u>\$ 189,890</u>		<u>\$ 9,544</u>

(Continued)

Community Development Block Grant		Tax Increment Financing- Vintage Development II	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 63,518	\$ 59,897
48,825	50,701	-	-
-	-	-	-
835	835	-	-
<u>49,660</u>	<u>51,536</u>	<u>63,518</u>	<u>59,897</u>
-	-	-	-
-	-	-	-
40,575	22,726	73,973	57,215
-	-	-	-
<u>40,575</u>	<u>22,726</u>	<u>73,973</u>	<u>57,215</u>
9,085	28,810	(10,455)	2,682
-	-	-	-
5,722	5,722	-	-
<u>(31,622)</u>	<u>(20,610)</u>	-	-
<u>(25,900)</u>	<u>(14,888)</u>	-	-
<u>\$ (16,815)</u>	13,922	<u>\$ (10,455)</u>	2,682
	<u>66,753</u>		<u>10,455</u>
	<u>\$ 80,675</u>		<u>\$ 13,137</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, 2016

	Parks and Recreation		Community Center Operating	
	Budget	Actual	Budget	Actual
<b>Revenues:</b>				
Taxes	\$ 616,600	\$ 631,638	\$ -	\$ -
Intergovernmental revenues	21,500	20,460	-	-
Charges for services	64,100	66,552	-	-
Investment earnings	2,700	6,662	1,025	1,254
Miscellaneous	5,950	7,869	-	-
<b>Total revenues</b>	<b>710,850</b>	<b>733,181</b>	<b>1,025</b>	<b>1,254</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	81
Community center activities	-	-	92,820	92,255
Recreational activities	676,502	621,398	-	-
Community betterment	61,973	60,084	-	-
Capital outlay	58,753	23,507	-	-
<b>Total expenditures</b>	<b>797,228</b>	<b>704,989</b>	<b>92,820</b>	<b>92,336</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(86,378)</b>	<b>28,192</b>	<b>(91,795)</b>	<b>(91,082)</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	1,000	2,950	625,000	-
Transfers in	-	8,305	-	625,000
Transfers out	(9,800)	(11,357)	-	-
<b>Total other financing sources (uses)</b>	<b>(8,800)</b>	<b>(102)</b>	<b>625,000</b>	<b>625,000</b>
<b>Net change in fund balance (deficit)</b>	<b>\$ (95,178)</b>	<b>28,090</b>	<b>\$ 533,205</b>	<b>533,918</b>
Fund balances, beginning		381,020		-
Fund balances, ending		\$ 409,110		\$ 533,918

**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, 2016**

	Debt Service	
	Budget	Actual
Revenues, investment earnings	\$ 240	\$ 274
Expenditures, debt service:		
Principal	200,000	200,000
Interest	693,058	693,058
Trustee fees	3,500	3,050
<b>Total expenditures</b>	<b>896,558</b>	<b>896,108</b>
<b>(Deficiency) of revenues         over (under) expenditures</b>	<b>(896,318)</b>	<b>(895,834)</b>
Other financing sources, transfers in	932,653	932,653
<b>Net change in fund balance</b>	<b>\$ 36,335</b>	<b>36,819</b>
Fund balances, beginning		464,978
Fund balances, ending		<b>\$ 501,797</b>

**City of Excelsior Springs, Missouri**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Transportation Trust Fund  
Year Ended September 30, 2016**

	Budget	Actual
<b>Revenues:</b>		
Taxes	\$ 855,998	\$ 868,355
Investment earnings	10,000	11,990
<b>Total revenues</b>	<u>865,998</u>	<u>880,345</u>
<b>Expenditures:</b>		
Current:		
Public works	278,981	109,891
Capital outlay	195,641	195,641
<b>Total expenditures</b>	<u>474,622</u>	<u>305,532</u>
<b>Excess of revenues over expenditures</b>	<u>391,376</u>	<u>574,813</u>
<b>Other financing sources (uses):</b>		
Proceeds on sale of capital assets	-	-
Transfers out	(18,000)	(3,000)
<b>Total other financing sources</b>	<u>(18,000)</u>	<u>(3,000)</u>
<b>Net change in fund balance</b>	<u>\$ 373,376</u>	571,813
Fund balances, beginning		<u>2,149,769</u>
Fund balances, ending		<u>\$ 2,721,582</u>



**City of Excelsior Springs, Missouri**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Capital Improvements Fund  
Year Ended September 30, 2016**

	Budget	Actual
<b>Revenues:</b>		
Taxes	\$ 875,998	\$ 897,051
Investment earnings	18,500	16,915
Miscellaneous	1,114	1,114
<b>Total revenues</b>	<u>895,612</u>	<u>915,080</u>
<b>Expenditures:</b>		
Current:		
General government	167,664	101,890
Public works	-	-
Public safety	23,054	23,054
Recreational activities	121,136	122,297
Community betterment	220,152	75,463
Capital outlay	180,201	179,045
<b>Total expenditures</b>	<u>712,207</u>	<u>501,749</u>
<b>Excess of revenues over expenditures</b>	<u>183,405</u>	<u>413,331</u>
Other financing sources (uses), transfers out	<u>(1,204,033)</u>	<u>(1,034,927)</u>
<b>Net change in fund balance</b>	<u><u>\$ (1,020,628)</u></u>	<u>(621,596)</u>
Fund balances, beginning		<u>2,760,072</u>
Fund balances, ending		<u><u>\$ 2,138,476</u></u>

**City of Excelsior Springs, Missouri**

**Combining Statement of Net Position  
Nonmajor Enterprise Funds  
September 30, 2016**

	Airport	Refuse	Golf	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 126,296	\$ 5,590	\$ 131,886
Accounts receivable, net of allowance for uncollectibles	1,675	94,098	-	95,773
Inventory	3,469	-	-	3,469
<b>Total current assets</b>	<b>5,144</b>	<b>220,394</b>	<b>5,590</b>	<b>231,128</b>
Noncurrent assets:				
Net pension asset	-	1,461	8,887	10,348
Capital assets:				
Land	50,000	-	155,688	205,688
Construction-in-progress	-	-	594,657	594,657
Land improvements	25,000	-	899,585	924,585
Buildings and improvements	48,624	-	294,271	342,895
Operating equipment	552,145	-	631,246	1,183,391
Furniture and office equipment	10,950	-	22,550	33,500
<b>Total capital assets</b>	<b>686,719</b>	<b>-</b>	<b>2,597,997</b>	<b>3,284,716</b>
Less accumulated depreciation	98,942	-	1,688,145	1,787,087
<b>Net capital assets</b>	<b>587,777</b>	<b>-</b>	<b>909,852</b>	<b>1,497,629</b>
<b>Total noncurrent assets</b>	<b>587,777</b>	<b>1,461</b>	<b>918,739</b>	<b>1,507,977</b>
<b>Total assets</b>	<b>592,921</b>	<b>221,855</b>	<b>924,329</b>	<b>1,739,105</b>
<b>Deferred outflows of resources,</b>				
Pension related amounts	-	7,783	52,496	60,279
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,040	\$ 1,568	\$ 25,913	\$ 28,521
Compensated absences	-	273	52,354	52,627
<b>Total current liabilities</b>	<b>1,040</b>	<b>1,841</b>	<b>78,267</b>	<b>81,148</b>
Noncurrent liabilities:				
Advances from other funds	33,308	-	334,742	368,050
Other postemployment benefits obligation	-	1,774	13,712	15,486
<b>Total noncurrent liabilities</b>	<b>33,308</b>	<b>1,774</b>	<b>348,454</b>	<b>383,536</b>
<b>Total liabilities</b>	<b>34,348</b>	<b>3,615</b>	<b>426,721</b>	<b>464,684</b>
<b>Deferred inflows of resources,</b>				
Pension related amounts	-	680	4,586	5,266
<b>Net position (deficit)</b>				
Net investment in capital assets	587,777	-	909,852	1,497,629
Unrestricted	(29,204)	225,343	(364,334)	(168,195)
<b>Total net position</b>	<b>\$ 558,573</b>	<b>\$ 225,343</b>	<b>\$ 545,518</b>	<b>\$ 1,329,434</b>

**City of Excelsior Springs, Missouri**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
Year Ended September 30, 2016**

	Airport	Refuse	Golf	Total
<b>Operating revenues:</b>				
Charges for services	\$ 3,461	\$ 791,066	\$ 687,269	\$ 1,481,796
Rental income	13,623	-	-	13,623
Other	-	38,024	26,012	64,036
<b>Total operating revenues</b>	<b>17,084</b>	<b>829,090</b>	<b>713,281</b>	<b>1,559,455</b>
<b>Operating expenses:</b>				
Personnel services	-	54,742	419,884	474,626
Contractual and professional services	12	733,089	236	733,337
Utilities	4,086	-	28,578	32,664
Maintenance and repairs	2,414	410	89,740	92,564
Cost of goods sold	2,573	-	104,804	107,377
Insurance	2,100	-	8,871	10,971
Supplies and materials (administrative)	4,883	15,702	117,924	138,509
Depreciation	20,864	-	67,355	88,219
<b>Total operating expenses</b>	<b>36,932</b>	<b>803,943</b>	<b>837,392</b>	<b>1,678,267</b>
<b>Operating income (loss)</b>	<b>(19,848)</b>	<b>25,147</b>	<b>(124,111)</b>	<b>(118,812)</b>
<b>Nonoperating revenue (expense):</b>				
Investment earnings	5	1,143	37	1,185
Interest expense	-	-	(2,627)	(2,627)
Capital grant	447,074	-	-	447,074
<b>Total nonoperating revenue (expense)</b>	<b>447,079</b>	<b>1,143</b>	<b>(2,590)</b>	<b>445,632</b>
<b>Income (loss) before transfers</b>	<b>427,231</b>	<b>26,290</b>	<b>(126,701)</b>	<b>326,820</b>
Transfers in	-	-	352,187	352,187
Transfers out	(5,800)	(42,700)	(48,388)	(96,888)
	(5,800)	(42,700)	303,799	255,299
<b>Change in net position</b>	<b>421,431</b>	<b>(16,410)</b>	<b>177,098</b>	<b>582,119</b>
Total net position, beginning	137,142	241,753	368,420	747,315
Total net position, ending	\$ 558,573	\$ 225,343	\$ 545,518	\$ 1,329,434

**City of Excelsior Springs, Missouri**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended September 30, 2016**

	Airport	Refuse	Golf	Total
<b>Cash flows from operating activities:</b>				
Cash collected from customers	\$ 22,584	\$ 787,477	\$ 581,463	\$ 1,391,524
Cash from other operating revenue	-	38,024	26,012	64,036
Cash paid to suppliers for goods and services	(38,879)	(806,136)	(421,586)	(1,266,601)
Cash paid to employees for services	-	(53,254)	(404,111)	(457,365)
<b>Net cash (used in) operating activities</b>	<b>(16,295)</b>	<b>(33,889)</b>	<b>(218,222)</b>	<b>(268,406)</b>
<b>Cash flows from noncapital financing activities:</b>				
Increases (decreases )in advances from other funds	33,308	-	148,311	181,619
Transfers in	-	-	352,187	352,187
Transfers out	(5,800)	(42,700)	(48,388)	(96,888)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>27,508</b>	<b>(42,700)</b>	<b>452,110</b>	<b>436,918</b>
<b>Cash flows from capital and related financing activities:</b>				
Capital grants	447,074	-	-	447,074
Acquisition and construction of capital assets	(483,359)	-	(246,187)	(729,546)
Principal payments on capital leases	-	-	(49,833)	(49,833)
Interest paid	-	-	(2,866)	(2,866)
<b>Net cash (used in) capital and related financing activities</b>	<b>(36,285)</b>	<b>-</b>	<b>(298,886)</b>	<b>(335,171)</b>
<b>Cash flows from investing activities:</b>				
Interest income	5	1,143	37	1,185
Proceeds from maturity of investment	-	150,000	-	150,000
<b>Net cash provided by investing activities</b>	<b>5</b>	<b>151,143</b>	<b>37</b>	<b>151,185</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(25,067)</b>	<b>74,554</b>	<b>(64,961)</b>	<b>(15,474)</b>
<b>Cash and cash equivalents:</b>				
Beginning	25,067	51,742	70,551	147,360
Ending	\$ -	\$ 126,296	\$ 5,590	\$ 131,886

(Continued)

**City of Excelsior Springs, Missouri**

**Combining Statement of Cash Flows (Continued)  
 Nonmajor Enterprise Funds  
 Year Ended September 30, 2016**

	Airport	Refuse	Golf	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (19,848)	\$ 25,147	\$ (124,111)	\$ (118,812)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	20,864	-	67,355	88,219
Decrease (increase) in accounts receivable	5,500	(3,589)	-	1,911
Decrease in inventory	2,392	-	-	2,392
(Decrease) in accounts payable and accrued expenses	(25,203)	(56,935)	(71,433)	(153,571)
(Decrease) in unearned revenues	-	-	(105,806)	(105,806)
Increase in other postemployment benefits obligation	-	229	1,557	1,786
Decrease in net pension asset	-	5,519	37,553	43,072
(Increase) in deferred outflows	-	(4,655)	(31,683)	(36,338)
Increase in deferred inflows	-	373	2,541	2,914
Increase in compensated absences	-	22	5,805	5,827
<b>Net cash (used in) operating activities</b>	<b>\$ (16,295)</b>	<b>\$ (33,889)</b>	<b>\$ (218,222)</b>	<b>\$ (268,406)</b>

**City of Excelsior Springs, Missouri**

**Combining Statement of Assets and Liabilities - Agency Funds  
September 30, 2016**

	Hospital	Payroll	Road District	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 4,049,610	\$ -	\$ 505,755	\$ 4,555,365
Taxes receivable	4,037	-	-	4,037
Prepaid items	-	93,250	-	93,250
<b>Total assets</b>	<b>\$ 4,053,647</b>	<b>\$ 93,250</b>	<b>\$ 505,755</b>	<b>\$ 4,652,652</b>
<b>Liabilities</b>				
Due to other funds	\$ -	\$ 93,250	\$ -	\$ 93,250
Due to component unit	4,053,647	-	-	4,053,647
Due to other governments	-	-	505,755	505,755
<b>Total liabilities</b>	<b>\$ 4,053,647</b>	<b>\$ 93,250</b>	<b>\$ 505,755</b>	<b>\$ 4,652,652</b>

**City of Excelsior Springs, Missouri**

**Statement of Changes in Assets and Liabilities - Agency Funds  
Year Ended September 30, 2016**

	Balance September 30, 2015	Additions	Deletions	Balance September 30, 2016
<b>Hospital Fund</b>				
Assets:				
Cash and cash equivalents	\$ 5,493,180	\$ 593,095	\$ 2,036,665	\$ 4,049,610
Taxes receivable	264,782	15,366	276,111	4,037
<b>Total assets</b>	<b>\$ 5,757,962</b>	<b>\$ 608,461</b>	<b>\$ 2,312,776</b>	<b>\$ 4,053,647</b>
Liabilities, due to component unit	\$ 5,757,962	\$ 19,299,334	\$ 21,003,649	\$ 4,053,647
<b>Payroll Fund</b>				
Assets:				
Cash and cash equivalents	\$ 77,485	\$ 9,716,568	\$ 9,794,053	\$ -
Prepaid items	-	93,250	-	93,250
<b>Total assets</b>	<b>77,485</b>	<b>9,809,818</b>	<b>9,794,053</b>	<b>93,250</b>
Liabilities, due to other funds	\$ 77,485	\$ 2,631,956	\$ 2,616,191	\$ 93,250
<b>Road District Fund</b>				
Assets, cash and cash equivalents	\$ 515,806	\$ 168,536	\$ 178,587	\$ 505,755
Liabilities:				
Accounts payable	\$ -	\$ 11,321	\$ 11,321	\$ -
Due to other governments	515,806	168,536	178,587	505,755
<b>Total liabilities</b>	<b>\$ 515,806</b>	<b>\$ 179,857</b>	<b>\$ 189,908</b>	<b>\$ 505,755</b>
<b>Total Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 6,086,471	\$ 10,478,199	\$ 12,009,305	\$ 4,555,365
Taxes receivable	264,782	15,366	276,111	4,037
Prepaid items	-	93,250	-	93,250
<b>Total assets</b>	<b>\$ 6,351,253</b>	<b>\$ 10,586,815</b>	<b>\$ 12,285,416</b>	<b>\$ 4,652,652</b>
Liabilities:				
Due to other funds	\$ 77,485	\$ 2,643,277	\$ 2,627,512	\$ 93,250
Due to component unit	5,757,962	19,299,334	21,003,649	4,053,647
Due to other governments	515,806	168,536	178,587	505,755
<b>Total liabilities</b>	<b>\$ 6,351,253</b>	<b>\$ 22,111,147</b>	<b>\$ 23,809,748</b>	<b>\$ 4,652,652</b>

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## City of Excelsior Springs, Missouri

### Statistical Section Contents

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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.

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	96 - 101
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the	102 - 107
<b>Debt Capacity</b> 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	108 - 111
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	112 - 113
<b>Operating Information</b> 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	114 - 120

**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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>										
Net investment in capital assets	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	16,001,600
Restricted	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	9,618,400
Unrestricted	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	5,075,521
Total governmental activities net position	<u>16,399,116</u>	<u>19,274,680</u>	<u>21,409,135</u>	<u>21,805,914</u>	<u>23,826,691</u>	<u>24,944,744</u>	<u>24,987,063</u>	<u>24,651,573</u>	<u>30,249,599</u>	<u>30,695,521</u>
<b>Business-type activities:</b>										
Net investment in capital assets	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	12,795,611
Restricted	1,004,472	896,282	797,019	621,500	237,500	122,500	-	-	-	122,500
Unrestricted	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	1,984,826
Total business-type activities net position	<u>8,847,739</u>	<u>9,448,802</u>	<u>9,893,734</u>	<u>11,358,430</u>	<u>12,388,741</u>	<u>13,655,185</u>	<u>14,634,512</u>	<u>14,166,520</u>	<u>14,450,577</u>	<u>14,902,937</u>
<b>Primary government:</b>										
Net investment in capital assets	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	28,797,211
Restricted	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	9,740,900
Unrestricted	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	7,060,347
Total primary government net position	<u>25,246,855</u>	<u>28,723,482</u>	<u>31,302,869</u>	<u>33,164,344</u>	<u>36,215,432</u>	<u>38,599,929</u>	<u>39,621,575</u>	<u>38,818,093</u>	<u>44,700,176</u>	<u>45,598,458</u>

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
Governmental activities:										
General Government	\$ 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	\$ 1,325,896
Public Safety	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	6,091,952
Transportation	97,584	134,436	143,769	143,981	152,676	179,921	186,189	183,239	154,093	161,427
Public Works	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	1,675,382
Health and Welfare	53,196	49,318	52,943	51,887	55,520	61,743	59,570	64,496	64,079	64,565
Recreational Activities	511,358	504,097	459,717	528,013	634,316	681,551	764,780	874,303	741,344	887,389
Cemetery Operations	-	-	-	-	17,810	64,716	48,599	37,375	48,667	48,570
Community center activities	-	-	-	-	-	-	-	-	-	96,767
Community Betterment	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	2,375,044
Interest on long-term debt	230,991	195,191	176,710	137,029	102,165	68,995	44,116	353,700	648,826	669,999
<b>Total governmental activities expenses</b>	<b>9,058,534</b>	<b>8,756,282</b>	<b>10,232,046</b>	<b>11,009,762</b>	<b>10,527,609</b>	<b>11,636,348</b>	<b>12,218,153</b>	<b>12,298,302</b>	<b>12,171,086</b>	<b>13,396,991</b>
Business-type activities:										
Water	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	3,895,403
Sewer	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	3,606,317
Golf	773,545	849,698	851,479	792,062	765,508	827,847	781,813	756,811	871,239	840,019
Airport	3,087	7,211	9,595	16,958	50,282	30,038	41,414	40,434	40,140	36,932
Refuse	376,787	439,794	537,746	667,284	638,336	652,258	719,793	746,090	765,426	803,943
<b>Total business-type activities expenses</b>	<b>3,833,967</b>	<b>3,841,536</b>	<b>4,204,776</b>	<b>4,341,664</b>	<b>4,677,131</b>	<b>5,739,620</b>	<b>6,652,481</b>	<b>7,828,975</b>	<b>8,197,658</b>	<b>9,182,614</b>
<b>Total primary government expenses</b>	<b>12,892,501</b>	<b>12,597,818</b>	<b>14,436,822</b>	<b>15,351,426</b>	<b>15,204,740</b>	<b>17,375,968</b>	<b>18,870,634</b>	<b>20,125,277</b>	<b>20,368,744</b>	<b>22,579,605</b>
<b>Program revenue:</b>										
Governmental activities:										
Charges for services:										
General Government	154,677	158,180	108,035	121,535	115,858	119,458	119,951	327,086	123,734	204,620
Public Safety	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	883,097
Transportation	26,156	31,802	30,213	33,036	30,767	29,377	58,240	37,018	36,281	20,949
Public Works	15,638	355,916	52,566	159,468	333,091	452,309	220,923	349,308	286,285	368,830
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Recreational Activities	31,919	23,720	36,965	50,018	127,279	80,942	82,755	66,540	76,786	66,552
Cemetery Operations	-	-	-	-	10,095	69,581	41,767	51,695	54,188	44,605
Community Betterment	156,780	78,710	130,182	53,766	203,450	101,659	52,471	66,326	56,334	-
Operating grants and contributions:										
Public Safety	19,187	-	90,704	437,247	274,758	74,419	38,552	52,227	170,491	48,655
Transportation	29,057	56,385	55,079	56,004	61,309	62,338	59,067	65,611	62,949	74,387
Public Works	590,406	553,271	1,388,218	477,368	492,908	482,165	738,211	438,439	461,984	531,828
Health and Welfare	12,375	21,323	17,875	16,500	16,500	13,750	19,650	21,067	20,726	20,460
Recreational Activities	17,220	-	5,619	29,268	-	-	-	10,129	-	-
Cemetery Operations	-	-	-	-	208,596	-	-	-	-	-
Community Betterment	13,111	73,723	464,910	499,170	69,509	59,246	94,597	-	49,174	15,795
Capital grants and contributions:										
Transportation	-	-	-	-	-	-	-	41,335	-	-
Public Works	-	-	-	-	-	535,655	-	-	-	-
Community center activities	-	-	-	-	-	-	-	-	-	125,000
Recreational Activities	-	-	-	-	-	-	304,485	-	-	-
Community Betterment	-	28,391	2,267	-	-	-	-	-	-	-
<b>Total governmental activities program revenue</b>	<b>1,865,274</b>	<b>2,433,382</b>	<b>3,596,502</b>	<b>3,329,387</b>	<b>3,350,515</b>	<b>3,510,480</b>	<b>3,124,559</b>	<b>1,965,198</b>	<b>2,511,184</b>	<b>2,404,778</b>

City of Excelsior Springs, Missouri

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Water	2,075,336	2,210,436	2,425,643	2,514,840	2,887,962	3,183,161	3,153,647	3,119,696	3,272,647	3,395,406
Sewer	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	2,882,569
Golf	720,394	774,704	736,047	603,071	583,241	590,107	582,958	582,576	675,080	687,269
Airport	1,200	22,055	18,985	25,074	33,729	22,534	19,691	19,159	25,631	17,084
Refuse	461,351	527,077	565,680	724,882	705,849	698,174	730,014	765,664	793,364	829,090
Operating/capital grants and contributions:										
Water	-	31,011	-	-	15,300	10,000	-	-	-	-
Sewer	-	-	-	-	-	85,000	-	-	-	-
Golf	15,250	-	-	16,483	12,577	9,918	14,916	27,128	9,691	26,012
Airport	-	-	-	-	-	-	-	-	-	447,074
Total business-type activities program revenue	4,328,613	4,652,831	4,872,192	5,083,249	5,793,872	6,517,014	6,661,061	6,714,929	7,480,541	8,284,504
Total primary government program revenues	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	10,689,282
Net (expense) revenue:										
Governmental activities	(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)	(10,992,213)
Business-type activities	494,646	811,295	667,416	741,585	1,116,741	777,394	8,580	(1,112,046)	(717,117)	(898,110)
Total primary government net expense	(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)	(11,890,323)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	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	2,075,669
General sales and use tax	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	7,742,792
Franchise tax	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	1,395,566
Cigarette tax	124,716	131,389	128,419	117,079	116,058	121,767	120,186	118,377	117,491	117,986
Railroad and Utility/Financial Institution Tax	66,088	63,722	51,582	52,715	60,219	55,488	51,067	54,065	64,086	58,900
Interest and investment earnings	313,854	289,426	179,924	148,491	157,789	153,209	116,863	95,983	254,996	209,335
Miscellaneous	85,070	166,436	164,471	48,620	73,369	156,404	143,056	268,100	228,781	388,803
Gain on sale of capital assets	-	13,416	46,318	21,295	-	35,665	-	41,500	171,119	18,688
Transfers	368,734	330,955	319,270	(638,842)	211,550	314,563	(538,200)	197,040	294,709	(569,604)
Total governmental activities	8,571,911	9,170,073	8,767,732	8,077,154	9,197,871	9,243,921	9,135,913	9,997,614	12,033,711	11,438,135
Business-type activities:										
Investment earnings	201,802	120,723	96,786	84,269	125,120	803,613	929,984	841,094	799,951	780,866
Gain on sale of capital assets	-	-	-	-	-	-	15,000	-	31,955	-
Transfers	(368,734)	(330,955)	(319,270)	638,842	(211,550)	(314,563)	538,200	(197,040)	(294,709)	569,604
Total business-type activities	(166,932)	(210,232)	(222,484)	723,111	(86,430)	489,050	1,483,184	644,054	537,197	1,350,470
Total primary government	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	12,788,605
Changes in net position:										
Governmental activities	1,378,651	2,847,173	2,132,188	396,779	2,020,777	1,118,053	42,319	(335,490)	2,373,809	445,922
Business-type activities	327,714	601,063	444,932	1,464,696	1,030,311	1,266,444	1,491,764	(467,992)	(179,920)	452,360
Total primary government	\$ 1,706,365	\$ 3,448,236	\$ 2,577,120	\$ 1,861,475	\$ 3,051,088	\$ 2,384,497	\$ 1,534,083	\$ (803,482)	\$ 2,193,889	\$ 898,282

**City of Excelsior Springs, Missouri**

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
General government	154,677	158,180	108,035	121,535	115,858	119,458	119,951	327,086	123,734	204,620
Public Safety	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	931,752
Transportation	55,213	88,187	85,292	89,040	92,076	91,715	117,307	143,964	99,230	95,336
Public works	606,044	909,187	1,440,784	636,836	825,999	1,470,129	959,134	787,747	748,269	900,658
Health and Welfare	12,375	21,323	17,875	16,500	16,500	13,750	19,650	21,067	20,726	20,460
Cemetery operations	-	-	-	-	218,691	69,581	41,767	51,695	54,188	44,605
Community Center Activities	-	-	-	-	-	-	-	-	-	125,000
Recreational Activities	31,919	23,720	42,584	79,286	127,279	80,942	387,240	76,669	76,786	66,552
Community Betterment	169,891	152,433	595,092	552,936	272,959	160,905	147,068	66,326	105,508	15,795
<b>Total governmental activities</b>	<b>1,848,054</b>	<b>2,433,382</b>	<b>3,596,502</b>	<b>3,329,387</b>	<b>3,329,387</b>	<b>3,510,480</b>	<b>3,124,559</b>	<b>1,965,198</b>	<b>2,511,184</b>	<b>2,404,778</b>
<b>Business-type activities:</b>										
Water	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	3,395,406
Sewer	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	2,882,569
Golf	720,394	774,704	736,047	603,071	619,554	590,107	582,958	582,576	675,080	713,281
Airport	1,200	22,055	18,985	25,074	25,074	22,534	19,691	19,159	25,631	464,158
Refuse	461,351	527,077	565,680	724,882	724,882	698,174	730,014	765,664	793,364	829,090
<b>Total business-type activities</b>	<b>4,313,363</b>	<b>4,652,831</b>	<b>4,872,192</b>	<b>5,066,766</b>	<b>5,083,249</b>	<b>6,507,096</b>	<b>6,646,145</b>	<b>6,687,801</b>	<b>7,470,850</b>	<b>8,284,504</b>
<b>Total government</b>	<b>6,161,417</b>	<b>7,086,213</b>	<b>8,468,694</b>	<b>8,396,153</b>	<b>8,412,636</b>	<b>10,017,576</b>	<b>9,770,704</b>	<b>8,652,999</b>	<b>9,982,034</b>	<b>10,689,282</b>

City of Excelsior Springs, Missouri

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 680,901	\$ 523,908	\$ 605,457	\$ 701,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	552,332	1,417,833	1,539,571	1,933,780	-	-	-	-	-	-
Unreserved, designated for board use	1,200,000	1,200,000	1,200,000	339,246	-	-	-	-	-	-
Nonspendable	-	-	-	-	609,295	718,647	332,332	266,296	1,208,562	1,526,634
Restricted	-	-	-	-	374,916	333,987	352,292	372,229	367,964	377,822
Assigned	-	-	-	-	-	149,913	-	-	-	-
Unassigned	-	-	-	-	2,503,528	2,708,532	2,530,112	2,409,377	2,138,743	1,747,484
Total General Fund	<u>2,433,233</u>	<u>3,141,741</u>	<u>3,345,028</u>	<u>2,975,020</u>	<u>3,487,739</u>	<u>3,911,079</u>	<u>3,214,736</u>	<u>3,047,902</u>	<u>3,715,269</u>	<u>3,651,940</u>
All Other Governmental Funds:										
Reserved	762,406	806,977	814,435	819,006	-	-	-	-	-	-
Unreserved, reported in:										
Permanent funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	4,627,324	6,235,984	6,369,183	6,341,362	-	-	-	-	-	-
Debt Service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	144,585	5,243	8,083	10,819	-	-	-	-	-	-
Nonspendable	-	-	-	-	179,349	191,454	191,454	205,360	212,909	219,610
Restricted	-	-	-	-	7,856,353	7,579,448	8,027,469	26,277,456	20,814,520	10,157,558
Assigned	-	-	-	-	56,620	48,257	33,610	-	-	-
Unassigned	-	-	-	-	(88,821)	(74,816)	(113,184)	(12,815)	(297)	(704)
Total all other governmental funds	<u>\$ 5,534,315</u>	<u>\$ 7,048,204</u>	<u>\$ 7,191,701</u>	<u>\$ 7,171,187</u>	<u>\$ 8,003,501</u>	<u>\$ 7,744,343</u>	<u>\$ 8,139,349</u>	<u>\$ 26,470,001</u>	<u>\$ 21,027,132</u>	<u>\$ 10,376,464</u>

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Taxes	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	11,383,900
Special Assessments	69,343	96,071	116,814	137,445	165,353	25,448	2,314	(485)	-	-
Intergovernmental	695,535	728,967	2,000,132	1,522,091	1,250,393	1,142,453	1,103,476	587,473	765,324	816,125
Licenses and permits	198,893	187,445	156,292	167,034	162,592	216,721	167,959	149,073	178,020	204,620
Charges for services	533,340	1,100,585	689,044	739,316	857,411	865,814	843,481	826,199	1,267,563	1,085,933
Fines and forfeitures	270,671	253,044	449,262	583,827	513,521	589,176	486,303	361,602	300,277	298,100
Use of money and property	313,854	289,426	179,924	148,491	157,789	153,209	116,863	95,984	254,996	209,335
Other	182,562	358,073	377,003	366,736	322,609	333,723	545,192	309,600	301,324	388,803
<b>Total revenues</b>	<b>10,068,451</b>	<b>11,287,475</b>	<b>11,991,330</b>	<b>12,035,278</b>	<b>12,128,240</b>	<b>11,796,849</b>	<b>12,637,090</b>	<b>11,720,217</b>	<b>14,151,600</b>	<b>14,386,816</b>
<b>Expenditures</b>										
General government	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	1,341,370
Public Safety	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	5,294,162
Transportation	65,968	102,727	103,722	101,124	109,819	137,064	144,268	149,953	136,801	143,934
Public works	1,329,229	1,374,117	2,276,913	1,820,677	1,134,031	2,007,259	1,090,315	1,452,970	1,227,329	1,101,613
Health and Welfare	53,196	49,318	52,943	51,887	55,520	61,743	59,570	64,496	66,034	60,084
Recreational Activities	480,314	467,305	514,928	482,231	600,097	604,313	673,468	751,456	626,965	743,695
Community Center	-	-	-	-	-	-	-	-	-	92,255
Cemetery operations	-	-	-	-	17,810	64,716	48,599	41,393	48,667	48,570
Community Betterment	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	2,327,714
Capital outlay	9,291	310,385	723,525	268,729	1,147,738	1,067,523	1,684,016	1,238,104	7,743,522	12,510,439
Debt service:										
Principal	1,120,388	670,249	661,500	684,166	786,939	689,823	470,000	285,000	475,000	200,000
Bond issuance costs	-	-	-	-	-	-	-	368,323	-	-
Interest	233,626	206,205	182,252	150,563	120,097	82,524	53,331	33,400	677,204	696,108
<b>Total expenditures</b>	<b>10,134,091</b>	<b>9,438,934</b>	<b>12,010,134</b>	<b>11,818,958</b>	<b>11,223,353</b>	<b>11,995,981</b>	<b>12,680,745</b>	<b>12,443,029</b>	<b>19,403,226</b>	<b>24,559,944</b>
Excess of revenues (under) expenditures	(65,640)	1,848,541	(18,804)	216,320	904,887	(199,132)	(43,655)	(722,812)	(5,251,626)	(10,173,128)
<b>Other financing sources (uses):</b>										
Transfers in	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	2,573,496
Transfers out	(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)	(3,143,100)
Issuance of long-term debt	346,365	-	-	-	-	-	-	18,631,626	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Premium (discount) on long-term debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	208,596	-	151,085	-	-	-
Proceeds from sale of property	392	42,901	46,318	32,000	20,000	48,751	82,275	41,500	181,415	28,735
<b>Total other financing sources (uses)</b>	<b>715,491</b>	<b>373,856</b>	<b>365,588</b>	<b>(606,842)</b>	<b>440,146</b>	<b>363,314</b>	<b>(304,840)</b>	<b>18,870,166</b>	<b>476,124</b>	<b>(540,869)</b>
<b>Net changes in fund balance</b>	<b>649,851</b>	<b>2,222,397</b>	<b>346,784</b>	<b>(390,522)</b>	<b>1,345,033</b>	<b>164,182</b>	<b>(348,495)</b>	<b>18,147,354</b>	<b>(4,775,502)</b>	<b>(10,713,997)</b>
Debt service as a percentage of noncapital expenditures	14.20%	9.91%	7.39%	7.85%	9.00%	6.88%	4.76%	6.13%	9.94%	7.57%

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
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
2016	2,075,669	7,742,792	1,395,566	117,986	58,900	11,390,913
Change 2007-2016	20.49%	61.68%	26.66%	-5.40%	-10.88%	45.96%

Source: City records.



**City of Excelsior Springs, Missouri**

**Principal Sales Tax Industries  
Calendar Years 2016 and 2007  
(Unaudited)**

Industry	Percentage of Total City Sales Tax Revenues:	
	Calendar Year 2016	Calendar Year 2007
	{1}	
Food Stores	16.86 %	18.21 %
Eating And Drinking Places	10.63	9.48
Automotive Dealers And Gasoline Ser	2.52	2.44
Communication	2.35	4.47
Building Matl, Hdwe, Gdn Supply, Mo	2.00	1.30
Miscellaneous Services	1.38	0.52
Automotive Repair, Services and Garage	1.34	0.36
Business Services	1.32	1.02
Drug Stores and Proprietary Stores	1.10	-
General Merchandise Stores	0.30	0.55
	<u>39.80 %</u>	<u>38.35 %</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 2016 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	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
		Residential	Commercial	Agricultural							
2006	2007	66,425,730	23,652,740	225,720	41,762,911	4,911,349	136,978,450	2.06%	1.0532	567,307,159	24.15%
2007	2008	70,942,690	20,251,280	258,680	38,921,637	5,183,905	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	4,687,063	136,569,499	0.75%	1.0712	581,919,923	23.47%
2009	2010	71,746,210	28,351,490	1,213,940	32,227,527	4,656,639	138,195,806	1.19%	1.0910	588,537,374	23.48%
2010	2011	72,000,090	28,578,500	1,162,620	29,170,555	4,788,531	135,700,296	-1.81%	1.1485	581,303,935	23.34%
2011	2012	72,414,870	30,711,650	1,101,490	29,694,489	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	4,901,136	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	5,407,528	144,308,448	3.65%	1.1835	603,505,164	23.91%
2014	2015	71,888,900	34,649,580	278,330	34,630,795	5,721,987	147,169,592	5.70%	1.1835	611,784,998	24.06%
2015	2016	74,933,000	32,730,080	257,660	40,122,629	5,702,172	153,745,541	6.54%	1.1788	638,215,889	24.09%

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	Clay County	Ray County	State	Clay County	Ray County
2006	2007	0.5720	0.1604	0.1604	0.1604	4.7673	0.6024	1.5003	0.0300	6.4529	7.3508
2007	2008	0.5720	0.1604	0.1604	0.1604	4.7673	0.9260	1.5003	0.0300	6.7765	7.3508
2008	2009	0.5819	0.1631	0.1631	0.1631	4.8592	0.9263	1.3784	0.0300	6.8867	7.3388
2009	2010	0.5927	0.1661	0.1661	0.1661	5.0285	1.1519	1.3784	0.0300	7.3014	7.5279
2010	2011	0.6229	0.1752	0.1752	0.1752	5.1500	1.1582	1.3942	0.0300	7.4867	7.7227
2011	2012	0.6289	0.1770	0.1770	0.1770	5.2000	0.8953	1.5347	0.0300	7.2852	7.9246
2012	2013	0.6178	0.1737	0.1737	0.1737	5.2000	0.8953	1.5347	0.0300	7.2642	7.9036
2013	2014	0.6417	0.1806	0.1806	0.1806	5.2000	0.8824	1.0894	0.0300	7.2959	7.5029
2014	2015	0.6423	0.1808	0.1808	0.1808	5.2000	0.8693	1.0882	0.0300	7.2840	7.5029
2015	2016	0.6391	0.1799	0.1799	0.1799	5.1724	0.8374	1.0213	0.0300	7.2186	7.4025

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 2016 (Tax Year 2015)			Fiscal Year 2007 (Tax Year 2006)		
	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)	16,573,450	1	10.78%	15,001,108	1	10.95%
Wal Mart Stores Inc	3,383,264	2	2.20%	1,691,300	4	1.23%
Waller Truck Co Inc	3,190,858	3	2.08%	2,972,935	2	2.17%
Kubetech Custom Molding Inc (Rexam Consumer Plastics)	2,888,503	4	1.88%	1,198,912	7	0.88%
Widewaters Excelsior Springs Company LLC (Elms Hotel)	2,530,830	5	1.65%	1,120,000	8	0.82%
Fiskars Brands, Inc.	1,734,409	6	1.13%	1,441,380	5	1.05%
Laclede Gas Co. (MGE)	1,471,170	7	0.96%	64,158	165	0.05%
Ford Motor Company	1,407,895	8	0.92%	2,631,249	3	1.92%
Price Chopper (Bloch Family 2005 Partnership, Lp)	1,043,832	9	0.68%	1,360,000	6	0.99%
Crown Hill Associates	860,000	10	0.56%	648,930	12	0.47%
Excelsior Properties	741,820	11	0.48%	19,710	1562	0.01%
Y Junction LLC	681,380	12	0.44%	562,760	14	0.41%
Krier, Tom and Shirley	542,720	13	0.35%	405,710	22	0.30%
Clay-Ray Plastics, Inc.	540,510	14	0.35%	819,430	9	0.60%
Sanson, Gary and Kimberly	525,070	15	0.34%	141,890	62	0.10%
C&G Storage	518,140	16	0.34%	541,500	15	0.40%
Hwang, Jesse J. and Esther E.	488,380	17	0.32%	479,010	19	0.35%
Colony Plaza Apartments	471,070	18	0.31%	573,800	13	0.42%
American United Development	404,610	19	0.26%	530	6815	0.00%
Walgreen Co	397,296	20	0.26%	-	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	
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%	
2016	2015	1,686,027	1,643,174	97.46%	-	1,643,174	97.46%	

SOURCE: City Tax Billing Records and County Collector remittances.

{a} Remaining balance written off.

{b} Beginnig 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			
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%	4,619
2015	-	18,605,850	-	-	32,661,718	49,833	-	51,317,401	4.92%	4,468
2016	-	18,380,274	-	-	31,475,483	-	-	49,855,757	***	***

\*\*\* Not yet available.

**City of Excelsior Springs, Missouri**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended September 30, 2016  
(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>21,863,050</u>	67.40% [2]	<u>14,735,696</u>
Subtotal, overlapping debt	<u>21,863,050</u>		<u>14,735,696</u>
City Direct Debt	<u>18,380,274</u>	100.00%	<u>18,380,274</u>
Total direct and overlapping debt	<u><u>40,243,324</u></u>		<u><u>\$ 33,115,970</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 2016									
										Assessed value	153,745								
										Debt limit (20% of assessed value)	30,749								
										Debt applicable to limit:									
										General obligation bonds	-								
										Less amount set aside for repayment of general obligation debt	-								
										Total net debt applicable to limit	-								
										Legal debt margin	<u>\$ 30,749</u>								
										2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit		27,396	27,112	27,314	27,639	27,140	27,765	27,846	27,794	29,434	30,749								
Total net debt applicable to limit		-	-	-	-	-	-	-	-	-	-								
Legal debt margin		<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>	<u>30,749</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 <b>(c)</b>						
Fiscal Year	Facility Lease Payments	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
	<b>(a)</b>					
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
2016	-	-	-	-	-	N/A

Water Revenue Bonds (including 2010 BABs)						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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>(b)</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
2016	3,395,406	2,426,607	968,799	580,000	849,694	0.68

Pollution Control Revenue Bonds (including 2010 BABs)						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2016	2,882,569	1,278,011	1,604,558	615,000	1,218,443	0.88

**(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.

**(c)** The Facilities Authority Revenue Bonds were fully defeased during fiscal year 2015.

**City of Excelsior Springs, Missouri**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended September 30	Population	Total Personal Income (In thousands)	Median Household Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate		
							Clay County	State of Missouri	United States
	{a}	{b}	{c}	{b}	{c}	{d}	{e}	{f}	{g}
2007	11,728	7,955,096	49,301	37,670	37.7	2,864	4.4%	5.2%	4.5%
2008	11,952	8,300,878	49,660	38,583	39.2	2,848	5.4%	6.3%	6.0%
2009	12,369	8,225,563	52,037	37,445	35.7	2,779	8.7%	9.5%	9.5%
2010	10,957	8,353,128	51,263	37,504	35.0	2,783	8.5%	9.1%	9.2%
2011	11,045	8,760,278	54,146	38,914	36.6	2,783	7.8%	8.3%	8.8%
2012	11,133	9,099,952	53,762	39,986	38.7	2,960	6.0%	6.3%	7.6%
2013	11,262	9,297,011	51,679	41,687	40.2	2,672	5.7%	6.0%	7.0%
2014	11,474	10,024,570	49,779	42,898	34.0	2,716	6.3%	6.0%	5.7%
2015	11,486	10,439,607	50,051	44,304	34.8	2,745	4.0%	4.5%	4.9%
2016	***	***	***	***	***	2,674	4.0%	5.2%	5.0%

\*\*\* Not yet available.

Sources:

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

**City of Excelsior Springs, Missouri**  
**Employment Within the City Limits by NAICS Code**  
**2016 and 2007**

NAICS Codes	Description	2016			2007		
		Positions	Percentage	Ranking	Positions	Percentage	Ranking
31-33	Manufacturing	833	19.01%	1	929	21.61%	1
62	Health Care and Social Assistance	809	18.47%	2	864	20.10%	2
72	Accommodation and Food Services	646	14.75%	3	484	11.26%	4
61	Educational Services	539	12.30%	4	571	13.28%	3
56	Administrative Support and Waste Management and Remediation Services	377	8.61%	5	239	5.56%	6
44-45	Retail Trade	367	8.38%	6	369	8.58%	5
81	Other Services	135	3.08%	7	106	2.47%	8
23	Construction	129	2.94%	8	161	3.75%	7
48-49	Transportation and Warehousing	122	2.78%	9	95	2.21%	9
92	Public Administration	117	2.67%	10	94	2.19%	10
54	Professional, Scientific and Technical Services	72	1.64%	11	77	1.79%	12
52	Finance and Insurance	64	1.46%	12	88	2.05%	11
51	Information	44	1.00%	13	63	1.47%	14
42	Wholesale Trade	35	0.80%	14	64	1.49%	13
71	Arts, Entertainment and Recreation	31	0.71%	15	35	0.81%	15
53	Real Estate and Rental and Leasing	30	0.68%	16	32	0.74%	16
22	Utilities	27	0.62%	17	24	0.56%	17
55	Management of Companies and Enterprises	3	0.07%	18	2	0.05%	19
11	Agriculture, Forestry, Fishing and Hunting	1	0.02%	19	2	0.05%	18
21	Mining, Quarrying and Oil and Gas Extraction	-	0.00%	20	-	0.00%	20
		<u>4,381</u>			<u>4,299</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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Functions/Program</b>										
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	1
Finance	4	4	4	4	4	4	4	4	4	4
Human Resources	0	1	1	1	1	1	1	1	1	1
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Community Development	1	1	1	1	1	1	1	1	1	1
Planning & Zoning	1	1	0	1	1	1	1	1	1	1
Inspections	2	3	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	23	22	22	22	22	23	24	24
Civilians	10	11	11	12	12	12	12	10	11	11
Fire:										
Firefighters and Officers	17	19	20	19	19	19	19	19	20	19
Civilians	1	1	1	1	1	1	1	1	1	1
Street Maintenance	5	5	5	5	6	6	6	5	7	5
Refuse	0	0	0	0	0	0	0	1	1	1
Water:										
Administration	2	2	1	1	1	1	1	2	2	2
Transmission/Purification	7	7	8	8	8	8	8	10	12	11
Sewer:										
Administration	0	0	0	0	1	1	1	1	1	1
Transmission/Treatment	6	6	8	11	11	11	11	9	11	10
Construction Services:										
Administration	1	1	1	1	0	0	0	0	0	0
Maintenance	10	10	8	7	7	7	7	7	7	8
Parks and Recreation	4	4	4	4	5	5	5	5	6	6
Transportation:										
Dispatch	1	1	1	1	1	1	1	1	1	1
Drivers	0	1	1	1	1	1	1	1	1	1
Community Center:										
Administration	0	0	0	0	0	0	0	0	0	2
Swimming Pool	0	0	0	0	0	0	0	0	0	1
Fitness	0	0	0	0	0	0	0	0	0	1
Sports/Recreation	0	0	0	0	0	0	0	0	0	1
Golf:										
Maintenance	(a) 2	2	2	2	2	2	2	2	2	2
Pro Shop	(a) 1	1	1	1	1	1	1	1	1	1
Food and Beverage Sales	(a) 1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>103</b>	<b>109</b>	<b>110</b>	<b>112</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>124</b>	<b>124</b>

**City of Excelsior Springs, Missouri**

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police:</b>										
Calls for service	11,316	9,386	9,231	7,982	8,497	8,773	8,093	8,726	9,101	9,500
Adult and Juvenile arrests	1,033	812	826	888	936	868	1,083	1,286	1,099	1,004
Speeding citations only	333	362	390	442	149	359	449	605	607	624
Traffic citations	2,596	2,195	2,439	2,819	1,673	2,394	2,828	3,474	3,392	3,124
Police Reports	2,638	2,359	2,285	2,317	2,249	2,362	2,403	2,740	2,553	2,465
DWI's - Municipal	70	39	98	77	14	15	36	71	67	63
Red Light Camera violations {c}	-	-	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	6,464
<b>Fire and EMS:</b>										
Total ambulance runs	1,655	1,857	1,823	1,600	2,071	2,114	2,047	2,045	2,331	2,347
Total fire runs	430	441	602	345	412	477	481	511	549	560
Property loss	151,000	1,807,650	739,600	359,000	208,000	557,820	168,600	516,442	723,261	258,350
<b>Building Inspections:</b>										
Total building permits {a}	421	319	284	333	298	462	270	299	267	276
Total value all permits	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	6,817,909
<b>Public service:</b>										
Garbage collected (ton) {b}	3,330	3,360	2,324	1,865	2,474	2,551	2,471	2,623	2,856	2,900
Recycle collected (ton) {b}	67	85	372	309	446	416	484	606	717	729
<b>Parks and Recreation:</b>										
<b>Recreation program participation:</b>										
Youth	1,255	1,400	1,113	1,249	1,423	1,968	2,020	1,200	1,147	1,182
Adult	282	400	354	436	565	574	608	430	364	374
Exercise programs	n/a	n/a	n/a	220	386	635	510	800	840	3,788
Youth art programs	n/a	n/a	n/a	208	234	61	120	450	725	724
Special events	n/a	n/a	n/a	n/a	n/a	n/a	n/a	930	975	490
<b>Golf course:</b>										
Golf rounds played	20,107	20,475	18,870	18,712	16,585	17,174	17,504	16,805	17,610	17,548
Golf memberships	256	256	263	262	197	178	169	200	182	125
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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:										
Acres	220	220	225	225	225	225	225	225	225	225
Parks	12	12	13	13	13	13	13	13	13	13
Baseball/Softball Diamonds	{a}	4	4	4	4	4	4	4	4	4
Soccer/Football Fields	{a}	5	5	5	5	5	5	5	5	5
Basketball Courts	{a}	4	4	4	4	4	4	4	4	4
Tennis Courts	{a}	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	8	8	8	8	8	8	8	8
Golf courses	1	1	1	1	1	1	1	1	1	1
Picnic Shelters	9	9	11	11	11	11	11	11	11	11
Community Centers	1	1	1	1	1	1	1	1	1	1
Street Department										
Miles of Streets	117	117	117	117	117	117	117	117	117	117
Street Lights	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007
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
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	6	21,267,060
2016	7	1,708,880	12	4,042,041	19	5,750,921

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

**City of Excelsior Springs, Missouri**

**Top 10 Water Users  
Calendar Year Ending December 31, 2016  
(Unaudited)**

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<b>Business Name</b>	<b>Type of Business</b>	<b>Percentage of Total Usage</b>
Ray County Public Water District No. 1	Neighboring Water District	12.95%
City of Lawson	Neighboring City	12.03%
Clay County Public Water District No. 3	Neighboring Water District	8.99%
American Italian Pasta Company	Pasta manufacturer	5.71%
Excelsior Springs Job Corps	Education facility	2.02%
Widewaters Excelsior Springs	Hotel	1.86%
Liberty Carbon Service	Carbon regeneration	1.42%
Coveris	Consumer packaging manufacturer	1.40%
City of Prathersville	Neighboring City	1.36%
Excelsior Springs Hospital	Medical Center	1.27%



City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,						
	2010	2011	2012	2013	2014	2015	2016
<b>Total number of customers</b>							
Residential	4,098	4,084	4,047	4,073	4,066	3,765	3,785
Commercial	418	421	420	382	381	375	378
<b>Percent outside customers</b>							
Residential	4.17%	4.21%	4.32%	4.27%	4.25%	4.25%	4.23%
Commercial	2.39%	2.14%	1.90%	1.97%	2.10%	2.13%	1.99%
<b>Percent billed greater than 30,000 gallons</b>							
Residential	0.47%	0.47%	0.44%	0.32%	0.50%	0.41%	0.42%
Commercial	12.60%	12.50%	12.62%	12.60%	12.50%	12.20%	12.40%
<b>Average annual customers</b>							
Residential < 30,000 gallons	3,908	3,894	3,855	3,886	3,889	3,590	3,609
Residential > 30,000 gallons	19	18	17	13	18	15	16
Outside Residential < 30,000 gallons	170	171	174	173	158	159	159
Outside Residential > 30,000 gallons	1	1	1	1	1	1	1
Commercial < 30,000 gallons	358	361	360	327	327	323	325
Commercial > 30,000 gallons	50	51	52	47	46	44	45
Outside Commercial < 30,000 gallons	7	7	7	7	2	6	6
Outside Commercial > 30,000 gallons	3	2	1	1	6	2	2
Total average annual customers	4,516	4,505	4,467	4,455	4,447	4,140	4,163
<b>Annual consumption (1,000 gal)</b>							
Retail							
Residential < 30,000 gallons	189,177	186,915	189,251	179,032	168,150	160,879	160,835
Residential > 30,000 gallons	27,434	28,043	26,616	19,443	24,029	20,076	20,391
Outside Residential < 30,000 gallons	8,179	8,228	9,537	7,402	7,205	7,075	7,004
Outside Residential > 30,000 gallons	292	482	451	804	386	108	339
Commercial < 30,000 gallons	16,708	17,027	15,242	14,257	16,032	15,249	6,322
Commercial > 30,000 gallons	136,357	136,215	126,809	112,239	107,129	99,569	105,098
Outside Commercial < 30,000 gallons	304	263	252	702	235	246	183
Outside Commercial > 30,000 gallons	6,422	4,525	4,432	5,525	4,716	5,512	9,167
Tank water	977	1,233	1,241	1,109	1,213	1,048	1,098
Subtotal retail consumption (1,000 gal)	385,850	382,931	373,831	340,513	329,095	309,762	310,437
Wholesale							
Mosby	5,668	5,806	3,090	4,607	983	-	- [1]
Prathersville	3,386	4,610	3,807	5,177	7,262	6,761	6,516
Clay County Public Water District # 3	61,078	68,142	63,698	58,641	52,009	55,000	43,018
City of Lawson	66,919	63,516	66,311	66,419	58,635	56,396	57,540
Ray County Public Water District # 1	59,980	61,580	66,773	60,653	62,609	63,471	61,927
Subtotal	197,031	203,654	203,679	195,497	181,498	181,628	169,001
Total annual consumption (1,000 gal)	582,881	586,585	577,510	536,010	510,593	491,390	479,438

[1]

City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,						
	2010	2011	2012	2013	2014	2015	2016
<b>AVERAGE ANNUAL CUSTOMERS</b>							
Residential	3,948	3,398	3,652	3,675	3,669	3,677	3,418
Outside Residential	10	8	8	11	12	11	10
Commercial	391	340	370	363	362	358	333
Outside Commercial	3	3	3	3	3	3	3
<b>Total Average Annual Customers</b>	<b>4,352</b>	<b>3,750</b>	<b>4,033</b>	<b>4,052</b>	<b>4,046</b>	<b>4,049</b>	<b>3,764</b>
<b>ANNUAL CONSUMPTION (1,000 GALLONS)</b>							
Residential	202,525	198,781	201,856	186,081	180,858	169,575	168,314
Outside Residential	79	36	39	150	160	174	108
Commercial	141,538	141,043	127,349	103,136	95,521	94,161	87,057
Outside Commercial	3,613	1,060	1,473	1,200	966	1,363	3,196
<b>Total Annual Consumption (1,000 Gallons)</b>	<b>347,755</b>	<b>340,920</b>	<b>330,717</b>	<b>290,567</b>	<b>277,505</b>	<b>265,273</b>	<b>258,675</b>