

City of Excelsior Springs, Missouri



Comprehensive Annual Financial Report

**For the fiscal year ended
September 30, 2018**

City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report
Year Ended September 30, 2018

Prepared by:
Finance Department

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March 6, 2019

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, 2018, 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, Certified Public Accountants.

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, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2018. 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 TreeHouse Foods 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 2.3% in September 2018, which is below the state and national average of approximately 2.6% and 3.6%, respectively. During the past ten years the Clay County unemployment rate has varied from a low of 2.3% to a high of 8.7%.

During the past ten years, the government's expenses related to public safety have increased by 20.0 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 \$3,322,044, or 41.2%. The largest single contributor in this increase was general sales and use tax which increased by approximately \$2,902,000, or 61.8 percent. Property tax revenues also increased by approximately \$229,000, or 11.9 percent, during this ten-year period. Utility franchise fees increased by approximately \$208,000, or 16.6 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 (23.4 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

Major Initiatives occurring within the community represent attention to quality of life. 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 is starting in the second project area and work can begin in the third project area once easements are obtained.

Construction on the new Community Center was completed early in Fiscal Year 2017. The facility opened on October 31, 2016. Currently planning is underway for phase 2 of this project which will include an outside swimming pool. Land was purchased adjacent to Century Park to expand this park and land was donated on Milwaukee to create a future neighborhood park.

During Fiscal Year 2018 the City began construction of a new 5,300 square foot clubhouse at the golf course as well as an outdoor pavilion. These facilities will open to the public in February 2019. In addition, the City began construction on a new housing subdivision at the golf course which will include 29 lots.

The City Council has developed a tool box of incentives to attract continued investment in the community to include a Chapter 353 Redevelopment District in the downtown area, PACE financing to cause energy efficient improvements, free building permits for new single family housing construction, as well as free permits for essential improvements to income challenged homeowners.

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, 2017. This was the twelfth 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.

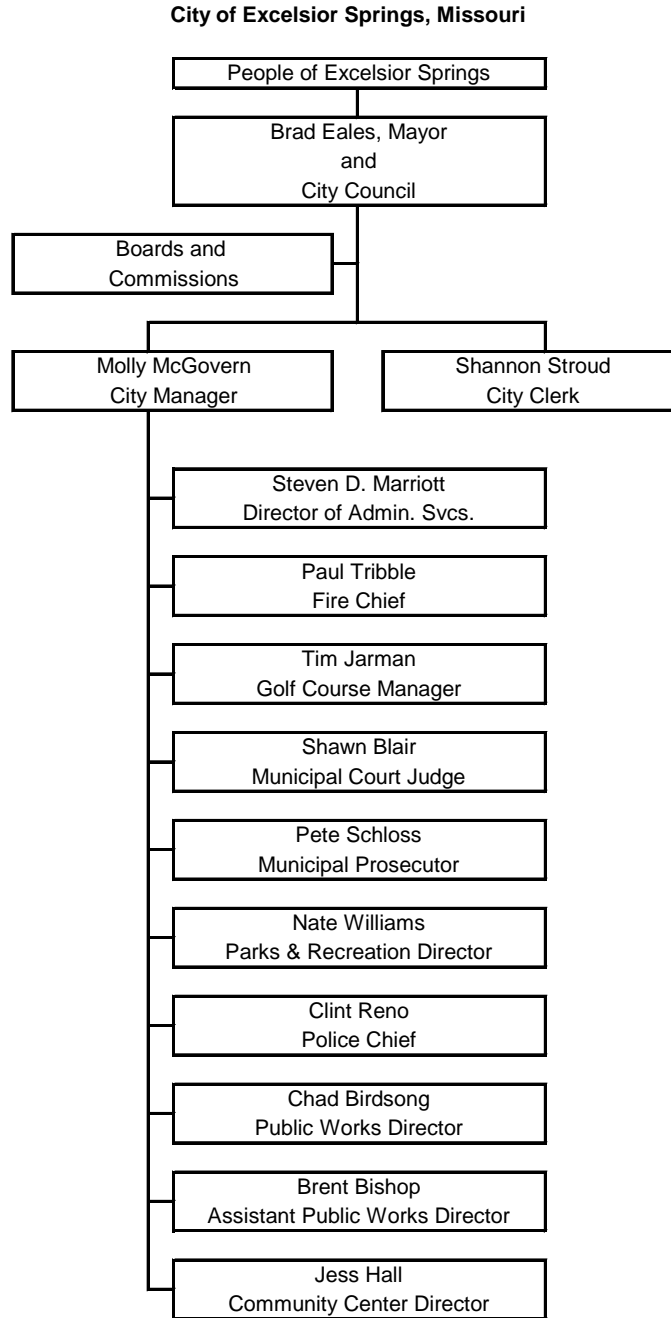
Respectfully submitted,



Steven D. Marriott
Director of Administrative Services

City of Excelsior Springs, Missouri

**Organizational Chart
Year Ended September 30, 2018**



City of Excelsior Springs, Missouri

Principal Officials September 30, 2018

Elected Officials

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

Appointed Officials

City Manager	Molly McGovern
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	Shawn Blair
Municipal Prosecutor	Pete Schloss
Parks and Recreation Director	Nate Williams
Police Chief	Clint Reno
Public Works Director	Chad Birdsong
Assistant Public Works Director	Brent Bishop
Community Center Director	Jess Hall



Government Finance Officers Association

**Certificate of
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in Financial
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**City of Excelsior Springs
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

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

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, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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, 2018, 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, and the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of City Contributions for the Local Government Employees Retirement System, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Kansas City, Missouri
March 6, 2019

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

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, 2018.

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 \$40,425,344. Of this amount, \$6,991,993 (unrestricted balance) may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2017, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,981,429 of which \$6,677,224 was unrestricted.
- The government's total net position decreased by \$2,556,085 for the fiscal year ended September 30, 2018 and \$2,617,029 for fiscal year ended September 30, 2017. 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 \$13,864,928, a decrease of \$633,494. Approximately \$1,822,760 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2017 were \$14,498,422.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,822,760 or 22.3 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by \$640,000 (1.4 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, 2018

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 19 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 Transportation Trust Capital Project Fund, which are considered to be major funds. Data from the other 15 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, 2018

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 35-63 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 67-92 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 \$40,425,344 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net position (60.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt issued to acquire those assets that is still outstanding. The City of Excelsior Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Excelsior Springs' investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

	City of Excelsior Springs' Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 19,232,274	\$ 18,947,783	\$ 2,043,334	\$ 2,410,559	\$ 21,275,608	\$ 21,358,342
Capital assets	30,915,414	31,742,567	39,843,134	41,559,023	70,758,548	73,301,590
Total assets	50,147,688	50,690,350	41,886,468	43,969,582	92,034,156	94,659,932
Deferred outflows of resources	485,699	896,337	42,809	133,843	528,508	1,030,180
Long-term liabilities outstanding	18,833,070	17,637,118	26,466,464	28,137,803	45,299,534	45,774,921
Other liabilities	1,488,957	1,822,079	2,659,813	2,836,467	4,148,770	4,658,546
Total liabilities	20,322,027	19,459,197	29,126,277	30,974,270	49,448,304	50,433,467
Deferred inflows of resources	2,575,808	2,234,175	113,208	41,041	2,689,016	2,275,216
Net position:						
Net investment in capital assets	12,426,941	13,873,993	12,077,718	12,146,625	24,504,659	26,020,618
Restricted	8,928,692	10,161,087	-	122,500	8,928,692	10,283,587
Unrestricted	6,379,919	5,858,235	612,074	818,989	6,991,993	6,677,224
Total net position	\$ 27,735,552	\$ 29,893,315	\$ 12,689,792	\$ 13,088,114	\$ 40,425,344	\$ 42,981,429

A portion of the City of Excelsior Springs' net position (22.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,991,993 or 17.3 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2018 and 2017, the City of Excelsior Springs is able to report positive balances in all three categories of net position for the governmental activities and business-type activities.

There was a decrease of \$1,232,395 in restricted net position reported in connection with the City of Excelsior Springs' governmental activities. This decrease was caused primarily by a decrease in the balance in the Wal-Mart Tax Increment Financing Fund.

The government's net position decreased by \$2,556,085 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, 2018

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

City of Excelsior Springs' Changes in Net Position						
	Governmental	Business-Type	2018	Governmental	Business-Type	2017
	Activities 2018	Activities 2018	Total	Activities 2017	Activities 2017	Total
Revenues:						
Program revenues:						
Charges for services	\$ 3,204,573	\$ 8,300,654	\$ 11,505,227	\$ 2,500,248	\$ 7,877,224	\$ 10,377,472
Operating grants and contributions	656,036	5,788	661,824	603,296	13,452	616,748
Capital grants and contributions	55,858	-	55,858	125,000	-	125,000
General revenues:						
Property taxes	2,140,256	-	2,140,256	2,089,248	-	2,089,248
Sales and use tax	7,620,850	-	7,620,850	7,740,509	-	7,740,509
Franchise tax	1,464,533	-	1,464,533	1,371,129	-	1,371,129
Cigarette tax	101,018	-	101,018	112,152	-	112,152
Railroad and utility/financial institution tax	62,333	-	62,333	69,922	-	69,922
Investment earnings	137,853	780,849	918,702	224,236	765,487	989,723
Miscellaneous	273,752	-	273,752	327,290	-	327,290
Gain on sale of capital assets	32,681	-	32,681	21,097	-	21,097
Total revenues	15,749,743	9,087,291	24,837,034	15,184,127	8,656,163	23,840,290
Expenses:						
General government	1,129,442	-	1,129,442	1,495,888	-	1,495,888
Public safety	5,824,712	-	5,824,712	5,778,060	-	5,778,060
Transportation	168,448	-	168,448	160,016	-	160,016
Public works	3,264,980	-	3,264,980	3,085,897	-	3,085,897
Health and welfare	55,800	-	55,800	54,135	-	54,135
Cemetery operations	38,619	-	38,619	48,586	-	48,586
Recreational activities	2,803,514	-	2,803,514	2,745,628	-	2,745,628
Community betterment	3,918,929	-	3,918,929	2,371,799	-	2,371,799
Interest and fiscal charges	650,627	-	650,627	657,221	-	657,221
Water	-	3,941,725	3,941,725	-	4,497,953	4,497,953
Sewer	-	3,717,691	3,717,691	-	3,767,632	3,767,632
Golf	-	950,714	950,714	-	895,123	895,123
Airport	-	52,730	52,730	-	56,563	56,563
Refuse	-	875,188	875,188	-	842,818	842,818
Total expenses	17,855,071	9,538,048	27,393,119	16,397,230	10,060,089	26,457,319
Excess before transfers	(2,105,328)	(450,757)	(2,556,085)	(1,213,103)	(1,403,926)	(2,617,029)
Transfers	(52,435)	52,435	-	410,897	(410,897)	-
Change in net position	(2,157,763)	(398,322)	(2,556,085)	(802,206)	(1,814,823)	(2,617,029)
Net position, beginning	29,893,315	13,088,114	42,981,429	30,695,521	14,902,937	45,598,458
Net position, ending	\$ 27,735,552	\$ 12,689,792	\$ 40,425,344	\$ 29,893,315	\$ 13,088,114	\$ 42,981,429

City of Excelsior Springs, Missouri

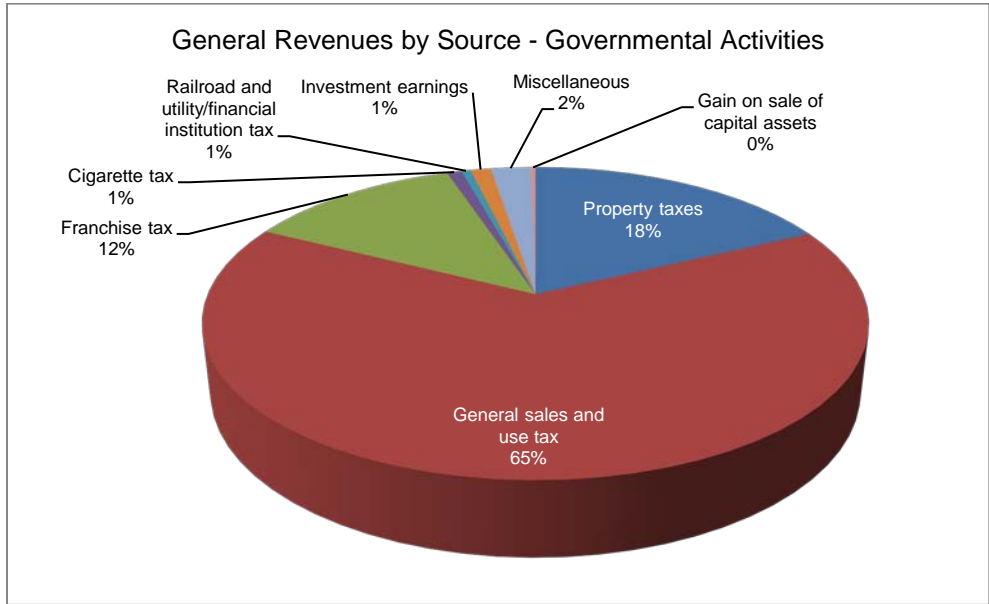
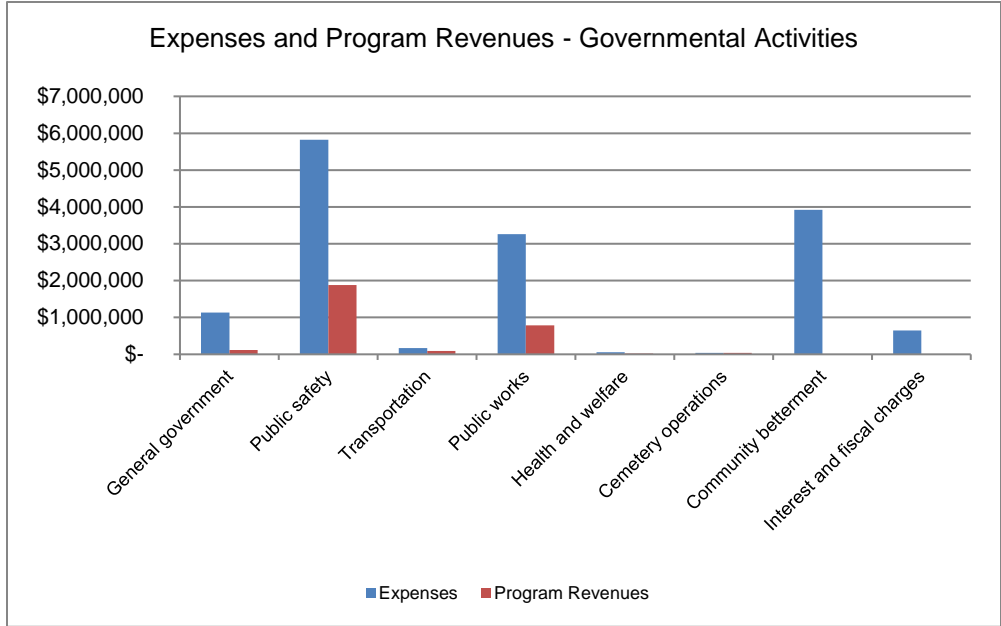
Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

Governmental activities. Governmental activities decreased the City of Excelsior Springs' net position by \$2,157,763, accounting for 84.4 percent of the decrease in the government's net position. Key elements of this decrease are as follows:

- Charges for services increased by \$704,325 (28.2 percent) during the fiscal year. This increase was driven primarily by a \$256,748 increase in the General Fund due to increased ambulance revenues and a \$401,640 increase in the Community Center Operating Fund due to increased memberships and program fees.
- Operating grants and contribution revenues increased by \$52,740 (8.7 percent) during the fiscal year. This increase was caused by an increase in federal transportation grant monies received and an increase in motor fuel tax receipts.
- Capital grants and contributions decreased by \$69,142 (55.3 percent) during the fiscal year. This decrease was caused by a large capital grant received from Clay County Senior Services for construction of the Community Center in the prior fiscal year.
- Franchise tax revenues increased by \$93,404 (6.8 percent) during the fiscal year. This increase was driven by a \$115,591 (13.3 percent) increase in electric franchise taxes, a \$50,196 (20.8 percent) decrease in telephone taxes, a \$30,186 (17.0 percent) increase in Gas franchise taxes and a \$2,177 (2.7 percent) decrease in cable television taxes.
- Investment earnings decreased by \$86,383 (38.5 percent) during the fiscal year. This decrease was driven primarily by lower cash and investment balances throughout the year.
- General Government expenses decreased by \$366,446 (24.5 percent) during the fiscal year. This change was caused by the decreased capital outlay expenses.
- Public safety expenses increased by \$46,652 (0.8 percent) during the fiscal year. The largest factors in this increase were a \$413,381 increase in personnel expenses, a \$60,278 decrease in depreciation expenses, a \$105,028 decrease in pension expense, and an \$181,438 decrease in other post-employment benefit expense.
- Public works expenses increased by \$179,083 (5.8 percent) during the fiscal year. The largest factors in this increase was a \$901,609 increase in amounts expended for overlay projects offset by a \$623,293 decrease in capital outlay expenses, a \$33,664 decrease in depreciation expense, a \$32,189 decrease in other post-employment benefit expense and a \$17,370 decrease in pension expense.
- Recreational expenses increased by \$57,886 (2.1 percent) during the fiscal year. The largest factor in the increase was an \$85,084 increase in personnel expenses offset by a \$37,376 decrease in other post-employment benefit expense.

City of Excelsior Springs, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2018**

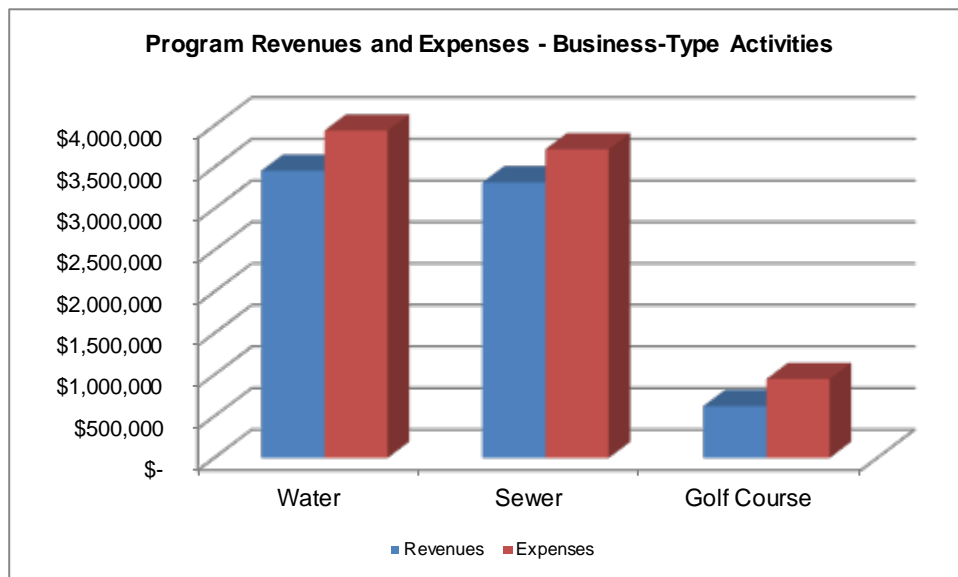


City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

Business-type activities. Business-type activities decreased the City of Excelsior Springs' net position by \$398,322, accounting for 15.6 percent of the decrease in the government's net position. Key elements of this decrease are as follows:

- Revenues for business type activities increased by \$431,128 (5.0 percent). This increase was driven by utility rate increases passed late in the prior fiscal year.
- Expenses for business-type activities decreased by \$522,041 (5.2 percent). This decrease was driven by a \$556,228 (12.4 percent) decrease in water expenses, a \$49,941 (1.3 percent) decrease in sewer expenses, a \$55,591 (6.2 percent) increase in golf expenses, a \$3,833 (6.8 percent) decrease in airport expenses and a \$32,370 (3.8 percent) increase in refuse expenses. The decrease in water expenses was caused primarily by a \$514,693 (39.9 percent) decrease in maintenance and repair expenses. The decrease in sewer expenses was caused primarily by an \$172,923 (50.1 percent) decrease in maintenance and repair expenses offset by a \$102,949 (9.2 percent) increase in depreciation expenses.



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 \$13,864,928, a decrease of \$633,494 in comparison with the prior year. Approximately \$1,823,000 is unassigned.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

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 \$1,822,760. 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 22.3 percent of General Fund expenditures, while the total fund balance represents 53.1 percent of that same amount. The fund balance of the City of Excelsior Springs' General Fund increased by \$442,798 during the current fiscal year. Key factors in this increase are as follows:

- Total revenues increased by \$696,622 (10.1 percent). This increase was caused primarily by a \$414,295 (9.5 percent) increase in tax revenues, a \$45,232 (21.3 percent) increase in licenses, permits and fees, and a \$256,748 (23.5 percent) increase in charges for services offset by a \$97,480 (71.4 percent) decrease in investment earnings.
- Total expenditures increased by \$641,885 (8.5 percent). This increase was largely caused by a \$453,255 (9.2 percent) increase in public safety expenditures and a \$138,731 (12.3 percent) increase in general government expenditures.
 - ✓ The increase in public safety expenditures was driven primarily by an increase in salary and benefit expenditures.
 - ✓ The increase in general government expenditures was driven primarily by an increase in salary and benefit expenditures and an increase in economic development expenditures.

The fund balance of the Community Center Sales Tax Fund increased by \$529,028 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 \$1,996,247 in sales and use tax revenues and \$10,088 in interest revenues.
- Fund expenditures from this fund included \$1,477,307 in transfers to the debt service fund.

The fund balance of the Tax Increment Financing – Wal-Mart Fund decreased by \$1,472,572 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 \$439,566 in tax revenues.
- Fund expenditures from this fund included \$1,906,582 for community development and \$5,556 in transfers.

The fund balance of the Transportation Trust Fund decreased by \$967,415 during the year. Funding sources for the Transportation Trust Tax Fund include sales and use taxes that are used to fund transportation projects throughout the City.

- Fund revenues this year consisted of \$1,007,606 in sales and use taxes and \$16,288 in interest revenues.
- Fund expenditures from this fund included \$1,971,689 in public works expenditures, \$1,096 in banking fees and \$16,908 in interfund transfers.

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 \$1,461,646 and \$(407,685), respectively. The change in net position for these funds was (\$386,694) and \$346,478, 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.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

General Fund Budgetary Highlights

General Fund Revenue: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2018 revenue budget was \$7,776,273 including transfers of \$968,023. The amended 2018 revenue budget was \$8,004,687 including transfers and proceeds from sale of capital assets of \$972,235. Actual revenue, including transfers and proceeds from sale of capital assets was \$8,018,550 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 60.0 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original and amended budget by approximately 6.4 percent and 1.4 percent, respectively. Some elements of this difference include the following:

- Property tax collections increased by 4.2 percent from fiscal year 2017 and exceeded the original budget and the amended budget by 2.9 percent and 0.5 percent, respectively.
- Sales and use tax collections increased by 17.8 percent from fiscal year 2017 and exceeded the original budget and the amended budget by 12.5 percent and 2.6 percent, respectively.
- Cigarette taxes decreased by 9.9 percent from fiscal year 2017 and fell short of the original budget and amended budget by 11.7 percent and 4.7 percent, respectively.
- Total franchise fees increased by 6.8 percent from fiscal year 2017 and exceeded the original budget and amended budget by 4.1 percent and 2.1 percent, respectively. Telephone franchise fees decreased by \$50,196 (20.8 percent) from fiscal year 2017. Electric franchise fees increased by \$115,591 (13.3 percent) from fiscal year 2017. Gas franchise fees increased by \$30,186 (17.0 percent) from fiscal year 2017. Cable franchise fees decreased by \$2,177 (2.7 percent) from fiscal year 2017.

Licenses and permit revenues exceeded the original budget and amended budget by 28.0 percent and 4.5 percent, respectively, and increased by 21.3 percent from fiscal year 2017.

Charges for services exceeded the original and amended budget by 16.7 and 16.9 percent, respectively, and increased by 3.7 percent from fiscal year 2017. This increase was driven by an increase in ambulance billings.

Fines and forfeitures fell short of the original budget by 4.0 percent but exceeded the amended budget by 0.5 percent, and decreased by 1.6 percent from fiscal year 2017.

Investment earnings fell short of the original budget and the amended budget by 69.3 percent and 73.1 percent, respectively, and decreased by 71.4 percent from fiscal year 2017.

Other revenues fell short of the original and amended budget by 20.0 and 13.6 percent, respectively, and increased by 39.4 percent from fiscal year 2017.

General Fund Expenditures: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2018 expenditure budget was \$8,007,685 including transfers of \$78,075. The amended 2018 expenditure budget was \$7,952,197 including transfers of \$48,500. Actual expenditures, including transfers, were \$7,630,772, an increase of 7.85 percent from fiscal year 2017. Salary and benefit expenditures increased by \$562,687, or 10.4 percent, from fiscal year 2017. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 1.9 percent but fell short of the amended budget by 2.0 percent, and increased by 12.7 percent from fiscal year 2017. Some elements of this difference are:

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

- ✓ City manager and City council expenditures exceeded the original budget and the amended budget by 10.0 percent and 6.9 percent, respectively, and increased by 8.5 percent from fiscal year 2017. The largest factor in this increase was a \$40,248 increase in personnel-related expenditures.
- ✓ Economic development expenditures fell short of the original budget and the amended budget by 6.6 percent and 9.0 percent, respectively, and increased by 138.6 percent from fiscal year 2017. This increase was caused by the fact that the department was started midway through fiscal year 2017.
- ✓ Finance department expenditures fell short of the original budget and the amended budget by 5.0 percent and 6.8 percent, respectively, and decreased by 1.1 percent from fiscal year 2017.
- ✓ Human Resources expenditures exceeded the original budget by 0.2 percent but fell short of the amended budget by 4.4 percent, and increased by 4.7 percent from fiscal year 2017.
- ✓ Building operations expenditures exceeded the original budget by 15.7 percent but fell short of the amended budget by 3.1 percent and increased by 16.0 percent from fiscal year 2017.
- Public works expenditures fell short of the original and amended budget by 22.6 and 10.9 percent, respectively, and decreased by 10.5 percent from fiscal year 2017.
- Public safety expenditures exceeded the original budget by 1.4 percent but fell short of the amended budget by 2.5 percent and increased by 9.2 percent from fiscal year 2017. Some elements of this difference are:
 - ✓ Police department expenditures exceeded the original budget by 1.6 percent but fell short of the amended budget by 2.1 percent and increased by 9.3 percent from fiscal year 2017. This increase was caused by a 10.0 percent increase in personnel expenditures.
 - ✓ Fire department expenditures exceeded the original budget by 1.51 percent but fell short of the amended budget by 2.8 percent and increased by 9.4 percent from fiscal year 2017. This increase was caused by a 10.5 percent increase in personnel expenditures.
- Community betterment expenditures increased by 7.2 percent from fiscal year 2017 and fell short of the original budget and the amended budget by 5.8 percent and 14.1 percent, respectively. The increase in community betterment expenditures was caused primarily by a 5.8 percent increase in personnel expenditures.
- Capital outlay expenditures decreased by \$55,812 from fiscal year 2017 and fell short of the original and amended budget by 82.1 percent and 2.2 percent, respectively.

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 \$70,758,548 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and infrastructure assets. The total decrease in the City of Excelsior Springs' investment in capital assets for the current fiscal year was 3.5 percent (business-type capital assets decreased by 4.1 percent while governmental capital assets decreased by 2.6 percent).

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

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
	Land	\$ 1,614,419	\$ 1,614,419	\$ 1,136,537	\$ 1,136,537	\$ 2,750,956
Land improvements	-	-	800,506	826,176	800,506	826,176
Construction-in-progress	1,155,340	204,486	472,049	732,023	1,627,389	936,509
Buildings and improvements	18,180,191	18,970,248	1,525,721	956,330	19,705,912	19,926,578
Operating equipment	1,104,101	1,367,194	52,018	253,995	1,156,119	1,621,189
Furniture and office equipment	21,607	40,262	(8,061)	16,917	13,546	57,179
Vehicles	890,676	919,394	67,449	113,052	958,125	1,032,446
Infrastructure	7,949,080	8,626,564	35,796,915	37,523,993	43,745,995	46,150,557
	\$ 30,915,414	\$ 31,742,567	\$ 39,843,134	\$ 41,559,023	\$ 70,758,548	\$ 73,301,590

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 \$16,815,000, and \$29,680,000, respectively, for a total of \$46,495,000. Of this amount, \$16,815,000 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	
	2018	2017	2018	2017	2018	2017
	Revenue bonds	\$ 16,815,000	\$ 17,315,000	\$ -	\$ -	\$ 16,815,000
Certificates of participation	1,500,000	-	28,180,000	29,820,000	29,680,000	29,820,000
	\$ 18,315,000	\$ 17,315,000	\$ 28,180,000	\$ 29,820,000	\$ 46,495,000	\$ 47,135,000

The City of Excelsior Springs' total debt decreased by \$640,000 (1.4 percent) during the current fiscal year. This decrease resulted from scheduled principal payments.

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

State statutes limit the amount of general obligation debt a governmental entity may issue up to 20 percent of its total assessed valuation. The current debt limitation for the City of Excelsior Springs is \$30,905 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 2.3 percent, a reduction of 0.6 percent from one year ago. This is below the state's average unemployment rate of 2.6 percent and the national average of 3.6 percent.
- Inflationary trends in the region compare favorably to national indices.
- Residential real estate values and related assessed values increased by 2.86 during the current year. Commercial real estate values and related assessed values declined by 0.8 percent from the past year. Overall assessed values grew by 0.26 percent for fiscal year 2018.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

These factors were considered in preparing the City of Excelsior Springs' budget for the 2019 fiscal year:

- During the fiscal year, the unassigned fund balance of the General Fund decreased to \$1,822,760.
- Various construction projects were included in the 2018 budget, including:
 - ✓ 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 Clubhouse.
 - ✓ Sanitary sewer extensions to some areas that currently do not have sewers.

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, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 8,727,177	\$ 397,942	\$ 9,125,119	\$ 1,957,747
Receivables, net of allowance for uncollectibles of \$213,152:				
Property taxes	1,681,452	-	1,681,452	-
Franchise taxes	139,941	-	139,941	-
Utility accounts	-	1,019,646	1,019,646	-
Other	183,403	-	183,403	261,325
Patient accounts, net of allowance	-	-	-	3,237,303
Estimated amounts due from third-party payers	-	-	-	450,000
Due from other governments	651,495	-	651,495	-
Prepaid items	302,968	3,320	306,288	207,274
Assets held for sale	23,000	-	23,000	-
Supplies	-	-	-	503,493
Total current assets	11,709,436	1,420,908	13,130,344	6,617,142
Noncurrent assets:				
Nondepreciable:				
Land	1,614,419	1,136,537	2,750,956	371,095
Construction-in-progress	1,155,340	472,049	1,627,389	22,931
Depreciable:				
Land improvements	39,831	1,622,097	1,661,928	1,074,504
Buildings and improvements	23,973,233	6,119,030	30,092,263	16,853,042
Operating equipment	3,729,058	1,702,656	5,431,714	7,052,364
Furniture and office equipment	281,215	161,005	442,220	9,092,349
Vehicles	2,534,858	1,065,401	3,600,259	-
Infrastructure	49,174,625	54,074,336	103,248,961	-
Less accumulated depreciation	(51,587,165)	(26,509,977)	(78,097,142)	(25,408,214)
Total capital assets	30,915,414	39,843,134	70,758,548	9,058,071
Investments	-	1,253,824	1,253,824	-
Restricted cash and cash equivalents	2,663,023	883,883	3,546,906	882,768
Restricted investments	195,843	-	195,843	-
Internal balances	1,836,061	(1,836,061)	-	-
Cash, deposits and investments held under bond indenture, due from primary government agency fund	-	-	-	1,533,368
Other	-	-	-	425
Net pension asset	2,827,911	320,780	3,148,691	-
Total noncurrent assets	38,438,252	40,465,560	78,903,812	11,474,632
Total assets	50,147,688	41,886,468	92,034,156	18,091,774
Deferred Outflows of Resources				
Pension related amounts	\$ 485,699	\$ 42,809	\$ 528,508	\$ -

See notes to basic financial statements.

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 869,322	\$ 165,417	\$ 1,034,739	\$ 1,390,337
Customer deposits	-	576,288	576,288	-
Accrued interest	63,195	171,364	234,559	34,944
Unearned revenue	-	11,744	11,744	-
Current portion of long-term obligations:				
Compensated absences	-	-	-	516,399
Lease purchase agreement	-	-	-	7,234
Revenue bonds payable	500,000	-	500,000	363,583
Certificates of participation	56,440	1,735,000	1,791,440	-
Total current liabilities	1,488,957	2,659,813	4,148,770	2,312,497
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Lease purchase agreement	-	-	-	20,114
Compensated absences	547,436	128,453	675,889	-
Revenue bonds payable, net	16,842,074	-	16,842,074	9,101,674
Certificates of participation, net	1,443,560	26,338,011	27,781,571	-
Total noncurrent liabilities	18,833,070	26,466,464	45,299,534	9,121,788
Total liabilities	20,322,027	29,126,277	49,448,304	11,434,285
Deferred Inflows of Resources				
Property taxes	1,646,154	-	1,646,154	-
Pension related amounts	929,654	113,208	1,042,862	-
Total deferred inflows of resources	2,575,808	113,208	2,689,016	-
Net Position				
Net investment in capital assets	12,426,941	12,077,718	24,504,659	(437,534)
Restricted for:				
Debt service	395,736	-	395,736	742,140
Parks and recreation	1,121,959	-	1,121,959	-
Capital projects	3,657,526	-	3,657,526	756,294
Planning and development	2,369,773	-	2,369,773	-
Public safety	1,174,734	-	1,174,734	-
Permanent fund:				
Nonexpendable	204,920	-	204,920	-
Expendable	4,044	-	4,044	-
Other	-	-	-	153,225
Unrestricted	6,379,919	612,074	6,991,993	5,443,364
Total net position	\$ 27,735,552	\$ 12,689,792	\$ 40,425,344	\$ 6,657,489

City of Excelsior Springs, Missouri

**Statement of Activities
Year Ended September 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (1,129,442)	\$ 146,473	\$ -	\$ -
Public safety	(5,824,712)	1,215,641	1,110	55,858
Transportation	(168,448)	18,054	78,902	-
Public works	(3,264,980)	425,384	552,685	-
Health and welfare	(55,800)	-	16,500	-
Cemetery operations	(38,619)	31,751	-	-
Recreational activities	(2,803,514)	1,256,209	2,000	-
Community betterment	(3,918,929)	111,061	4,839	-
Interest and fiscal charges	(650,627)	-	-	-
Total governmental activities	(17,855,071)	3,204,573	656,036	55,858
Business-type activities:				
Water	(3,941,725)	3,458,759	-	-
Pollution control	(3,717,691)	3,318,675	-	-
Golf	(950,714)	619,465	5,788	-
Airport	(52,730)	14,381	-	-
Refuse	(875,188)	889,374	-	-
Total business-type activities	(9,538,048)	8,300,654	5,788	-
Total primary government	\$ (27,393,119)	\$ 11,505,227	\$ 661,824	\$ 55,858
Component unit—hospital	\$ (27,889,470)	\$ 25,196,134	\$ 112,862	\$ 8,717

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
\$ (982,969)	\$ -	\$ (982,969)	\$ -
(4,552,103)	-	(4,552,103)	-
(71,492)	-	(71,492)	-
(2,286,911)	-	(2,286,911)	-
(39,300)	-	(39,300)	-
(6,868)	-	(6,868)	-
(1,545,305)	-	(1,545,305)	-
(3,803,029)	-	(3,803,029)	-
(650,627)	-	(650,627)	-
<u>(13,938,604)</u>	<u>-</u>	<u>(13,938,604)</u>	<u>-</u>
-	(482,966)	(482,966)	-
-	(399,016)	(399,016)	-
-	(325,461)	(325,461)	-
-	(38,349)	(38,349)	-
-	14,186	14,186	-
<u>-</u>	<u>(1,231,606)</u>	<u>(1,231,606)</u>	<u>-</u>
<u>(13,938,604)</u>	<u>(1,231,606)</u>	<u>(15,170,210)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,571,757)</u>
2,140,256	-	2,140,256	316,250
7,620,850	-	7,620,850	-
1,464,533	-	1,464,533	-
101,018	-	101,018	-
62,333	-	62,333	-
137,853	780,849	918,702	-
273,752	-	273,752	50,196
32,681	-	32,681	-
<u>(52,435)</u>	<u>52,435</u>	<u>-</u>	<u>-</u>
<u>11,780,841</u>	<u>833,284</u>	<u>12,614,125</u>	<u>366,446</u>
(2,157,763)	(398,322)	(2,556,085)	(2,205,311)
<u>29,893,315</u>	<u>13,088,114</u>	<u>42,981,429</u>	<u>8,862,800</u>
<u>\$ 27,735,552</u>	<u>\$ 12,689,792</u>	<u>\$ 40,425,344</u>	<u>\$ 6,657,489</u>

City of Excelsior Springs, Missouri

**Balance Sheet
Governmental Funds
September 30, 2018**

	General	Community Center Sales Tax
Assets		
Cash, cash equivalents and investments	\$ 1,347,026	\$ 1,443,934
Receivables, net of allowance for uncollectibles of \$188,711:		
Property taxes	992,143	-
Franchise taxes	139,941	-
Other	183,403	-
Due from other governments	287,014	136,822
Prepaid items	302,968	-
Assets held for sale	-	-
Advances to other funds	1,836,061	-
Restricted cash and cash equivalents	365,912	-
Restricted investments	-	-
	<hr/>	<hr/>
Total assets	\$ 5,454,468	\$ 1,580,756
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities, accounts payable and accrued expenditures	\$ 146,732	\$ -
	<hr/>	<hr/>
Deferred inflows of resources, unavailable revenue - property taxes	980,035	-
	<hr/>	<hr/>
Fund balance:		
Nonspendable	2,139,029	-
Restricted	365,912	1,580,756
Unassigned	1,822,760	-
	<hr/>	<hr/>
Total fund balance	4,327,701	1,580,756
	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 5,454,468	\$ 1,580,756
	<hr/>	<hr/>

See notes to basic financial statements.

Transportation Trust	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,431,126	\$ 4,505,091	\$ 8,727,177
-	689,309	1,681,452
-	-	139,941
-	-	183,403
68,530	159,129	651,495
-	-	302,968
-	23,000	23,000
-	-	1,836,061
-	2,297,111	2,663,023
-	195,843	195,843
<u>\$ 1,499,656</u>	<u>\$ 7,869,483</u>	<u>\$ 16,404,363</u>
<u>\$ 341,916</u>	<u>\$ 380,674</u>	<u>\$ 869,322</u>
-	690,078	1,670,113
-	204,920	2,343,949
1,157,740	6,593,811	9,698,219
-	-	1,822,760
<u>1,157,740</u>	<u>6,798,731</u>	<u>13,864,928</u>
<u>\$ 1,499,656</u>	<u>\$ 7,869,483</u>	<u>\$ 16,404,363</u>

City of Excelsior Springs, Missouri

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
September 30, 2018**

Total governmental fund balances	\$	13,864,928	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds			30,915,414
LAGERS net pension asset is not a financial resource and therefore is not reported in the governmental funds			2,827,911
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	\$	(547,436)	
Accrued interest on long-term debt		(63,195)	
Net premium on bond issuance		(527,074)	
Certificates of participation		(1,500,000)	
Bonds payable		<u>(16,815,000)</u>	(19,452,705)
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		485,699	
Deferred inflows of resources - pension related amounts		<u>(929,654)</u>	(443,955)
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>23,959</u>
Net position of governmental activities	\$		<u><u>27,735,552</u></u>

See notes to basic financial statements.

City of Excelsior Springs, Missouri

**Statement of Revenues, Expenditures and Changes in Fund Balances—
Governmental Funds
Year Ended September 30, 2018**

	General	Community Center Sales Tax
Revenues:		
Taxes	\$ 4,795,365	\$ 1,996,247
Licenses, permits and fees	257,535	-
Intergovernmental	603,997	-
Charges for services	1,348,433	-
Fines and forfeitures	282,855	-
Investment earnings	39,102	10,088
Miscellaneous	250,288	-
Total revenues	7,577,575	2,006,335
Expenditures:		
Current:		
General government:		
Administration	49,610	-
City manager/council	411,890	-
Economic development	138,050	-
Finance administration	447,020	-
Human resources	86,633	-
Building operations	131,508	-
Public works, street operations	985,120	-
Public safety:		
Police department	2,873,537	-
Municipal courts	120,027	-
Fire department	2,384,812	-
Cemetery operations	-	-
Community center activities	-	-
Recreational activities, parks and recreation	-	-
Community betterment:		
Transportation activities	157,086	-
Community development	315,279	-
Health and welfare	-	-
Capital outlay	55,943	-
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	8,156,515	-
Excess (deficiency) of revenues over expenditures	(578,940)	2,006,335
Other financing sources (uses):		
Proceeds from sale of capital assets	19,320	-
Issuance of debt	-	-
Transfers in	1,009,251	-
Transfers out	(6,833)	(1,477,307)
Total other financing sources (uses)	1,021,738	(1,477,307)
Net change in fund balance	442,798	529,028
Fund balances, beginning	3,884,903	1,051,728
Fund balances, ending	\$ 4,327,701	\$ 1,580,756

See notes to basic financial statements.

Tax Increment Financing Wal-Mart	Transportation Trust	Nonmajor Governmental Funds	Total Governmental Funds
\$ 439,566	\$ 1,007,606	\$ 3,141,009	\$ 11,379,793
-	-	-	257,535
-	-	107,897	711,894
-	-	1,315,750	2,664,183
-	-	-	282,855
-	16,288	72,375	137,853
-	-	23,464	273,752
<u>439,566</u>	<u>1,023,894</u>	<u>4,660,495</u>	<u>15,707,865</u>
-	1,096	106,879	157,585
-	-	-	411,890
-	-	-	138,050
-	-	-	447,020
-	-	-	86,633
-	-	-	131,508
-	1,971,689	-	2,956,809
-	-	139,104	3,012,641
-	-	-	120,027
-	-	-	2,384,812
-	-	38,619	38,619
-	-	1,368,737	1,368,737
-	-	637,216	637,216
-	-	-	157,086
1,906,582	-	1,678,085	3,899,946
-	-	58,433	58,433
-	1,616	588,365	645,924
-	-	500,000	500,000
-	-	669,008	669,008
-	-	1,300	1,300
<u>1,906,582</u>	<u>1,974,401</u>	<u>5,785,746</u>	<u>17,823,244</u>
<u>(1,467,016)</u>	<u>(950,507)</u>	<u>(1,125,251)</u>	<u>(2,115,379)</u>
-	-	15,000	34,320
-	-	1,500,000	1,500,000
-	-	1,484,140	2,493,391
<u>(5,556)</u>	<u>(16,908)</u>	<u>(1,039,222)</u>	<u>(2,545,826)</u>
<u>(5,556)</u>	<u>(16,908)</u>	<u>1,959,918</u>	<u>1,481,885</u>
<u>(1,472,572)</u>	<u>(967,415)</u>	<u>834,667</u>	<u>(633,494)</u>
<u>1,472,572</u>	<u>2,125,155</u>	<u>5,964,064</u>	<u>14,498,422</u>
<u>\$ -</u>	<u>\$ 1,157,740</u>	<u>\$ 6,798,731</u>	<u>\$ 13,864,928</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, 2018**

Total net change in fund balances - governmental funds	\$ (633,494)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceed capital outlays in the period:</p>	
Depreciation	(1,959,497)
Capital outlays	1,133,983
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net position:</p>	
Proceeds from sale of capital assets	(34,320)
Gain on sale of capital assets	32,681
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	9,197
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>	
Change in compensated absences	46,113
Change in other postemployment benefits obligation	268,544
Pension related amounts, pension expense	(40,651)
<p>The issuance of long-term debt (e.g., bonds, loans, leases) provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:</p>	
Issuance of long-term debt	(1,500,000)
Repayment of principal of long-term debt	500,000
Interest	(6,819)
Amortization of bond premium	26,500
	<hr/>
Change in net position of governmental activities	\$ (2,157,763)
	<hr/> <hr/>

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, 2018**

	General Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 4,507,000	\$ 4,727,852	\$ 4,795,365	\$ 67,513
Licenses, permits and fees	201,150	246,468	257,535	11,067
Intergovernmental	618,500	592,484	603,997	11,513
Charges for services	791,000	789,306	923,049	133,743
Fines and forfeitures	294,700	281,500	282,855	1,355
Special assessment fees	2,500	2,942	-	(2,942)
Investment earnings	127,000	145,000	38,982	(106,018)
Other	266,400	246,900	213,261	(33,639)
Total revenues	6,808,250	7,032,452	7,115,044	82,592
Expenditures:				
Current:				
General government	1,201,409	1,249,553	1,224,305	25,248
Public works	611,449	531,468	473,389	58,079
Public safety	5,302,374	5,515,686	5,378,376	137,310
Community betterment	501,378	549,798	472,365	77,433
Capital outlay	313,000	57,192	55,943	1,249
Total expenditures	7,929,610	7,903,697	7,604,378	299,319
Excess (deficiency) of revenues over expenditures	(1,121,360)	(871,245)	(489,334)	381,911
Other financing sources (uses):				
Proceeds from sale of capital assets	-	19,320	19,320	-
Transfers in	968,023	952,915	884,186	(68,729)
Transfers out	(78,075)	(48,500)	-	48,500
Total other financing sources	889,948	923,735	903,506	(20,229)
Net change in fund balance	\$ (231,412)	\$ 52,490	414,172	\$ 361,682
Reconciliation to GAAP Basis:				
Activities reported within the Construction Services Fund and Elms Hotel Event Fees Fund (sub-funds of the General Fund):				
Total revenue			462,531	
Total expenditures			(552,137)	
Total other financing sources			118,232	
Total reconciling items			28,626	
Net change in fund balance			442,798	
Fund balances, beginning			3,884,903	
Fund balances, ending			\$ 4,327,701	

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, 2018**

	Community Center Sales Tax Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 1,740,000	\$ 2,038,338	\$ 1,996,247	\$ (42,091)
Investment earnings	3,000	10,000	10,088	88
Total revenues	<u>1,743,000</u>	<u>2,048,338</u>	<u>2,006,335</u>	<u>(42,003)</u>
Expenditures, general government	-	-	-	-
Excess of revenues over expenditures	<u>1,743,000</u>	<u>2,048,338</u>	<u>2,006,335</u>	<u>(42,003)</u>
Other financing sources (uses), transfers out	<u>(1,476,008)</u>	<u>(1,476,008)</u>	<u>(1,477,307)</u>	<u>1,299</u>
Net change in fund balance	<u>\$ 266,992</u>	<u>\$ 572,330</u>	<u>529,028</u>	<u>\$ (40,704)</u>
Fund balances, beginning			<u>1,051,728</u>	
Fund balances, ending			<u>\$ 1,580,756</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, 2018**

	Tax Increment Financing - Wal-Mart Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues, taxes	\$ 1,368,000	\$ 439,566	\$ 439,566	\$ -
Expenditures, community betterment	1,544,000	1,907,267	1,906,582	685
Excess (deficiency) of revenues over expenditures	(176,000)	(1,467,701)	(1,467,016)	(685)
Other financing sources (uses), transfers out	(6,667)	(4,871)	(5,556)	685
Net change in fund balance	<u>\$ (182,667)</u>	<u>\$ (1,472,572)</u>	<u>(1,472,572)</u>	<u>\$ -</u>
Fund balances, beginning			<u>1,472,572</u>	
Fund balances, ending			<u>\$ -</u>	

See notes to basic financial statements.

City of Excelsior Springs, Missouri

Statement of Net Position
Enterprise Funds
September 30, 2018

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 240,000	\$ 79,260	\$ 78,682	\$ 397,942
Accounts receivable, utility accounts net of allowance for uncollectibles of \$25,152	417,360	498,773	103,513	1,019,646
Prepays	3,320	-	-	3,320
Total current assets	660,680	578,033	182,195	1,420,908
Noncurrent assets:				
Investments	1,253,824	-	-	1,253,824
Restricted cash	588,573	295,310	-	883,883
Net pension asset	146,248	109,518	65,014	320,780
Capital assets:				
Land	131,849	799,000	205,688	1,136,537
Construction-in-progress	-	472,049	-	472,049
Land improvements	22,244	-	1,599,853	1,622,097
Buildings and improvements	5,767,042	138,702	213,286	6,119,030
Operating equipment	260,253	258,687	1,183,716	1,702,656
Furniture and office equipment	50,393	77,437	33,175	161,005
Vehicles	500,134	565,267	-	1,065,401
Infrastructure	22,510,899	31,563,437	-	54,074,336
Total capital assets	29,242,814	33,874,579	3,235,718	66,353,111
Less accumulated depreciation	11,566,373	12,947,836	1,995,768	26,509,977
Net capital assets	17,676,441	20,926,743	1,239,950	39,843,134
Total noncurrent assets	19,665,086	21,331,571	1,304,964	42,301,621
Total assets	20,325,766	21,909,604	1,487,159	43,722,529
Deferred Outflows of Resources				
Pension related amounts	\$ 19,517	\$ 14,615	\$ 8,677	\$ 42,809

See notes to basic financial statements.

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 135,037	\$ 18,722	\$ 11,658	\$ 165,417
Customer deposits, payable from restricted assets	576,288	-	-	576,288
Accrued interest	68,105	103,259	-	171,364
Unearned revenues	-	-	11,744	11,744
Current portion of:				
Certificates of participation	950,000	785,000	-	1,735,000
Total current liabilities	1,729,430	906,981	23,402	2,659,813
Noncurrent liabilities:				
Compensated absences	44,988	23,481	59,984	128,453
Advances from other funds	318,880	925,739	591,442	1,836,061
Certificates of participation, net	10,390,271	15,947,740	-	26,338,011
Total noncurrent liabilities	10,754,139	16,896,960	651,426	28,302,525
Total liabilities	12,483,569	17,803,941	674,828	30,962,338
Deferred Inflows of Resources				
Pension related amounts	51,613	38,650	22,945	113,208
Net Position				
Net investment in capital assets	6,348,455	4,489,313	1,239,950	12,077,718
Unrestricted (deficit)	1,461,646	(407,685)	(441,887)	612,074
\$ 7,810,101	\$ 4,081,628	\$ 798,063	\$ 12,689,792	

City of Excelsior Springs, Missouri

**Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Year Ended September 30, 2018**

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	\$ 3,428,425	\$ 3,308,016	\$ 1,467,667	\$ 8,204,108
Rental income	26,296	9,450	11,527	47,273
Other	4,038	1,209	49,814	55,061
Total operating revenues	3,458,759	3,318,675	1,529,008	8,306,442
Operating expenses:				
Personnel services	755,794	588,967	474,164	1,818,925
Contractual and professional services	44,670	35,709	798,387	878,766
Utilities	176,590	304,780	27,551	508,921
Maintenance and repairs	774,867	172,610	94,008	1,041,485
Cost of goods sold	-	-	81,520	81,520
Insurance	53,405	36,553	15,531	105,489
Supplies and materials	381,535	96,540	213,055	691,130
Depreciation	909,260	1,218,820	174,416	2,302,496
Total operating expenses	3,096,121	2,453,979	1,878,632	7,428,732
Operating income (loss)	362,638	864,696	(349,624)	877,710
Nonoperating revenue (expense):				
Investment earnings	317,141	462,735	973	780,849
Interest expense	(845,604)	(1,263,712)	-	(2,109,316)
Total nonoperating revenue (expense)	(528,463)	(800,977)	973	(1,328,467)
Income (loss) before transfers	(165,825)	63,719	(348,651)	(450,757)
Transfers in	-	478,187	80,881	559,068
Transfers out	(220,869)	(195,428)	(90,336)	(506,633)
	(220,869)	282,759	(9,455)	52,435
Change in net position	(386,694)	346,478	(358,106)	(398,322)
Total net position, beginning	8,196,795	3,735,150	1,156,169	13,088,114
Total net position, ending	\$ 7,810,101	\$ 4,081,628	\$ 798,063	\$ 12,689,792

See notes to basic financial statements.

City of Excelsior Springs, Missouri

Statement of Cash Flows—Enterprise Funds
Year Ended September 30, 2018

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities:				
Cash collected from customers	\$ 3,499,363	\$ 3,264,543	\$ 1,430,615	\$ 8,194,521
Cash from other operating revenue	4,038	1,209	49,814	55,061
Cash paid to suppliers for goods and services	(1,437,953)	(675,540)	(1,239,568)	(3,353,061)
Cash paid to employees for services	(851,990)	(611,177)	(478,921)	(1,942,088)
Net cash provided by (used in) operating activities	1,213,458	1,979,035	(238,060)	2,954,433
Cash flows from noncapital financing activities:				
Increase in advances from other funds	318,880	(183,335)	213,467	349,012
Transfers in	-	478,187	80,881	559,068
Transfers out	(220,869)	(195,428)	(90,336)	(506,633)
Net cash provided by noncapital financing activities	98,011	99,424	204,012	401,447
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(114,558)	(472,049)	-	(586,607)
Principal payments on revenue bonds and capital leases	(915,000)	(725,000)	-	(1,640,000)
Interest paid	(846,257)	(1,261,628)	-	(2,107,885)
Net cash (used in) capital and related financing activities	(1,875,815)	(2,458,677)	-	(4,334,492)
Cash flows from investing activities:				
Interest	317,141	462,735	973	780,849
Proceeds from sales and maturities of investments	989,060	-	-	989,060
Net cash provided by investing activities	1,306,201	462,735	973	1,769,909
Net increase (decrease) in cash and cash equivalents	741,855	82,517	(33,075)	791,297
Cash and cash equivalents:				
Beginning	(153,282)	292,053	111,757	250,528
Ending	\$ 588,573	\$ 374,570	\$ 78,682	\$ 1,041,825
Displayed as:				
Cash, cash equivalents and investments	\$ 240,000	\$ 79,260	\$ 78,682	\$ 397,942
Less investments not meeting definition of cash equivalents	240,000	-	-	240,000
Total cash, and cash equivalents	-	79,260	78,682	157,942
Restricted cash	588,573	295,310	-	883,883
Total cash and cash equivalents	\$ 588,573	\$ 374,570	\$ 78,682	\$ 1,041,825

(Continued)

City of Excelsior Springs, Missouri

**Statement of Cash Flows—Enterprise Funds (Continued)
Year Ended September 30, 2018**

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 362,638	\$ 864,696	\$ (349,624)	\$ 877,710
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	909,260	1,218,820	174,416	2,302,496
Decrease (increase) in accounts receivable	3,180	(52,923)	(1,605)	(51,348)
Decrease in inventory	-	-	2,854	2,854
(Decrease) in accounts payable and accrued expenses	(82,765)	(29,348)	(12,370)	(124,483)
(Decrease) in unearned revenues	-	-	(46,974)	(46,974)
(Decrease) in other postemployment benefits obligation - noncash writeoff	(33,229)	(22,741)	(17,586)	(73,556)
(Increase) in net pension asset	(42,455)	(61,565)	(27,036)	(131,056)
Decrease in deferred outflows	38,403	34,323	18,308	91,034
Increase in deferred inflows	32,405	25,073	14,689	72,167
Increase (decrease) in compensated absences	(15,441)	2,700	6,868	(5,873)
Increase in customer deposits and bonds	41,462	-	-	41,462
Net cash provided by (used in) operating activities	\$ 1,213,458	\$ 1,979,035	\$ (238,060)	\$ 2,954,433

See notes to basic financial statements.

City of Excelsior Springs, Missouri

**Statement of Assets and Liabilities—Agency Funds
September 30, 2018**

Assets

Cash and cash equivalents	\$	2,631,168
Taxes receivable		178
Prepaid items		<u>51,183</u>
	\$	<u><u>2,682,529</u></u>

Liabilities

Due to other funds	\$	161,911
Due to component unit		1,871,724
Due to other governments		<u>648,894</u>
	\$	<u><u>2,682,529</u></u>

See notes to basic financial statements.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

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.

Transportation Trust Fund: A Capital Project Fund, accounts for the expenditures of transportation trust sales tax monies imposed under RSMo 94.700-94.755.

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, the Community Center Operating Fund, and the Tax Increment Financing – Golf Course.

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 Capital Improvements Fund and the Community Center Project Fund.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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.

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

Agency Funds: The City maintains three agency funds, the Hospital Fund, the Payroll Fund and the Road District Fund. Fiduciary funds are used to report assets held in a trustee or agency capacity for others. Since by definition there assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the City, these funds are not incorporated into the government-wide statements.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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.

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 2018 levy plus any uncollected amounts from the 2017 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.

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)

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 (excluding the Community Center Project fund) of the primary government. All appropriations are legally controlled at the department level for the individual funds. On September 18, 2017 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.
- 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.

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)

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 and Investments." 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 debt 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, certificates of deposit and the external investment pool, 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.

The City's investment in the external investment pool (MOSIP) is not SEC registered and is regulated by the state of Missouri. This external investment pool is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79.

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.

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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

Capital 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.

Prior to fiscal year 2018, interest cost associated with constructed assets were capitalized as part of the cost of the asset. As a result of the adoption of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*, no interest costs were capitalized in the current year and none will be capitalized going forward.

Capital assets of the primary government are depreciated using the straight-line method and the following estimated useful lives:

	<u>Years</u>
Land improvements	10 to 20
Building and improvements	7 to 30
Infrastructure	20 to 40
Operating equipment	3 to 5
Furniture and office equipment	3 to 5
Vehicles	4 to 10

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.

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 and changes in assumptions, and contributions paid by the City after the measurement date but before the end of the City's reporting period.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

In the City's government-wide statements, the property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which the taxes are levied. The City's government-wide statements and enterprise fund statements of net position also include the unrecognized items not yet charged against pension expense, such as the unamortized portion of the difference between the expected and actual pension plan experience and plan investment returns related to the net pension asset.

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

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

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

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

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

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

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."

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)

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

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

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

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

The City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers as of September 30, 2018 was:

Medicare	\$ 1,485,606
Medicaid	360,147
Other third-party payers	1,035,422
Patients	1,620,660
	<hr/>
	4,501,835
Less allowances for uncollectible accounts	1,264,532
	<hr/>
	<u>\$ 3,237,303</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 \$37,818 for 2018.

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.

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)

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

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

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

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

Net position: Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds for governmental activities were \$353,601. Unspent debt proceeds for the Water and Pollution Control enterprise funds were \$12,285 and \$295,310, 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 \$395,736 for debt service, \$3,657,526 for capital projects, \$2,369,773 for tax increment financing projects and \$1,174,734 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 2. Deposits and Investments

As of September 30, 2018, the City had the following investments:

Investment Type	Balance	Investment Maturities (in Years)		Fair Value Hierarchy Level
		Less Than 1	1 - 5	
Investments at fair value:				
U.S. Government Agencies:				
FNMA	\$ 480,000	\$ -	\$ 480,000	2
FFCB	250,000	-	250,000	2
Investments at cost:				
Certificate of deposit	4,163,000	1,954,000	2,209,000	N/A
Money market funds	739,625	739,625	-	N/A
Local government investment pool-MOSIP	2,028,138	-	-	N/A
Total	<u>\$ 7,660,763</u>	<u>\$ 2,693,625</u>	<u>\$ 2,939,000</u>	

Fair value measurements: 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.

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. 72.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

As of September 30, 2018, the City has \$739,625 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, 2018, 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 investment in the MOSIP Liquid Series has a AAAM rating from Standard & Poor's.

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

Concentration of credit risk: The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of September 30, 2018 the City's investments in FNMA represent 8.5 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, 2018, 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, 2018, none of the City's bank balance of \$10,070,198, which excludes the Hospital agency fund, was exposed to custodial credit risk.

The Excelsior Springs City Hospital, including the Hospital agency fund, had \$350,790 of deposits which were exposed to custodial credit risk.

Excelsior Springs City Hospital, the discretely presented component unit, held investments in bank repurchase agreements in the amount of \$190,394 as of September 30, 2018.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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

Deposits and cash on hand	\$ 9,092,097
Investments	7,660,763
	<u>\$ 16,752,860</u>
Cash, cash equivalents and investments	\$ 9,125,119
Investments	1,253,824
Restricted cash and cash equivalents	3,546,906
Restricted investments	195,843
Cash and cash equivalents, fiduciary funds	2,631,168
	<u>\$ 16,752,860</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, 2017, on which the fiscal year 2018 levy was based, was \$148,886,709. The assessed value of railroad and utility properties as of January 1, 2017 was \$5,127,729. During the year ended September 30, 2018, the City collected 98.82 percent of property taxes, excluding interest and penalty which were levied in the period.

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, 2018 are as follows:

	<u>Levy</u>
Fund:	
General	\$ 0.6411
Parks/recreation	0.3610
Total primary government	<u>1.0021</u>
Component unit - City Hospital	0.1805
Total reporting entity	<u>\$ 1.1826</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2018:

	2017 Balance	Additions	Retirements	2018 Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,614,419	\$ -	\$ -	\$ 1,614,419
Construction-in-progress	204,486	950,854	-	1,155,340
Total capital assets, not being depreciated	1,818,905	950,854	-	2,769,759
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	23,973,233	-	-	23,973,233
Operating equipment	3,715,022	30,425	16,389	3,729,058
Furniture and office equipment	281,215	-	-	281,215
Vehicles	2,421,412	152,704	39,258	2,534,858
Infrastructure	49,174,625	-	-	49,174,625
Total capital assets, being depreciated	79,605,338	183,129	55,647	79,732,820
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	5,002,985	790,057	-	5,793,042
Operating equipment	2,347,828	291,879	14,750	2,624,957
Furniture and office equipment	240,953	18,655	-	259,608
Vehicles	1,502,018	181,422	39,258	1,644,182
Infrastructure	40,548,061	677,484	-	41,225,545
Total accumulated depreciation	49,681,676	1,959,497	54,008	51,587,165
Total capital assets, being depreciated, net	29,923,662	(1,776,368)	1,639	28,145,655
Governmental activities capital assets, net	\$ 31,742,567	\$ (825,514)	\$ 1,639	\$ 30,915,414
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,136,537	\$ -	\$ -	\$ 1,136,537
Construction-in-progress	732,023	472,049	732,023	472,049
Total capital assets, not being depreciated	1,868,560	472,049	732,023	1,608,586
Capital assets, being depreciated:				
Land improvements	1,622,097	-	-	1,622,097
Buildings and improvements	5,402,058	846,581	129,609	6,119,030
Operating equipment	1,702,331	-	-	1,702,331
Furniture and office equipment	161,330	-	-	161,330
Vehicles	1,065,401	-	-	1,065,401
Infrastructure	54,074,336	-	-	54,074,336
Total capital assets, being depreciated	64,027,553	846,581	129,609	64,744,525
Less accumulated depreciation for:				
Land improvements	795,921	25,670	-	821,591
Buildings and improvements	4,445,728	277,190	129,609	4,593,309
Operating equipment	1,448,336	201,977	-	1,650,313
Furniture and office equipment	144,413	24,978	-	169,391
Vehicles	952,349	45,603	-	997,952
Infrastructure	16,550,343	1,727,078	-	18,277,421
Total accumulated depreciation	24,337,090	2,302,496	129,609	26,509,977
Total capital assets, being depreciated, net	39,690,463	(1,455,915)	-	38,234,548
Business-type activities capital assets, net	\$ 41,559,023	\$ (983,866)	\$ 732,023	\$ 39,843,134

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 42,150
Public safety	418,166
Transportation	15,788
Public works	642,562
Recreational activities	831,196
Community betterment	9,635
Total depreciation expense, governmental activities	<u>\$ 1,959,497</u>
Business-type activities:	
Water	\$ 909,260
Pollution control	1,218,820
Golf	143,403
Airport	31,013
Total depreciation expense, business-type activities	<u>\$ 2,302,496</u>

Activity for the Hospital for the year ended September 30, 2018 was as follows:

	2017 Balance	Additions	Retirements	2018 Balance
Component Unit: Hospital				
Capital assets, not being depreciated,				
Land	\$ 371,095	\$ -	\$ -	\$ 371,095
construction-in-progress	23,131	138,284	(138,484)	22,931
Total capital assets, not being depreciated	<u>394,226</u>	<u>138,284</u>	<u>(138,484)</u>	<u>394,026</u>
Capital assets, being depreciated:				
Land and improvements	1,066,857	7,647	-	1,074,504
Buildings and improvements	16,764,193	88,849	-	16,853,042
Operating equipment	6,815,734	236,630	-	7,052,364
Furniture and office equipment	8,911,174	181,175	-	9,092,349
Total capital assets, being depreciated, Hospital	<u>33,557,958</u>	<u>514,301</u>	<u>-</u>	<u>34,072,259</u>
Less accumulated depreciation for:				
Land and improvements	(888,373)	(43,008)	-	(931,381)
Buildings and improvements	(9,512,006)	(677,048)	-	(10,189,054)
Operating equipment	(6,280,901)	(125,687)	-	(6,406,588)
Furniture and office equipment	(7,356,022)	(525,169)	-	(7,881,191)
Total accumulated depreciation	<u>(24,037,302)</u>	<u>(1,370,912)</u>	<u>-</u>	<u>(25,408,214)</u>
Total capital assets, being depreciated, Hospital, net	<u>9,891,751</u>	<u>(856,611)</u>	<u>-</u>	<u>8,664,045</u>
Hospital capital assets, net	<u>\$ 9,914,882</u>	<u>\$ (718,327)</u>	<u>\$ (138,484)</u>	<u>\$ 9,058,071</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2018 were as follows:

	Balance September 30, 2017			Balance September 30, 2018		
		Additions	Retirements		Amounts Due Within One Year	
Governmental activities:						
Certificates of Participation	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 56,440	
Revenue bonds	17,315,000	-	500,000	16,815,000	500,000	
Premiums	553,574	-	26,500	527,074	-	
Compensated absences	593,549	547,436	593,549	547,436	-	
Other postemployment benefits obligation	268,544	-	268,544	-	-	
Governmental activities, long-term liabilities	<u>\$ 18,730,667</u>	<u>\$ 2,047,436</u>	<u>\$ 1,388,593</u>	<u>\$ 19,389,510</u>	<u>\$ 556,440</u>	
Business-type activities:						
Certificates of participation	\$ 29,820,000	\$ -	\$ 1,640,000	\$ 28,180,000	\$ 1,735,000	
Premiums (discounts)	(115,753)	-	(8,764)	(106,989)	-	
Compensated absences	134,326	128,453	134,326	128,453	-	
Other postemployment benefits obligation	73,556	-	73,556	-	-	
Business-type activities, long-term liabilities	<u>\$ 29,912,129</u>	<u>\$ 128,453</u>	<u>\$ 1,839,118</u>	<u>\$ 28,201,464</u>	<u>\$ 1,735,000</u>	
Component unit:						
Revenue bonds	\$ 9,813,940	\$ -	\$ 348,683	\$ 9,465,257	\$ 363,583	
Note payable	20,856	-	20,856	-	-	
Capital lease	51,765	-	24,417	27,348	7,234	
Compensated absences	595,810	516,399	595,810	516,399	516,399	
Component unit, long-term liabilities	<u>\$ 10,482,371</u>	<u>\$ 516,399</u>	<u>\$ 989,766</u>	<u>\$ 10,009,004</u>	<u>\$ 887,216</u>	

The General Fund has generally been the fund to liquidate the liability for compensated absences for the governmental activities.

Long-term debt payable as of September 30, 2018, is comprised of the following individual issues:

	Balance September 30, 2017			Balance September 30, 2018		
		Additions	Retirements			
Governmental activities:						
Certificates of participation:						
\$1,500,000 Golf Clubhouse loan, due in annual installments of \$104,856 to \$105,294 through March 1, 2038; interest at 3.5%	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000		
Revenue bonds:						
\$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%	17,315,000	-	500,000	16,815,000		
Total governmental activities	<u>\$ 17,315,000</u>	<u>\$ 1,500,000</u>	<u>\$ 500,000</u>	<u>\$ 18,315,000</u>		

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2017	Additions	Retirements	Balance September 30, 2018
Business-type activities:				
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 starting on September 1, 2012 through September 1, 2018; interest at 2.00% to 4.00%	\$ 360,000	\$ -	\$ 360,000	\$ -
\$13,280,000 2010 Water Series B certificates of participation, due in annual installments of \$35,000 to \$4,045,000 starting on starting on September 1, 2012 through September 1, 2028; interest at 2.50% to 7.60%	11,930,000	-	555,000	11,375,000
\$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%	17,530,000	-	725,000	16,805,000
Total business-type activities	<u>\$ 29,820,000</u>	<u>\$ -</u>	<u>\$ 1,640,000</u>	<u>\$ 28,180,000</u>
	Balance September 30, 2017	Additions	Retirements	Balance September 30, 2018
Component unit:				
Revenue bonds:				
Hospital Revenue Bonds, Series 1999, maturing October 2030; 5.125% interest; interest payments annually through October 2002, annual principal and interest payments of \$100,734 thereafter; collateralized by a deed of trust on the Independent Living Facility	\$ 1,040,804	\$ -	\$ 30,714	\$ 1,010,090
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	321,951	-	52,835	269,116
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	6,709,716	-	214,401	6,495,315
Hospital Revenue Bonds, Series 2009, maturing October 1, 2040; 4.5% interest; interest only through September 30, 2013, monthly principal and interest thereafter	1,741,469	-	50,733	1,690,736
Note payable, maturity December 2018, 4% interest	20,856	-	20,856	-
Capital leases	51,765	-	24,417	27,348
Total component unit	<u>\$ 9,886,561</u>	<u>\$ -</u>	<u>\$ 393,956</u>	<u>\$ 9,492,605</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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.

Governmental activities Certificates of Participation: During 2018, the City issued \$1,500,000 in Certificates of Participation for the Golf Clubhouse maturing March 1, 2038 with an interest rate of 3.5 percent. The loan was issued to finance the construction of the Golf Clubhouse. These certificates are payable from Payments in Lieu of Taxes (PILOTS) and Economic Activity Taxes (EATS) collected by the Tax Increment Financing-Golf Course Fund. In the absence of available monies in this fund, the General Fund will make the required debt service payments.

Governmental activities revenue bonds: 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.

Business-type activities Certificates of Participation: 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 \$16,337,905 payable through 2028. For the current year, principal and interest paid and lease revenues were \$1,404,168 and \$1,404,168, 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 \$26,474,811 payable through 2031. For the current year, principal and interest paid and lease revenues were \$1,984,954 and \$1,984,954, 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. There is no principal and interest remaining on the certificates at the end of 2018. For the current year, principal and interest paid and lease revenues were \$374,400 and \$374,400, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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 \$1,676,558. Principal and interest paid for the current year and total customer net revenues were \$151,092 and \$24,758,538, 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 \$9,449,456. Principal and interest paid for the current year and total net operating revenues were \$487,128 and \$24,758,538, 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 \$2,584,404. Principal and interest paid for the current year and total customer net revenues were \$127,068 and \$24,758,538, 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	\$ 777,073
Replacement and extension funds	756,295
	<u>\$ 1,533,368</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.

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, 2018, are as follows:

Governmental Activities:

Year ending September 30:	2018 Golf Clubhouse TIF Certificates of Participation		2014 Community Center Sales Tax Revenue Bonds		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 56,440	\$ 48,417	\$ 500,000	\$ 707,238	\$ 556,440	\$ 755,655
2020	54,769	50,524	525,000	691,341	579,769	741,865
2021	56,686	48,608	550,000	702,937	606,686	751,545
2022	58,670	46,624	600,000	683,914	658,670	730,538
2023	60,723	44,570	625,000	660,576	685,723	705,146
2024-2028	337,025	189,444	3,520,000	2,567,132	3,857,025	2,756,576
2029-2033	400,280	126,189	4,245,000	1,514,783	4,645,280	1,640,972
2034-2038	475,407	51,062	5,105,000	734,656	5,580,407	785,718
2039	-	-	1,145,000	22,900	1,145,000	22,900
Total	\$ 1,500,000	\$ 605,438	\$ 16,815,000	\$ 8,285,477	\$ 18,315,000	\$ 8,890,915

Business-Type Activities:

Year ending September 30:	2010 Water Series B Certificates of Participation		2010 Sewer Series D Certificates of Participation		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 950,000	\$ 817,255	\$ 785,000	\$ 1,215,560	\$ 1,735,000	\$ 2,032,815
2020	990,000	760,255	845,000	1,165,815	1,835,000	1,926,070
2021	1,030,000	698,875	915,000	1,110,340	1,945,000	1,809,215
2022	1,070,000	632,955	990,000	1,045,915	2,060,000	1,678,870
2023	1,120,000	556,985	1,070,000	972,785	2,190,000	1,529,770
2024-2028	6,215,000	1,496,580	6,760,000	3,502,636	12,975,000	4,999,216
2029-2031	-	-	5,440,000	656,760	5,440,000	656,760
Total	\$ 11,375,000	\$ 4,962,905	\$ 16,805,000	\$ 9,669,811	\$ 28,180,000	\$ 14,632,716

Component Unit:

Year ending September 30:	Long-Term Debt		Capital Lease Obligations		Total Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 363,583	\$ 401,705	\$ 7,234	\$ 984	\$ 370,817	\$ 402,689
2020	378,870	386,418	7,535	629	386,405	387,047
2021	397,015	368,273	7,849	368	404,864	368,641
2022	414,902	350,386	4,730	65	419,632	350,451
2023	433,601	331,687	-	-	433,601	331,687
2024-2028	2,477,983	1,348,457	-	-	2,477,983	1,348,457
2029-2033	2,440,926	795,683	-	-	2,440,926	795,683
2034-2038	2,558,377	262,541	-	-	2,558,377	262,541
Total	\$ 9,465,257	\$ 4,245,150	\$ 27,348	\$ 2,046	\$ 9,492,605	\$ 4,247,196

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, 2018 include the following assets under capital lease:

Movable equipment	\$ 49,950
Less accumulated depreciation	24,976
	<u>\$ 24,974</u>

Note 6. Interfund Balances and Transfers

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

	Transfers In	Transfers Out
Governmental activities:		
General	\$ 1,009,251	\$ 6,833
Community Center Sales Tax	-	1,477,307
Tax Increment Financing - Wal-Mart	-	5,556
Transportation Trust	-	16,908
Nonmajor governmental funds	1,484,140	1,039,222
Total governmental activities	<u>2,493,391</u>	<u>2,545,826</u>
Business-type activities:		
Water	-	220,869
Pollution control	478,187	195,428
Nonmajor enterprise funds	80,881	90,336
Total business-type activities	<u>559,068</u>	<u>506,633</u>
Total	<u>\$ 3,052,459</u>	<u>\$ 3,052,459</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, 2018, were as follows:

	Advance Receivables	Advance Payables
Governmental activities, general fund	\$ 1,836,061	\$ -
Business-type activities:		
Water fund	-	318,880
Pollution control fund	-	925,739
Nonmajor enterprise funds	-	591,442
Total	<u>\$ 1,836,061</u>	<u>\$ 1,836,061</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

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.

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>2018 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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	93
Inactive employees entitled to but not yet receiving benefits	106
Active employees	115
	<u>314</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), 5.2 percent (Police), and 6.5 percent (Fire) of annual covered payroll.

Net pension asset: The employer's net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2018. Standard updated procedures were used to rollforward the total pension liability to June 30, 2018.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

Actuarial assumptions: The total pension liability in the February 28, 2018 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
Actuarial cost method	Entry age normal

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 28, 2018 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%	5.16%
Fixed income	26.00	2.86
Real assets	21.00	3.23
Strategic assets	10.00	5.59
	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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2017	\$ 19,630,398	\$ 21,744,383	\$ (2,113,985)
Changes for the year:			
Service Cost	460,155	-	460,155
Interest on the total pension liability	1,417,614	-	1,417,614
Changes of benefit terms	-	-	-
Difference between expected and actual experience	70,122	-	70,122
Changes of assumptions	-	-	-
Contributions - employer	-	379,081	(379,081)
Net investment income	-	2,679,267	(2,679,267)
Benefit payments, including refunds	(617,124)	(617,124)	-
Administrative expense	-	(20,998)	20,998
Other changes	-	(54,753)	54,753
Net changes	1,330,767	2,365,473	(1,034,706)
Balances at September 30, 2018	\$ 20,961,165	\$ 24,109,856	\$ (3,148,691)

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	\$ 24,201,428	\$ 20,961,165	\$ 18,325,207
Plan fiduciary net position	24,109,856	24,109,856	24,109,856
Net pension liability (asset)	\$ 91,572	\$ (3,148,691)	\$ (5,784,649)

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, 2018 the employer recognized pension expense of \$455,207. 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	\$ 208,859	\$ (363,347)
Changes in assumptions	224,689	-
Net difference between projected and actual earnings on pension plan investments	-	(679,515)
Contributions subsequent to the measurement date*	94,960	-
Total	\$ 528,508	\$ (1,042,862)

* 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, 2019.

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

Year ended:	
2019	\$ 97,606
2020	(113,828)
2021	(402,214)
2022	(190,878)
	<u>\$ (609,314)</u>

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.

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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

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.

Health benefits after retirement: The City amended the terms of the plan in the current fiscal year to close the plan. The City will permit an employee that retired prior to July 16, 2018 to continue participation in City-sponsored health insurance programs. The retired employee may continue said coverage until age 65 is reached or he/she becomes eligible for Medicare, whichever is first. The retired employee will pay the full premium cost of any coverage for himself/herself and any eligibly enrolled dependents. As of September 30, 2018 the plan only had 5 participants. By December 31, 2018, 4 participants will leave the plan because they've reached age 65 and will have no liability remaining from the City. There will be no future retirees eligible for the plan, as such the City deemed this liability to be immaterial to the financial statements, and therefore has written off the OPEB liability.

Plan termination: The City terminated non-Medicare benefits as of December 31, 2018. No other postretirement benefit plan will be offered to employees, therefore, the liability for future payments is no longer required. The plans do not issue stand-alone financial statements.

Note 9. Commitments and Contingencies

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

Construction projects: The MARRS Radio System Upgrade project, the Transportation Trust Overlay project, Golf Course Clubhouse project, Golf Course Subdivision project, Highway 92 Sewer Expansion project, and the Hall of Waters Roof project were in process at year-end. Total costs related to these projects are expected to be \$5,370,250, of which \$2,682,828 had been expended thru September 30, 2018. These costs are to be funded through sales tax revenues.

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, 2018 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, 2018, and for each of the past three fiscal years.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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 56 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the year ended September 30, 2018.

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:	Community Center		Transportation Fund	Nonmajor	Total
	General	Sales Tax		Governmental Funds	Governmental Funds
Nonspendable:					
Prepays	\$ 302,968	\$ -	\$ -	\$ -	\$ 302,968
Advances	1,836,061	-	-	-	1,836,061
Perpetual maintenance fund	-	-	-	204,920	204,920
Total nonspendable	2,139,029	-	-	204,920	2,343,949
Restricted:					
Debt service	-	-	-	458,931	458,931
Assets held for sale	-	-	-	23,000	23,000
Parks and recreation	-	-	-	1,121,959	1,121,959
Capital projects	365,912	-	1,157,740	2,904,328	4,427,980
Planning and development	-	1,580,756	-	789,017	2,369,773
Public safety	-	-	-	1,292,532	1,292,532
Cemetery maintenance	-	-	-	4,044	4,044
Total restricted	365,912	1,580,756	1,157,740	6,593,811	9,698,219
Unassigned	1,822,760	-	-	-	1,822,760
Total fund balances	\$ 4,327,701	\$ 1,580,756	\$ 1,157,740	\$ 6,798,731	\$ 13,864,928

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 13. Tax Abatements

Chapter 100 bonds: The City enters into real and personal property tax abatement agreements with local businesses pursuant to Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Missouri Revised Statutes, as amended. Under this authority, municipalities may grant real and personal property tax abatements of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ended September 30, 2018, the City abated property taxes totaling \$20,699 under this program.

Section 353 abatements: The Missouri Urban Redevelopment Corporation Law, Chapter 353, R.S.Mo., provides for the creation of a corporation to acquire, construct, maintain and operate redevelopment projects in areas determined by the City to be blighted. Pursuant to a Redevelopment Agreement with the City, real estate taxes on land may be frozen at the pre-improvement assessment on the land exclusive of improvements, with any taxes on improvements and increased value of land abated for up to 10 years. An additional abatement of up to 15 years of 50 percent of the taxes assessed on the true value of the land and improvements is also authorized. Abatement is conditional on completion of improvements specified in the Redevelopment Agreement to remediate blighting conditions.

For the fiscal year ended September 30, 2018, the City abated property taxes totaling \$4,335 under this program.

Tax increment financing: The Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri, as amended, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city to be a "blighted area", "conservation area", or "economic development area", each as defined in such Act. For the fiscal year ended September 30, 2018, the City abated property taxes and sales taxes totaling \$228,218 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated.

A 100 percent real estate tax increment abatement and a 50 percent sales tax increment abatement to offset the cost of public improvements in the Vintage Plaza I/II TIF districts. These abatements totaled \$143,429.

A 50 percent sales tax increment abatement to offset the cost of public improvements in the Elms Hotel TIF district. This abatement totaled \$82,258.

Note 14. 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. 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 14. Governmental Accounting Standards Board (GASB) Statements (Continued)

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.

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.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending September 30, 2021, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, issued March 2018, will be effective for the City beginning with its fiscal year ending September 30, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This Statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

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,	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 460,155	\$ 446,644	\$ 434,493	\$ 431,807
Interest on the total pension liability	1,417,614	1,351,633	1,249,224	1,181,395
Difference between expected and actual experience	70,122	(255,996)	(331,590)	(113,475)
Assumption changes	-	-	664,219	-
Benefit payments, including refunds	(617,124)	(659,806)	(561,468)	(569,339)
Net change in total pension liability	1,330,767	882,475	1,454,878	930,388
Total pension liability, beginning	19,630,398	18,747,923	17,293,045	16,362,657
Total pension liability, ending	\$ 20,961,165	\$ 19,630,398	\$ 18,747,923	\$ 17,293,045
Plan Fiduciary Net Position				
Contributions-employer	\$ 379,081	\$ 376,341	\$ 402,260	\$ 398,989
Contributions-employee	-	-	-	-
Pension plan net investment income	2,679,267	2,367,110	(20,141)	377,177
Benefit payments, including refunds	(617,124)	(659,806)	(561,468)	(569,339)
Pension plan administrative expense	(20,998)	(19,131)	(18,674)	(20,039)
Other	(54,753)	87,439	34,240	222,869
Net change in plan fiduciary net position	2,365,473	2,151,953	(163,783)	409,657
Plan fiduciary net position, beginning	21,744,383	19,592,430	19,756,213	19,346,556
Plan fiduciary net position, ending	\$ 24,109,856	\$ 21,744,383	\$ 19,592,430	\$ 19,756,213
Employer net pension liability (asset)	\$ (3,148,691)	\$ (2,113,985)	\$ (844,507)	\$ (2,463,168)
Plan fiduciary net position as a percentage of the total pension liability	115.02%	110.77%	104.50%	114.24%
Covered payroll	\$ 5,368,891	\$ 4,962,128	\$ 4,941,881	\$ 4,849,449
Employer's net pension liability (asset) as a percentage of covered payroll	(58.65)%	(42.60)%	(17.09)%	(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.

City of Excelsior Springs, Missouri

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

	2018	2017	2016	2015
Actuarially determined contribution	\$ 382,771	\$ 363,238	\$ 406,071	\$ 455,474
Contributions in relation to the actuarially determined contribution	382,771	363,238	406,071	406,729
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,745</u>
Covered payroll	\$ 5,528,875	\$ 5,183,599	\$ 5,154,055	\$ 4,844,249
Contributions as a percentage of covered payroll	6.92%	7.01%	7.88%	8.40%

Actuarial assumptions: See Note 7 for summary of actuarial assumptions. There are no significant differences between the financial reporting assumptions and the actuarially determined contribution (funding) assumptions, except as follows:

Amortization method: A level percentage of payroll amortization is used to amortize the UAAL over a closed period of years.

Remaining amortization period: Multiple bases from 12 to 17 years.

Asset valuation method: 5-year smoothed market, 20% corridor.

2014	2013	2012	2011	2010	2009
\$ 482,541	\$ 473,717	\$ 418,141	\$ 386,706	\$ 176,300	\$ 220,421
377,706	329,784	269,364	223,517	176,300	211,479
\$ 104,835	\$ 143,933	\$ 148,777	\$ 163,189	\$ -	\$ 8,942
\$ 4,826,467	\$ 4,734,325	\$ 4,516,929	\$ 4,501,587	\$ 4,428,502	\$ 4,268,427
7.83%	6.97%	5.96%	4.97%	3.98%	4.95%

City of Excelsior Springs, Missouri

**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds	Capital Projects Funds	
		Capital Improvements	Community Center Project
Assets			
Cash, cash equivalents and investments	\$ 2,032,792	\$ 2,464,009	\$ -
Receivables, net of allowance for uncollectibles:			
Property taxes	689,309	-	-
Due from other governments	86,484	72,645	-
Assets held for sale	-	23,000	-
Restricted cash and cash equivalents	1,475,502	-	353,601
Restricted investments	-	-	-
Total assets	\$ 4,284,087	\$ 2,559,654	\$ 353,601
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)			
Liabilities, accounts payable and accrued expenses	\$ 316,560	\$ 59,868	\$ -
Deferred inflows of resources, unavailable revenue—property taxes	690,078	-	-
Fund balance (deficit):			
Nonspendable	-	-	-
Restricted	3,277,449	2,499,786	353,601
Total fund balance	3,277,449	2,499,786	353,601
Total liabilities, deferred inflows of resources and fund balance	\$ 4,284,087	\$ 2,559,654	\$ 353,601

Debt Service Fund	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ 8,290	\$ 4,505,091
-	-	689,309
-	-	159,129
-	-	23,000
458,931	9,077	2,297,111
-	195,843	195,843
<hr/>		
\$ 458,931	\$ 213,210	\$ 7,869,483
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\$ -	\$ 4,246	\$ 380,674
<hr/>		
-	-	690,078
<hr/>		
-	204,920	204,920
458,931	4,044	6,593,811
<hr/>		
458,931	208,964	6,798,731
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<hr/>		
\$ 458,931	\$ 213,210	\$ 7,869,483
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City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes In Fund Balances—Nonmajor Governmental Funds
Year Ended September 30, 2018

	Special Revenue Funds	Capital Projects Funds	
		Capital Improvements	Community Center Project
Revenues:			
Taxes	\$ 2,087,874	\$ 1,053,135	\$ -
Intergovernmental revenues	107,897	-	-
Charges for services	1,283,884	-	-
Investment earnings	31,731	31,948	5,044
Miscellaneous	18,507	4,957	-
Total revenues	3,529,893	1,090,040	5,044
Expenditures:			
Current:			
General government	1,102	105,777	-
Public safety	139,104	-	-
Community center activities	1,368,737	-	-
Recreational activities	637,216	-	-
Cemetery operations	-	-	-
Community betterment	1,219,792	516,726	-
Capital outlay	489,724	11,370	87,271
Debt service:			
Principal	-	-	-
Interest	-	-	-
Trustee fees	-	-	-
Total expenditures	3,855,675	633,873	87,271
Excess (deficiency) of revenues over (under) expenditures	(325,782)	456,167	(82,227)
Other financing sources (uses):			
Proceeds from sale of capital assets	15,000	-	-
Issuance of debt	1,500,000	-	-
Transfers in	306,831	-	-
Transfers out	(475,967)	(563,255)	-
Total other financing sources (uses)	1,345,864	(563,255)	-
Net change in fund balances	1,020,082	(107,088)	(82,227)
Fund balances, beginning	2,257,367	2,606,874	435,828
Fund balances, ending	\$ 3,277,449	\$ 2,499,786	\$ 353,601

Debt Service Fund	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 3,141,009
-	-	107,897
-	31,866	1,315,750
2,992	660	72,375
-	-	23,464
<u>2,992</u>	<u>32,526</u>	<u>4,660,495</u>
-	-	106,879
-	-	139,104
-	-	1,368,737
-	-	637,216
-	38,619	38,619
-	-	1,736,518
-	-	588,365
500,000	-	500,000
669,008	-	669,008
1,300	-	1,300
<u>1,170,308</u>	<u>38,619</u>	<u>5,785,746</u>
(1,167,316)	(6,093)	(1,125,251)
-	-	15,000
-	-	1,500,000
1,177,309	-	1,484,140
-	-	(1,039,222)
<u>1,177,309</u>	<u>-</u>	<u>1,959,918</u>
9,993	(6,093)	834,667
<u>448,938</u>	<u>215,057</u>	<u>5,964,064</u>
<u>\$ 458,931</u>	<u>\$ 208,964</u>	<u>\$ 6,798,731</u>

City of Excelsior Springs, Missouri

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2018**

	E-911 Phone Tax	Tax Increment Financing- Paradise Playhouse
Assets		
Cash and cash equivalents	\$ 2,182	\$ -
Receivables, net of allowance for uncollectibles, property taxes	-	4,586
Due from other governments	4,089	-
Restricted cash and cash equivalents	-	-
	<hr/>	<hr/>
Total assets	\$ 6,271	\$ 4,586
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities, accounts payable and accrued expenses	\$ 3,041	\$ -
	<hr/>	<hr/>
Deferred inflows of resources, unavailable revenue - property taxes	-	4,586
	<hr/>	<hr/>
Fund balance, restricted:	3,230	-
	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 6,271	\$ 4,586

(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
\$ 14,185	\$ 1,153,383	\$ 117,798	\$ 27,703	\$ 73,941	\$ 4,102
111,756	-	-	-	-	21,883
8,881	68,523	-	-	-	3
-	-	-	-	-	-
<u>\$ 134,822</u>	<u>\$ 1,221,906</u>	<u>\$ 117,798</u>	<u>\$ 27,703</u>	<u>\$ 73,941</u>	<u>\$ 25,988</u>
\$ -	\$ 50,402	\$ -	\$ 21,885	\$ -	\$ -
111,756	-	-	-	-	21,883
23,066	1,171,504	117,798	5,818	73,941	4,105
<u>\$ 134,822</u>	<u>\$ 1,221,906</u>	<u>\$ 117,798</u>	<u>\$ 27,703</u>	<u>\$ 73,941</u>	<u>\$ 25,988</u>

City of Excelsior Springs, Missouri

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2018**

	Parks and Recreation	Community Center Operating	Tax Increment Financing- Golf Course	Total
Assets				
Cash and cash equivalents	\$ 402,573	\$ 236,925	\$ -	\$ 2,032,792
Receivables, net of allowance for uncollectibles, property taxes	551,084	-	-	689,309
Due from other governments	4,988	-	-	86,484
Restricted cash and cash equivalents	7,849	500,000	967,653	1,475,502
Total assets	\$ 966,494	\$ 736,925	\$ 967,653	\$ 4,284,087
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities, accounts payable and accrued expenses	\$ 7,806	\$ 21,801	\$ 211,625	\$ 316,560
Deferred inflows of resources, unavailable revenue—property taxes	551,853	-	-	690,078
Fund balance, restricted:	406,835	715,124	756,028	3,277,449
Total liabilities, deferred inflows of resources and fund balance	\$ 966,494	\$ 736,925	\$ 967,653	\$ 4,284,087

City of Excelsior Springs, Missouri

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds
Year Ended September 30, 2018**

	E-911 Phone Tax	Tax Increment Financing- Paradise Playhouse
Revenues:		
Taxes	\$ 52,804	\$ 4,429
Intergovernmental revenues	-	-
Charges for services	-	-
Investment earnings	140	-
Miscellaneous	-	-
Total revenues	52,944	4,429
Expenditures:		
Current:		
General government	21	-
Public safety	48,360	-
Community center activities	-	-
Recreational activities	-	-
Community betterment	-	3,710
Capital outlay	-	-
Total expenditures	48,381	3,710
Excess (deficiency) of revenues over expenditures	4,563	719
Other financing sources (uses):		
Proceeds from sale of capital assets	-	-
Issuance of debt	-	-
Transfers in	-	-
Transfers out	(37,800)	-
Total other financing sources (uses)	(37,800)	-
Net change in fund balance	(33,237)	719
Fund balances (deficit), beginning	36,467	(719)
Fund balances, ending	\$ 3,230	\$ -

(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
\$ 236,732	\$ 1,007,557	\$ -	\$ 90,911	\$ -	\$ 38,509
-	-	-	30,700	60,697	-
-	-	-	-	-	-
-	9,875	-	-	-	-
-	-	-	-	-	-
236,732	1,017,432	-	121,611	60,697	38,509
-	1,081	-	-	-	-
-	67,881	22,863	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
235,373	-	-	113,266	6,000	49,149
-	326,956	-	-	57,900	-
235,373	395,918	22,863	113,266	63,900	49,149
1,359	621,514	(22,863)	8,345	(3,203)	(10,640)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,831	-	-
(2,508)	(427,159)	-	(2,500)	-	-
(2,508)	(427,159)	-	4,331	-	-
(1,149)	194,355	(22,863)	12,676	(3,203)	(10,640)
24,215	977,149	140,661	(6,858)	77,144	14,745
\$ 23,066	\$ 1,171,504	\$ 117,798	\$ 5,818	\$ 73,941	\$ 4,105

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, 2018**

	Parks and Recreation	Community Center Operating	Tax Increment Financing- Golf Course	Total
Revenues:				
Taxes	\$ 654,407	\$ -	\$ 2,525	\$ 2,087,874
Intergovernmental revenues	16,500	-	-	107,897
Charges for services	54,404	1,229,480	-	1,283,884
Investment earnings	10,625	5,727	5,364	31,731
Miscellaneous	1,771	14,736	2,000	18,507
Total revenues	737,707	1,249,943	9,889	3,529,893
Expenditures:				
Current:				
General government	-	-	-	1,102
Public safety	-	-	-	139,104
Community center activities	-	1,368,737	-	1,368,737
Recreational activities	637,216	-	-	637,216
Community betterment	58,433	-	753,861	1,219,792
Capital outlay	104,868	-	-	489,724
Total expenditures	800,517	1,368,737	753,861	3,855,675
Excess (deficiency) of revenues over expenditures	(62,810)	(118,794)	(743,972)	(325,782)
Other financing sources (uses):				
Proceeds from sale of capital assets	15,000	-	-	15,000
Issuance of debt	-	-	1,500,000	1,500,000
Transfers in	-	300,000	-	306,831
Transfers out	(6,000)	-	-	(475,967)
Total other financing sources (uses)	9,000	300,000	1,500,000	1,345,864
Net change in fund balance	(53,810)	181,206	756,028	1,020,082
Fund balances (deficit), beginning	460,645	533,918	-	2,257,367
Fund balances, ending	\$ 406,835	\$ 715,124	\$ 756,028	\$ 3,277,449

City of Excelsior Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances—
 General Fund Sub-Funds—Budget to Actual
 Year Ended September 30, 2018

	Construction Services		Elms Hotel Event Fees	
	Budget	Actual	Budget	Actual
Revenues:				
Intergovernmental revenues	\$ 15,000	\$ -	\$ -	\$ -
Charges for services	420,000	425,384	-	-
Investment earnings	-	-	100	120
Miscellaneous	-	(3,684)	49,026	40,711
Total revenues	435,000	421,700	49,126	40,831
Expenditures:				
Current:				
General government	-	-	45,879	40,406
Public works	532,448	511,731	-	-
Total expenditures	532,448	511,731	45,879	40,406
Excess (deficiency) of revenues over expenditures	(97,448)	(90,031)	3,247	425
Other financing sources (uses):				
Transfers in	134,000	151,459	-	-
Transfers out	(26,000)	(26,000)	(4,440)	(7,227)
Total other financing sources (uses)	108,000	125,459	(4,440)	(7,227)
Net change in fund balance (deficit)	\$ 10,552	35,428	\$ (1,193)	(6,802)
Fund balances, beginning		(54,545)		13,152
Fund balances, ending		\$ (19,117)		\$ 6,350

City of Excelsior Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)—
Nonmajor Special Revenue Funds—Budget to Actual
Year Ended September 30, 2018**

	E-911 Phone Tax	
	Budget	Actual
Revenues:		
Taxes	\$ 55,000	\$ 52,804
Investment earnings	70	140
Total revenues	<u>55,070</u>	<u>52,944</u>
Expenditures:		
Current:		
General government	100	21
Public safety	35,500	48,360
Community betterment	-	-
Capital outlay	-	-
Total expenditures	<u>35,600</u>	<u>48,381</u>
Excess (deficiency) of revenues over expenditures	<u>19,470</u>	<u>4,563</u>
Other financing sources (uses):		
Proceeds from sale of capital assets	-	-
Transfers out	(37,800)	(37,800)
Total other financing sources (uses)	<u>(37,800)</u>	<u>(37,800)</u>
Net change in fund balance (deficit)	<u>\$ (18,330)</u>	<u>(33,237)</u>
Fund balances (deficit), beginning		<u>36,467</u>
Fund balances, ending		<u>\$ 3,230</u>

(Continued)

Tax Increment Financing - Paradise Playhouse		Tax Increment Financing - Vintage Development		Public Safety Sales Tax	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 5,000	\$ 4,429	\$ 231,572	\$ 236,732	\$ 938,011	\$ 1,007,557
-	-	-	-	6,600	9,875
5,000	4,429	231,572	236,732	944,611	1,017,432
-	-	-	-	1,100	1,081
-	-	-	-	164,125	67,881
4,281	3,710	253,279	235,373	-	-
-	-	-	-	322,285	326,956
4,281	3,710	253,279	235,373	487,510	395,918
719	719	(21,707)	1,359	457,101	621,514
-	-	-	-	47,419	-
-	-	(2,508)	(2,508)	(465,000)	(427,159)
-	-	(2,508)	(2,508)	(417,581)	(427,159)
<u>\$ 719</u>	719	<u>\$ (24,215)</u>	(1,149)	<u>\$ 39,520</u>	194,355
	<u>(719)</u>		<u>24,215</u>		<u>977,149</u>
	<u>\$ -</u>		<u>\$ 23,066</u>		<u>\$ 1,171,504</u>

City of Excelsior Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)—
Nonmajor Special Revenue Funds—Budget to Actual (Continued)
Year Ended September 30, 2018**

	Equitable Sharing		Tax Increment Financing - Elms Hotel	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ 90,000	\$ 90,911
Intergovernmental revenues	-	-	38,000	30,700
Total revenues	-	-	128,000	121,611
Expenditures:				
Current:				
Public safety	26,000	22,863	-	-
Community betterment	-	-	125,500	113,266
Capital outlay	-	-	-	-
Total expenditures	26,000	22,863	125,500	113,266
Excess (deficiency) of revenues over expenditures	(26,000)	(22,863)	2,500	8,345
Other financing sources (uses),				
Transfers in	-	-	-	6,831
Transfers out	-	-	(2,500)	(2,500)
Total other financing sources (uses)	-	-	(2,500)	4,331
Net change in fund balance (deficit)	\$ (26,000)	(22,863)	\$ -	12,676
Fund balances (deficit), beginning		140,661		(6,858)
Fund balances, ending		<u>\$ 117,798</u>		<u>\$ 5,818</u>

(Continued)

Community Development Block Grant		Tax Increment Financing- Vintage Development II	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 59,181	\$ 38,509
60,697	60,697	-	-
<u>60,697</u>	<u>60,697</u>	<u>59,181</u>	<u>38,509</u>
-	-	-	-
6,000	6,000	59,181	49,149
57,900	57,900	-	-
<u>63,900</u>	<u>63,900</u>	<u>59,181</u>	<u>49,149</u>
(3,203)	(3,203)	-	(10,640)
3,203	-	-	-
-	-	-	-
<u>3,203</u>	-	-	-
<u>\$ -</u>	(3,203)	<u>\$ -</u>	(10,640)
	<u>77,144</u>		<u>14,745</u>
	<u>\$ 73,941</u>		<u>\$ 4,105</u>

City of Excelsior Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)—
Nonmajor Special Revenue Funds—Budget to Actual (Continued)
Year Ended September 30, 2018**

	Parks and Recreation		Community Center Operating	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ 658,612	\$ 654,407	\$ -	\$ -
Intergovernmental revenues	19,500	16,500	-	-
Charges for services	62,100	54,404	1,281,754	1,229,480
Investment earnings	9,500	10,625	5,400	5,727
Miscellaneous	7,375	1,771	-	14,736
Total revenues	757,087	737,707	1,287,154	1,249,943
Expenditures:				
Current:				
Community center activities	-	-	-	1,368,737
Recreational activities	656,477	637,216	1,408,544	-
Community betterment	60,213	58,433	-	-
Capital outlay	92,775	104,868	-	-
Total expenditures	809,465	800,517	1,408,544	1,368,737
Excess (deficiency) of revenues over expenditures	(52,378)	(62,810)	(121,390)	(118,794)
Other financing sources (uses):				
Proceeds from sale of capital assets	15,000	15,000	-	-
Issuance of debt	-	-	-	-
Transfers in	-	-	300,000	300,000
Transfers out	(7,000)	(6,000)	-	-
Total other financing sources (uses)	8,000	9,000	300,000	300,000
Net change in fund balance (deficit)	\$ (44,378)	(53,810)	\$ 178,610	181,206
Fund balances, beginning		460,645		533,918
Fund balances, ending		<u>\$ 406,835</u>		<u>\$ 715,124</u>

Tax Increment Financing-
Golf Course

	Budget		Actual
\$	5,000	\$	2,525
	-		-
	-		-
	4,000		5,364
	2,000		2,000
	<u>11,000</u>		<u>9,889</u>

	-		-
	-		-
	1,500,550		753,861
	-		-
	<u>1,500,550</u>		<u>753,861</u>

	<u>(1,489,550)</u>		<u>(743,972)</u>
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	-		-
	1,500,000		1,500,000
	-		-
	-		-
	<u>1,500,000</u>		<u>1,500,000</u>

\$	<u>10,450</u>		756,028
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	<u>-</u>
\$	<u>756,028</u>

City of Excelsior Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances—
Nonmajor Debt Service Fund—Budget to Actual
Year Ended September 30, 2018**

	Debt Service	
	Budget	Actual
Revenues, investment earnings	\$ 2,500	\$ 2,992
Expenditures, debt service:		
Principal	500,000	500,000
Interest	669,008	669,008
Trustee fees	5,000	1,300
Total expenditures	1,174,008	1,170,308
(Deficiency) of revenues over (under) expenditures	(1,171,508)	(1,167,316)
Other financing sources, transfers in	1,174,008	1,177,309
Net change in fund balance	\$ 2,500	9,993
Fund balances, beginning		448,938
Fund balances, ending		\$ 458,931

City of Excelsior Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual
Transportation Trust Fund
Year Ended September 30, 2018**

	Budget	Actual
Revenues:		
Taxes	\$ 981,669	\$ 1,007,606
Investment earnings	20,000	16,288
Total revenues	<u>1,001,669</u>	<u>1,023,894</u>
Expenditures:		
Current:		
General government	-	1,096
Public works	1,425,300	1,971,689
Capital outlay	-	1,616
Total expenditures	<u>1,425,300</u>	<u>1,974,401</u>
Excess of revenues over expenditures	(423,631)	(950,507)
Other financing sources (uses), transfers out	<u>(18,000)</u>	<u>(16,908)</u>
Net change in fund balance	<u><u>\$ (441,631)</u></u>	<u>(967,415)</u>
Fund balances, beginning		<u>2,125,155</u>
Fund balances, ending		<u><u>\$ 1,157,740</u></u>

City of Excelsior Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual
Capital Improvements Fund
Year Ended September 30, 2018**

	Budget	Actual
Revenues:		
Taxes	\$ 1,029,669	\$ 1,053,135
Investment earnings	34,500	31,948
Miscellaneous	4,868	4,957
Total revenues	<u>1,069,037</u>	<u>1,090,040</u>
Expenditures:		
Current:		
General government	571,982	105,777
Public works	-	-
Public safety	8,523	-
Recreational activities	-	-
Community betterment	1,797,701	516,726
Capital outlay	32,477	11,370
Total expenditures	<u>2,410,683</u>	<u>633,873</u>
Excess of revenues over expenditures	<u>(1,341,646)</u>	<u>456,167</u>
Other financing sources (uses), transfers out	<u>(679,305)</u>	<u>(563,255)</u>
Net change in fund balance	<u>\$ (2,020,951)</u>	<u>(107,088)</u>
Fund balances, beginning		<u>2,606,874</u>
Fund balances, ending		<u>\$ 2,499,786</u>

City of Excelsior Springs, Missouri

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 September 30, 2018

	Airport	Refuse	Golf	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ 77,452	\$ 1,230	\$ 78,682
Accounts receivable, net of allowance for uncollectibles	2,258	101,255	-	103,513
Total current assets	2,258	178,707	1,230	182,195
Noncurrent assets:				
Net pension asset	-	9,110	55,904	65,014
Capital assets:				
Land	50,000	-	155,688	205,688
Land improvements	25,000	-	1,574,853	1,599,853
Buildings and improvements	48,624	-	164,662	213,286
Operating equipment	552,145	-	631,571	1,183,716
Furniture and office equipment	10,950	-	22,225	33,175
Total capital assets	686,719	-	2,548,999	3,235,718
Less accumulated depreciation	161,273	-	1,834,495	1,995,768
Net capital assets	525,446	-	714,504	1,239,950
Total noncurrent assets	525,446	9,110	770,408	1,304,964
Total assets	527,704	187,817	771,638	1,487,159
Deferred Outflows of Resources,				
Pension related amounts	-	1,216	7,461	8,677
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,073	\$ 603	\$ 9,982	\$ 11,658
Compensated absences	-	429	59,555	59,984
Unearned revenues	-	-	11,744	11,744
Total current liabilities	1,073	1,032	81,281	83,386
Noncurrent liabilities:				
Advances from other funds	54,961	-	536,481	591,442
Total noncurrent liabilities	54,961	-	536,481	591,442
Total liabilities	56,034	1,032	617,762	674,828
Deferred Inflows of Resources,				
pension related amounts	-	3,216	19,729	22,945
Net Position (Deficit)				
Net investment in capital assets	525,446	-	714,504	1,239,950
Unrestricted	(53,776)	184,785	(572,896)	(441,887)
Total net position	\$ 471,670	\$ 184,785	\$ 141,608	\$ 798,063

City of Excelsior Springs, Missouri

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2018**

	Airport	Refuse	Golf	Total
Operating revenues:				
Charges for services	\$ 2,854	\$ 845,348	\$ 619,465	\$ 1,467,667
Rental income	11,527	-	-	11,527
Other	-	44,026	5,788	49,814
Total operating revenues	14,381	889,374	625,253	1,529,008
Operating expenses:				
Personnel services	-	56,165	417,999	474,164
Contractual and professional services	638	795,244	2,505	798,387
Utilities	8,513	975	18,063	27,551
Maintenance and repairs	1,458	235	92,315	94,008
Cost of goods sold	2,854	-	78,666	81,520
Insurance	2,100	1,099	12,332	15,531
Supplies and materials (administrative)	6,154	21,470	185,431	213,055
Depreciation	31,013	-	143,403	174,416
Total operating expenses	52,730	875,188	950,714	1,878,632
Operating income (loss)	(38,349)	14,186	(325,461)	(349,624)
Nonoperating revenue (expense), investment earnings				
	-	973	-	973
Income (loss) before transfers	(38,349)	15,159	(325,461)	(348,651)
Transfers in				
	-	-	80,881	80,881
Transfers out				
	(5,800)	(42,700)	(41,836)	(90,336)
	(5,800)	(42,700)	39,045	(9,455)
Change in net position	(44,149)	(27,541)	(286,416)	(358,106)
Total net position, beginning	515,819	212,326	428,024	1,156,169
Total net position, ending	\$ 471,670	\$ 184,785	\$ 141,608	\$ 798,063

City of Excelsior Springs, Missouri

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2018**

	Airport	Refuse	Golf	Total
Cash flows from operating activities:				
Cash collected from customers	\$ 14,358	\$ 843,766	\$ 572,491	\$ 1,430,615
Cash from other operating revenue	-	44,026	5,788	49,814
Cash paid to suppliers for goods and services	(20,854)	(820,897)	(397,817)	(1,239,568)
Cash paid to employees for services	-	(58,261)	(420,660)	(478,921)
Net cash provided by (used in) operating activities	(6,496)	8,634	(240,198)	(238,060)
Cash flows from noncapital financing activities:				
Increases in advances from other funds	12,296	-	201,171	213,467
Transfers in	-	-	80,881	80,881
Transfers out	(5,800)	(42,700)	(41,836)	(90,336)
Net cash provided by (used in) noncapital financing activities	6,496	(42,700)	240,216	204,012
Cash flows from investing activities,				
interest income	-	973	-	973
Net cash provided by investing activities	-	973	-	973
Net increase (decrease) in cash and cash equivalents	-	(33,093)	18	(33,075)
Cash and cash equivalents:				
Beginning	-	110,545	1,212	111,757
Ending	\$ -	\$ 77,452	\$ 1,230	\$ 78,682

(Continued)

City of Excelsior Springs, Missouri

**Combining Statement of Cash Flows (Continued)
 Nonmajor Enterprise Funds
 Year Ended September 30, 2018**

	Airport	Refuse	Golf	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (38,349)	\$ 14,186	\$ (325,461)	\$ (349,624)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	31,013	-	143,403	174,416
(Increase) in accounts receivable	(23)	(1,582)	-	(1,605)
Decrease in inventory	2,854	-	-	2,854
(Decrease) in accounts payable and accrued expenses	(1,991)	(1,874)	(8,505)	(12,370)
(Decrease) in unearned revenues	-	-	(46,974)	(46,974)
(Decrease) in other postemployment benefits obligation - noncash writeoff	-	(2,039)	(15,547)	(17,586)
(Increase) in net pension asset	-	(4,460)	(22,576)	(27,036)
Decrease in deferred outflows	-	2,288	16,020	18,308
Increase in deferred inflows	-	2,163	12,526	14,689
Increase (decrease) in compensated absences	-	(48)	6,916	6,868
Net cash provided by (used in) operating activities	\$ (6,496)	\$ 8,634	\$ (240,198)	\$ (238,060)

City of Excelsior Springs, Missouri

**Combining Statement of Assets and Liabilities—Agency Funds
September 30, 2018**

	Hospital	Payroll	Road District	Total
Assets				
Cash and cash equivalents	\$ 1,871,546	\$ 110,728	\$ 648,894	\$ 2,631,168
Taxes receivable	178	-	-	178
Prepaid items	-	51,183	-	51,183
Total assets	\$ 1,871,724	\$ 161,911	\$ 648,894	\$ 2,682,529
Liabilities				
Due to other funds	\$ -	\$ 161,911	\$ -	\$ 161,911
Due to component unit	1,871,724	-	-	1,871,724
Due to other governments	-	-	648,894	648,894
Total liabilities	\$ 1,871,724	\$ 161,911	\$ 648,894	\$ 2,682,529

City of Excelsior Springs, Missouri

**Statement of Changes in Assets and Liabilities—Agency Funds
Year Ended September 30, 2018**

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
Hospital Fund				
Assets:				
Cash and cash equivalents	\$ 3,887,842	\$ 603,369	\$ 2,619,665	\$ 1,871,546
Taxes receivable	238	275,714	275,774	178
Total assets	\$ 3,888,080	\$ 879,083	\$ 2,895,439	\$ 1,871,724
Liabilities:				
Accounts payable	\$ -	\$ 313,300	\$ 313,300	\$ -
Due to component unit	3,888,080	565,783	2,582,139	1,871,724
Total liabilities	\$ 3,888,080	\$ 879,083	\$ 2,895,439	\$ 1,871,724
Payroll Fund				
Assets:				
Cash and cash equivalents	\$ -	\$ 10,518,364	\$ 10,407,636	\$ 110,728
Prepaid items	84,099	306,954	339,870	51,183
Total assets	\$ 84,099	\$ 10,825,318	\$ 10,747,506	\$ 161,911
Liabilities, due to other funds	\$ 84,099	\$ 10,747,506	\$ 10,669,694	\$ 161,911
Road District Fund				
Assets, cash and cash equivalents	\$ 501,625	\$ 182,962	\$ 35,693	\$ 648,894
Liabilities:				
Accounts payable	\$ 10,250	\$ 14,522	\$ 24,772	\$ -
Due to other governments	491,375	168,440	10,921	648,894
Total liabilities	\$ 501,625	\$ 182,962	\$ 35,693	\$ 648,894
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 4,389,467	\$ 11,304,695	\$ 13,062,994	\$ 2,631,168
Taxes receivable	238	275,714	275,774	178
Prepaid items	84,099	306,954	339,870	51,183
Total assets	\$ 4,473,804	\$ 11,887,363	\$ 13,678,638	\$ 2,682,529
Liabilities:				
Accounts payable	\$ 10,250	\$ 327,822	\$ 338,072	\$ -
Due to other funds	84,099	10,747,506	10,669,694	161,911
Due to component unit	3,888,080	565,783	2,582,139	1,871,724
Due to other governments	491,375	168,440	10,921	648,894
Total liabilities	\$ 4,473,804	\$ 11,809,551	\$ 13,600,826	\$ 2,682,529

City of Excelsior Springs, Missouri

Statistical Section Contents

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	94-99
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the	100-105
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt	106-109
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	110-111
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and	112-119

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
Net investment in capital assets	11,453,475	12,241,755	12,996,356	14,097,836	14,653,459	13,799,025	16,967,781	16,001,600	14,311,258	12,426,941
Restricted	5,375,415	5,493,852	8,196,025	7,891,720	8,367,261	9,073,288	8,857,748	9,618,400	10,161,087	8,928,692
Unrestricted	4,580,245	4,070,307	2,634,310	2,955,188	1,966,343	1,779,260	4,424,070	5,075,521	5,420,970	6,379,919
Total governmental activities net position	<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>	<u>29,893,315</u>	<u>27,735,552</u>
Business-type activities:										
Net investment in capital assets	6,951,927	7,033,568	7,360,002	10,074,915	11,496,124	10,399,991	11,011,064	12,795,611	12,146,625	12,077,718
Restricted	797,019	621,500	237,500	122,500	-	-	-	122,500	122,500	-
Unrestricted	2,144,788	3,703,362	4,791,239	3,457,770	3,138,388	3,766,529	3,439,513	1,984,826	818,989	612,074
Total business-type activities net position	<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>	<u>13,088,114</u>	<u>12,689,792</u>
Primary government:										
Net investment in capital assets	18,405,402	19,275,323	20,356,358	24,172,751	26,149,583	24,199,016	27,978,845	28,797,211	26,457,883	24,504,659
Restricted	6,172,434	6,115,352	8,433,525	8,014,220	8,367,261	9,073,288	8,857,748	9,740,900	10,283,587	8,928,692
Unrestricted	6,725,033	7,773,669	7,425,549	6,412,958	5,104,731	5,545,789	7,863,583	7,060,347	6,239,959	6,991,993
Total primary government net position	<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>	<u>42,981,429</u>	<u>40,425,344</u>

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General Government	\$ 1,264,010	\$ 1,128,823	\$ 1,161,049	\$ 1,404,253	\$ 1,371,894	\$ 1,335,488	\$ 1,172,839	\$ 1,325,896	\$ 1,495,888	\$ 1,129,442
Public Safety	4,853,975	5,361,872	5,055,440	5,133,158	5,437,030	5,524,073	5,401,800	6,091,952	5,778,060	5,824,712
Transportation	143,769	143,981	152,676	179,921	186,189	183,239	154,093	161,427	160,016	168,448
Public Works	1,549,922	1,929,547	1,840,211	2,699,104	2,016,591	2,108,427	1,805,277	1,675,382	3,085,897	3,264,980
Health and Welfare	52,943	51,887	55,520	61,743	59,570	64,496	64,079	64,565	54,135	55,800
Recreational Activities	459,717	528,013	634,316	681,551	764,780	874,303	741,344	984,156	2,745,628	2,803,514
Cemetery Operations	-	-	17,810	64,716	48,599	37,375	48,667	48,570	48,586	38,619
Community Betterment	1,731,000	1,728,610	1,508,422	1,342,907	2,289,384	1,817,201	2,134,161	2,375,044	2,371,799	3,918,929
Interest on long-term debt	176,710	137,029	102,165	68,995	44,116	353,700	648,826	669,999	657,221	650,627
Total governmental activities expenses	<u>10,232,046</u>	<u>11,009,762</u>	<u>10,527,609</u>	<u>11,636,348</u>	<u>12,218,153</u>	<u>12,298,302</u>	<u>12,171,086</u>	<u>13,396,991</u>	<u>16,397,230</u>	<u>17,855,071</u>
Business-type activities:										
Water	1,678,836	1,660,959	1,892,942	2,117,104	2,518,433	3,024,878	2,996,381	3,895,403	4,497,953	3,941,725
Sewer	1,127,120	1,204,401	1,330,063	2,112,373	2,591,028	3,258,762	3,524,472	3,606,317	3,767,632	3,717,691
Golf	851,479	792,062	765,508	827,847	781,813	756,811	871,239	840,019	895,123	950,714
Airport	9,595	16,958	50,282	30,038	41,414	40,434	40,140	36,932	56,563	52,730
Refuse	537,746	667,284	638,336	652,258	719,793	746,090	765,426	803,943	842,818	875,188
Total business-type activities expenses	<u>4,204,776</u>	<u>4,341,664</u>	<u>4,677,131</u>	<u>5,739,620</u>	<u>6,652,481</u>	<u>7,826,975</u>	<u>8,197,658</u>	<u>9,182,614</u>	<u>10,060,089</u>	<u>9,538,048</u>
Total primary government expenses	<u>14,436,822</u>	<u>15,351,426</u>	<u>15,204,740</u>	<u>17,375,968</u>	<u>18,870,634</u>	<u>20,125,277</u>	<u>20,368,744</u>	<u>22,579,605</u>	<u>26,457,319</u>	<u>27,393,119</u>
Program revenue:										
Governmental activities:										
Charges for services:										
General Government	108,035	121,535	115,858	119,458	119,951	327,086	123,734	204,620	119,852	146,473
Public Safety	1,216,136	1,396,007	1,406,395	1,429,581	1,293,890	438,417	1,112,252	883,097	1,170,658	1,215,641
Transportation	30,213	33,036	30,767	29,377	58,240	37,018	36,281	20,949	20,635	18,054
Public Works	52,566	159,468	333,091	452,309	220,923	349,308	286,285	368,830	201,290	425,384
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Recreational Activities	36,965	50,018	127,279	80,942	82,755	66,540	76,786	66,552	948,338	1,256,209
Cemetery Operations	-	-	10,095	69,581	41,767	51,695	54,188	44,605	39,475	31,751
Community Betterment	130,182	53,766	203,450	101,659	52,471	66,326	56,334	-	-	111,061
Operating grants and contributions:										
Public Safety	90,704	437,247	274,758	74,419	38,552	52,227	170,491	48,655	3,243	1,110
Transportation	55,079	56,004	61,309	62,338	59,067	65,611	62,949	74,387	66,879	78,902
Public Works	1,388,218	477,368	492,908	482,165	738,211	438,439	461,984	531,828	479,284	552,685
Health and Welfare	17,875	16,500	16,500	13,750	19,650	21,067	20,726	20,460	19,430	16,500
Recreational Activities	5,619	29,268	-	-	-	10,129	-	-	28,091	2,000
Cemetery Operations	-	-	208,596	-	-	-	-	-	-	-
Community Betterment	464,910	499,170	69,509	59,246	94,597	-	49,174	15,795	6,369	4,839
Capital grants and contributions:										
Public Safety	-	-	-	-	-	-	-	-	-	55,858
Transportation	-	-	-	-	-	41,335	-	-	-	-
Public Works	-	-	-	535,655	-	-	-	-	-	-
Community center activities	-	-	-	-	-	-	-	125,000	125,000	-
Recreational Activities	-	-	-	-	304,485	-	-	-	-	-
Community Betterment	2,267	-	-	-	-	-	-	-	-	-
Cemetery Operations	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenue	<u>3,596,502</u>	<u>3,329,387</u>	<u>3,350,515</u>	<u>3,510,480</u>	<u>3,124,559</u>	<u>1,965,198</u>	<u>2,511,184</u>	<u>2,404,778</u>	<u>3,228,544</u>	<u>3,916,467</u>

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Water	2,425,643	2,514,840	2,887,962	3,183,161	3,153,647	3,119,696	3,272,647	3,395,406	3,362,927	3,458,759
Sewer	1,125,837	1,198,899	1,555,214	1,918,120	2,159,835	2,200,706	2,704,128	2,882,569	2,931,632	3,318,675
Golf	736,047	603,071	583,241	590,107	582,958	582,576	675,080	687,269	692,138	619,465
Airport	18,985	25,074	33,729	22,534	19,691	19,159	25,631	17,084	19,609	14,381
Refuse	565,680	724,882	705,849	698,174	730,014	765,664	793,364	829,090	870,918	889,374
Operating/capital grants and contributions:										
Water	-	-	15,300	10,000	-	-	-	-	-	-
Sewer	-	-	-	85,000	-	-	-	-	-	-
Golf	-	16,483	12,577	9,918	14,916	27,128	9,691	26,012	13,452	5,788
Airport	-	-	-	-	-	-	-	447,074	-	-
Total business-type activities program revenue	4,872,192	5,083,249	5,793,872	6,517,014	6,661,061	6,714,929	7,480,541	8,284,504	7,890,676	8,306,442
Total primary government program revenues	8,468,694	8,412,636	9,144,387	10,027,494	9,785,620	8,680,127	9,991,725	10,689,282	11,119,220	12,222,909
Net (expense) revenue:										
Governmental activities	(6,635,544)	(7,680,375)	(7,177,094)	(8,125,868)	(9,093,594)	(10,333,104)	(9,659,902)	(10,992,213)	(13,168,686)	(13,938,604)
Business-type activities	667,416	741,585	1,116,741	777,394	8,580	(1,112,046)	(717,117)	(898,110)	(2,169,413)	(1,231,606)
Total primary government net expense	(5,968,128)	(6,938,790)	(6,060,353)	(7,348,474)	(9,085,014)	(11,445,150)	(10,377,019)	(11,890,323)	(15,338,099)	(15,170,210)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	1,924,393	1,880,348	1,955,284	1,973,387	1,983,116	2,032,641	2,146,128	2,075,669	2,089,248	2,140,256
General sales and use tax	4,696,840	4,917,024	4,998,485	5,047,335	5,651,326	5,658,413	7,289,398	7,742,792	7,740,509	7,620,850
Franchise tax	1,256,515	1,530,424	1,625,117	1,386,103	1,608,499	1,531,495	1,467,003	1,395,566	1,371,129	1,464,533
Cigarette tax	128,419	117,079	116,058	121,767	120,186	118,377	117,491	117,986	112,152	101,018
Railroad and Utility/Financial Institution Tax	51,582	52,715	60,219	55,488	51,067	54,065	64,086	58,900	69,922	62,333
Interest and investment earnings	179,924	148,491	157,789	153,209	116,863	95,983	254,996	209,335	224,236	137,853
Miscellaneous	164,471	48,620	73,369	156,404	143,056	268,100	228,781	388,803	327,290	273,752
Gain on sale of capital assets	46,318	21,295	-	35,665	-	41,500	171,119	18,688	21,097	32,681
Transfers	319,270	(638,842)	211,550	314,563	(538,200)	197,040	294,709	(569,604)	410,897	(52,435)
Total governmental activities	8,767,732	8,077,154	9,197,871	9,243,921	9,135,913	9,997,614	12,033,711	11,438,135	12,366,480	11,780,841
Business-type activities:										
Investment earnings	96,786	84,269	125,120	803,613	929,984	841,094	799,951	780,866	765,487	780,849
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	15,000	-	31,955	-	-	-
Transfers	(319,270)	638,842	(211,550)	(314,563)	538,200	(197,040)	(294,709)	569,604	(410,897)	52,435
Total business-type activities	(222,484)	723,111	(86,430)	489,050	1,483,184	644,054	537,197	1,350,470	354,590	833,284
Total primary government	8,545,248	8,800,265	9,111,441	9,732,971	10,619,097	10,641,668	12,570,908	12,788,605	12,721,070	12,614,125
Changes in net position:										
Governmental activities	2,132,188	396,779	2,020,777	1,118,053	42,319	(335,490)	2,373,809	445,922	(802,206)	(2,157,763)
Business-type activities	444,932	1,464,696	1,030,311	1,266,444	1,491,764	(467,992)	(179,920)	452,360	(1,814,823)	(398,322)
Total primary government	\$ 2,577,120	\$ 1,861,475	\$ 3,051,088	\$ 2,384,497	\$ 1,534,083	\$ (803,482)	\$ 2,193,889	\$ 898,282	\$ (2,617,029)	\$ (2,556,085)

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	108,035	121,535	115,858	119,458	119,951	327,086	123,734	204,620	119,852	146,473
Public Safety	1,306,840	1,833,254	1,681,153	1,504,000	1,332,442	490,644	1,282,743	931,752	1,173,901	1,272,609
Transportation	85,292	89,040	92,076	91,715	117,307	143,964	99,230	95,336	87,514	96,956
Public works	1,440,784	636,836	825,999	1,470,129	959,134	787,747	748,269	900,658	680,574	978,069
Health and Welfare	17,875	16,500	16,500	13,750	19,650	21,067	20,726	20,460	19,430	16,500
Cemetery operations	-	-	218,691	69,581	41,767	51,695	54,188	44,605	39,475	31,751
Community Center Activities	-	-	-	-	-	-	-	125,000	125,000	-
Recreational Activities	42,584	79,286	127,279	80,942	387,240	76,669	76,786	66,552	976,429	1,258,209
Community Betterment	595,092	552,936	272,959	160,905	147,068	66,326	105,508	15,795	6,369	115,900
Total governmental activities	3,596,502	3,329,387	3,329,387	3,510,480	3,124,559	1,965,198	2,511,184	2,404,778	3,228,544	3,916,467
Business-type activities:										
Water	2,425,643	2,514,840	2,514,840	3,193,161	3,153,647	3,119,696	3,272,647	3,395,406	3,362,927	3,458,759
Sewer	1,125,837	1,198,899	1,198,899	2,003,120	2,159,835	2,200,706	2,704,128	2,882,569	2,931,632	3,318,675
Golf	736,047	603,071	619,554	590,107	582,958	582,576	675,080	713,281	705,590	625,253
Airport	18,985	25,074	25,074	22,534	19,691	19,159	25,631	464,158	19,609	14,381
Refuse	565,680	724,882	724,882	698,174	730,014	765,664	793,364	829,090	870,918	889,374
Total business-type activities	4,872,192	5,066,766	5,083,249	6,507,096	6,646,145	6,687,801	7,470,850	8,284,504	7,890,676	8,306,442
Total government	8,468,694	8,396,153	8,412,636	10,017,576	9,770,704	8,652,999	9,982,034	10,689,282	11,119,220	12,222,909

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 605,457	\$ 701,994	\$ 274,801	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,539,571	1,933,780	2,873,691	-	-	-	-	-	-	-
Unreserved, designated for board use	1,200,000	339,246	339,246	-	-	-	-	-	-	-
Nonspendable	-	-	-	718,647	332,332	266,296	1,208,562	1,526,634	1,774,056	2,139,029
Restricted	-	-	-	333,987	352,292	372,229	367,964	377,822	354,850	365,912
Assigned	-	-	-	149,913	-	-	-	-	-	-
Unassigned	-	-	-	2,708,532	2,530,112	2,409,377	2,138,743	1,747,484	1,755,997	1,822,760
Total General Fund	<u>3,345,028</u>	<u>2,975,020</u>	<u>3,487,738</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>	<u>3,884,903</u>	<u>4,327,701</u>
All Other Governmental Funds:										
Reserved	814,435	819,006	844,362	-	-	-	-	-	-	-
Unreserved, reported in:										
Permanent funds	-	-	201,607	-	-	-	-	-	-	-
Special revenue funds	6,369,183	6,341,362	6,946,170	-	-	-	-	-	-	-
Debt Service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	8,083	10,819	11,362	-	-	-	-	-	-	-
Nonspendable	-	-	-	191,454	191,454	205,360	212,909	219,610	201,397	204,920
Restricted	-	-	-	7,579,448	8,027,469	26,277,456	20,814,520	10,157,558	10,419,699	9,332,307
Assigned	-	-	-	48,257	33,610	-	-	-	-	-
Unassigned	-	-	-	(74,816)	(113,184)	(12,815)	(297)	(704)	(7,577)	-
Total all other governmental funds	<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>	<u>\$ 10,613,519</u>	<u>\$ 9,537,227</u>

Source: City financial statements.

Note: GASB 54 was adopted for Fiscal Year 2012.

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	8,022,859	8,370,338	8,698,572	8,470,305	9,371,502	9,390,771	11,084,096	11,383,900	11,396,453	11,379,793
Special Assessments	116,814	137,445	165,353	25,448	2,314	(485)	-	-	-	-
Intergovernmental	2,000,132	1,522,091	1,250,393	1,142,453	1,103,476	587,473	765,324	816,125	728,296	711,894
Licenses and permits	156,292	167,034	162,592	216,721	167,959	149,073	178,020	204,620	212,303	257,535
Charges for services	689,044	739,316	857,411	865,814	843,481	826,199	1,267,563	1,085,933	2,009,474	2,664,183
Fines and forfeitures	449,262	583,827	513,521	589,176	486,303	361,602	300,277	298,100	278,471	282,855
Use of money and property	179,924	148,491	157,789	153,209	116,863	95,984	254,996	209,335	224,236	137,853
Other	377,003	366,736	322,609	333,723	545,192	309,600	301,324	388,803	327,290	273,752
Total revenues	11,991,330	12,035,278	12,128,240	11,796,849	12,637,090	11,720,217	14,151,600	14,386,816	15,176,523	15,707,865
Expenditures										
General government	1,152,687	1,565,011	1,036,565	1,145,511	1,156,978	1,138,125	1,185,750	1,341,370	1,206,920	1,372,686
Public Safety	4,618,281	5,006,361	4,712,148	4,798,155	5,020,233	5,112,654	5,087,974	5,294,162	5,209,260	5,517,480
Transportation	103,722	101,124	109,819	137,064	144,268	149,953	136,801	143,934	146,323	157,086
Public works	2,276,913	1,820,677	1,134,031	2,007,259	1,090,315	1,452,970	1,227,329	1,101,613	2,072,279	2,956,809
Health and Welfare	52,943	51,887	55,520	61,743	59,570	64,496	66,034	60,084	51,932	58,433
Recreational Activities	514,928	482,231	600,097	604,313	673,468	751,456	626,965	743,695	588,048	637,216
Community Center	-	-	-	-	-	-	-	92,255	1,359,349	1,368,737
Cemetery operations	-	-	17,810	64,716	48,599	41,393	48,667	48,570	48,586	38,619
Community Betterment	1,723,383	1,688,209	1,502,589	1,337,350	2,279,967	1,807,155	2,127,980	2,327,714	2,365,325	3,899,946
Capital outlay	723,525	268,729	1,147,738	1,067,523	1,684,016	1,238,104	7,743,522	12,510,439	947,751	645,924
Debt service:										
Principal	661,500	684,166	786,939	689,823	470,000	285,000	475,000	200,000	485,000	500,000
Bond issuance costs	-	-	-	-	-	368,323	-	-	-	-
Interest	182,252	150,563	120,097	82,524	53,331	33,400	677,204	696,108	684,933	670,308
Total expenditures	12,010,134	11,818,958	11,223,353	11,995,981	12,680,745	12,443,029	19,403,226	24,559,944	15,165,706	17,823,244
Excess of revenues (under) expenditures	(18,804)	216,320	904,887	(199,132)	(43,655)	(722,812)	(5,251,626)	(10,173,128)	10,817	(2,115,379)
Other financing sources (uses):										
Transfers in	2,595,875	2,587,941	1,953,238	1,537,307	1,404,695	1,469,779	1,997,218	2,573,496	2,561,469	2,493,391
Transfers out	(2,276,605)	(3,226,783)	(1,741,688)	(1,222,744)	(1,942,895)	(1,272,739)	(1,702,509)	(3,143,100)	(2,150,572)	(2,545,826)
Issuance of long-term debt	-	-	-	-	-	18,631,626	-	-	-	1,500,000
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	46,318	32,000	20,000	48,751	82,275	41,500	181,415	28,735	48,304	34,320
Total other financing sources (uses)	365,588	(606,842)	440,146	363,314	(304,840)	18,870,166	476,124	(540,869)	459,201	1,481,885
Net changes in fund balance	346,784	(390,522)	1,345,033	164,182	(348,495)	18,147,354	(4,775,502)	(10,713,997)	470,018	(633,494)
Debt service as a percentage of noncapital expenditures	7.39%	7.44%	7.85%	9.00%	6.88%	4.76%	10.28%	9.94%	7.57%	7.00%

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
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	2,068,656	7,668,104	1,470,255	117,985	58,900	11,383,900
2017	2,102,741	7,740,509	1,371,129	112,152	69,922	11,396,453
2018	2,153,163	7,598,746	1,464,533	101,018	62,333	11,379,793
Change 2009-2018	11.89%	61.78%	16.56%	-21.34%	20.84%	41.23%

Source: City records.

City of Excelsior Springs, Missouri

**Principal Sales Tax Industries
Calendar Years 2018 and 2009
(Unaudited)**

Industry	Percentage of Total City Sales Tax Revenues:	
	Calendar Year 2018	Calendar Year 2009
Department Stores	39.19 %	47.06 %
Grocery Stores	20.44	17.78
Utilities	10.80	5.68
Eating And Drinking Places	10.34	8.18
Miscellaneous Retail	6.45	2.21
Hotels and Motels	3.84	0.12
Communication	2.35	2.08
Automotive Dealers And Gasoline Service	1.58	1.16
Automotive Repair, Services and Garage	1.00	0.96
Insurance	0.86	0.10
	<u>96.85 %</u>	<u>85.33 %</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.

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							
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	2.30%	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	1.98%	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	4.47%	1.1788	638,215,889	24.09%
2016	2017	74,865,120	32,583,580	257,660	40,755,851	5,660,971	154,123,182	0.25%	1.1820	639,190,915	24.11%
2017	2018	77,006,690	32,312,140	246,730	39,726,302	5,235,198	154,527,060	0.26%	1.1820	645,072,616	23.95%

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
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
2016	2017	0.6408	0.1804	0.1804	0.1804	5.1044	0.8362	1.0087	0.0300	7.1526	7.3251
2017	2018	0.6408	0.1804	0.1804	0.1804	5.1272	1.1552	1.1318	0.0300	7.4944	7.4710

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 2018 (Tax Year 2017)			Fiscal Year 2009 (Tax Year 2008)		
	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)	16,642,212	1	10.80%	10,084,667	1	7.44%
Wal Mart Stores Inc	3,361,953	2	2.18%	4,421,358	2	3.26%
Waller Truck Co Inc	3,016,530	3	1.96%	2,617,680	3	1.93%
Coveris Holdings	2,984,824	4	1.94%	1,245,672	6	0.92%
Kimberly-Clark	2,445,314	5	1.59%	-	*	0.00%
Laclede Gas Co. (MGE)	1,471,170	6	0.95%	550,980	15	0.41%
Fiskars Brands, Inc. (Gilmore Manufacturing)	1,455,004	7	0.94%	2,171,088	12	1.60%
Widewaters Excelsior Springs Company LLC (Elms Hotel)	1,273,217	8	0.83%	1,328,272	5	0.98%
Ford Motor Company	1,253,355	9	0.81%	1,176,304	7	0.87%
Dial Corporation	1,006,774	10	0.65%	794,857	10	0.59%
Price Chopper (Bloch Family 2005 Partnership, Lp)	959,580	11	0.62%	1,350,530	4	1.00%
Crown Hill Associates	860,000	12	0.56%	886,750	8	0.65%
Excelsior Properties	741,820	13	0.48%	19,710	**	0.01%
Y Junction LLC	681,380	14	0.44%	747,170	11	0.55%
Krier, Tom and Shirley	542,720	15	0.35%	381,510	**	0.28%
Clay-Ray Plastics, Inc.	540,510	16	0.35%	830,940	9	0.61%
Sanson, Gary and Kimberly	525,070	17	0.34%	457,500	**	0.34%
C&G Storage	518,140	18	0.34%	640,190	13	0.47%
Hwang, Jesse J. and Esther E.	488,380	19	0.32%	516,290	**	0.38%
Colony Plaza Apartments	471,070	20	0.31%	583,910	14	0.43%

SOURCE: County Assessor Report for 2018, City Tax Billing Records for 2009.

* Taxpayer was not located in Excelsior Springs in 2008.

** Taxpayer was not in top 15 in tax year 2008, so rank is unknown.

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	
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%	39,973	1,683,147	99.83%	
2017	2016	1,743,702	1,704,651	97.76%	32,688	1,737,339	99.64%	
2018	2017	1,716,028	1,674,618	97.59%	-	1,674,618	97.59%	

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	Certificates of Participation	Neighborhood Improvement District Bonds	Loan Payable	Certificates of Participation	Lease Purchase Agreement	Revenue Bonds			
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%	4,621
2015	-	18,605,850	-	-	-	32,661,718	49,833	-	51,317,401	4.84%	4,471
2016	-	17,800,000	-	-	-	31,600,000	-	-	49,400,000	4.65%	4,287
2017	-	17,868,574	-	-	-	29,704,247	-	-	47,572,821	4.22%	4,077
2018	-	17,342,074	1,500,000	-	-	28,073,011	-	-	46,915,085	***	***

*** Not yet available.

City of Excelsior Springs, Missouri

**Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2018
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Clay County	[1] 54,315,000	3.75%	2,036,813
Ray County	[1] none	n/a	-
Excelsior Springs School District	[1] <u>16,790,000</u>	67.40% [2]	<u>11,316,460</u>
Subtotal, overlapping debt	<u>71,105,000</u>		<u>13,353,273</u>
City Direct Debt	<u>17,342,074</u>	100.00%	<u>17,342,074</u>
Total direct and overlapping debt	<u><u>88,447,074</u></u>		<u><u>\$ 30,695,347</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 2018										
										154,527,060
										30,905
										-
										-
										-
										<u>\$ 30,905</u>
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	27,314	27,639	27,140	27,765	27,846	27,794	29,434	30,749	30,825	30,905
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>27,314</u>	<u>27,639</u>	<u>27,639</u>	<u>27,765</u>	<u>27,846</u>	<u>27,794</u>	<u>29,434</u>	<u>29,434</u>	<u>30,825</u>	<u>30,905</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 {c}						
Fiscal Year	Facility Lease Payments	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
	{a}					
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
2017	-	-	-	-	-	N/A
2018	-	-	-	-	-	N/A
Water Revenue Bonds (including 2010 BABs)						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	2,448,269	1,081,461	1,366,808	225,000	160,710	3.54
2010	2,542,576	1,073,112	1,469,464	235,000	144,549	3.87
2011	2,946,468	1,321,455	1,625,013	2,765,000 {b}	111,846	0.56
2012	3,144,310	1,279,459	1,864,851	340,000	974,239	1.42
2013	3,105,505	1,601,181	1,504,324	345,000	967,273	1.15
2014	3,080,160	1,805,336	1,274,824	355,000	959,402	0.97
2015	3,178,585	1,749,794	1,428,791	565,000	947,516	0.94
2016	3,395,406	2,426,607	968,799	580,000	849,694	0.68
2017	3,362,927	2,784,087	578,840	1,110,000	896,084	0.29
2018	3,462,768	3,124,005	338,763	915,000	845,933	0.19
Pollution Control Revenue Bonds (including 2010 BABs)						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2017	2,931,632	1,359,761	1,571,871	670,000	1,288,859	0.80
2018	3,325,061	2,453,654	871,407	725,000	1,259,407	0.44

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

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

City of Excelsior Springs, Missouri

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

Fiscal Year Ended September 30	Population	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}	{c}	{c}	{d}	{e}	{f}	{g}
2009	12,575	8,674,431	52,037	37,445	{b} 35.7	2,779	8.7%	9.5%	9.5%
2010	11,111	8,825,886	51,263	19,285	35.0	2,783	8.5%	9.1%	9.2%
2011	11,202	8,906,787	54,146	19,223	36.6	2,783	7.8%	8.3%	8.8%
2012	11,286	9,138,180	53,762	20,157	38.7	2,960	6.0%	6.3%	7.6%
2013	11,427	9,515,253	51,679	20,214	40.2	2,672	5.7%	6.0%	7.0%
2014	11,470	10,021,009	49,779	19,988	34.0	2,716	6.3%	6.0%	5.7%
2015	11,477	10,604,599	50,051	20,997	34.8	2,745	4.0%	4.5%	4.9%
2016	11,521	10,794,462	48,523	23,073	33.0	2,674	4.0%	5.2%	5.0%
2017	11,560	11,178,401	49,029	23,188	33.3	2,834	2.9%	3.3%	4.1%
2018	***	***	***	***	***	2,750	2.3%	2.6%	3.6%

*** Not yet available.

Sources:

- {a} http://www.marc.org/Data-Economy/Metrodataline/assets/Population_Estimates_as_of_July_1.aspx
- {b} Clay County Data obtained from Bureau of Economic Analysis (www.bea.gov).
- {c} American Factfinder website.
- {d} School district.
- {e} Clay County unemployment rate, not seasonally adjusted (www.bls.gov).
- {f} State of Missouri unemployment rate, not seasonally adjusted (www.bls.gov).
- {g} National unemployment rate, not seasonally adjusted (www.bls.gov).

City of Excelsior Springs, Missouri
Employment Within the City Limits by NAICS Code
2017 and 2009

NAICS Codes	Description	2017 [b]			2009 [a]		
		Positions	Percentage	Ranking	Positions	Percentage	Ranking
31-33	Manufacturing	858	16.71%	1	858	19.17%	1
62	Health Care and Social Assistance	802	15.62%	2	586	13.09%	3
81	Other Services	449	8.74%	3	139	3.11%	10
44-45	Retail Trade	429	8.35%	4	313	6.99%	6
23	Construction	413	8.04%	5	426	9.52%	4
61	Educational Services	369	7.18%	6	632	14.12%	2
92	Public Administration	292	5.69%	7	171	3.82%	8
54	Professional, Scientific and Technical Services	260	5.06%	8	158	3.53%	9
48-49	Transportation and Warehousing	252	4.91%	9	68	1.52%	15
52	Finance and Insurance	249	4.85%	10	119	2.66%	11
72	Accommodation and Food Services	224	4.36%	11	411	9.18%	5
51	Information	134	2.61%	12	60	1.34%	16
56	Administrative Support and Waste Management and Remediation Services	101	1.97%	13	194	4.34%	7
53	Real Estate and Rental and Leasing	101	1.97%	14	75	1.68%	14
42	Wholesale Trade	85	1.65%	15	94	2.10%	12
71	Arts, Entertainment and Recreation	71	1.38%	16	89	1.99%	13
11	Agriculture, Forestry, Fishing and Hunting	31	0.60%	17	13	0.29%	19
21	Mining, Quarrying and Oil and Gas Extraction	16	0.31%	18	8	0.18%	20
55	Management of Companies and Enterprises	-	0.00%	19	47	1.05%	17
22	Utilities	-	0.00%	20	14	0.31%	18
		<u>5,136</u>			<u>4,475</u>		

[a] Source: <https://lehd.ces.census.gov/data/>

[b] Source: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

Note: 2017 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Functions/Program										
General Government:										
Municipal Court	1	1	1	1	1	1	1	1	1	1
City Manager	2	2	2	2	2	2	2	1	2	2
Finance	4	4	4	4	4	4	4	4	4	4
Human Resources	1	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
Economic Development	-	-	-	-	-	-	-	-	1	1
Planning & Zoning	0	1	1	1	1	1	1	1	0	0
Inspections	3	3	3	3	3	3	3	3	3	2
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	23	22	22	22	22	23	24	24	24	23
Civilians	11	12	12	12	12	10	11	11	13	10
Fire:										
Firefighters and Officers	20	19	19	19	19	19	20	19	18	20
Civilians	1	1	1	1	1	1	1	1	1	1
Street Maintenance	5	5	6	6	6	5	7	5	5	4
Refuse	0	0	0	0	0	1	1	1	1	1
Water:										
Administration	1	1	1	1	1	2	2	2	2	2
Transmission/Purification	8	8	8	8	8	10	12	11	14	10
Sewer:										
Administration	0	0	1	1	1	1	1	1	1	1
Transmission/Treatment	8	11	11	11	11	9	11	10	10	9
Construction Services:										
Administration	1	1	0	0	0	0	0	0	0	0
Maintenance	8	7	7	7	7	7	7	8	8	7
Parks and Recreation	4	4	5	5	5	5	6	6	9	6
Transportation:										
Dispatch	1	1	1	1	1	1	1	1	1	1
Drivers	1	1	1	1	1	1	1	1	1	1
Community Center:										
Administration	0	0	0	0	0	0	0	2	4	3
Swimming Pool	0	0	0	0	0	0	0	1	2	1
Fitness	0	0	0	0	0	0	0	1	0	0
Sports/Recreation	0	0	0	0	0	0	0	1	3	2
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
Total	110	112	114	114	114	114	124	124	136	120

City of Excelsior Springs, Missouri

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Calls for service	9,231	7,982	8,497	8,773	8,093	8,726	9,101	9,500	9,546	9,342
Adult and Juvenile arrests	826	888	936	868	1,083	1,286	1,099	1,004	1,211	1,406
Speeding citations only	390	442	149	359	449	605	607	624	566	363
Traffic citations	2,439	2,819	1,673	2,394	2,828	3,474	3,392	3,124	3,547	3,548
Police Reports	2,285	2,317	2,249	2,362	2,403	2,740	2,553	2,465	2,480	2,647
DWI's - Municipal	98	77	14	15	36	71	67	63	68	88
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	6,657	5,835
Fire and EMS:										
Total ambulance runs	1,823	1,600	2,071	2,114	2,047	2,045	2,331	2,347	2,373	2,360
Total fire runs	602	345	412	477	481	511	549	560	446	440
Property loss	739,600	359,000	208,000	557,820	168,600	516,442	723,261	258,350	238,150	400,400
Building Inspections:										
Total building permits {a}	284	333	298	462	270	299	267	276	477	421
Total value all permits	4,500,323	4,347,173	6,731,372	13,641,399	4,212,421	2,710,008	22,090,905	6,817,909	8,725,686	12,651,008
Public service:										
Garbage collected (ton) {b}	2,324	1,865	2,474	2,551	2,471	2,623	2,856	2,900	3,039	3,054
Recycle collected (ton) {b}	372	309	446	416	484	606	717	729	698	694
Parks and Recreation:										
Recreation program participation:										
Youth	1,113	1,249	1,423	1,968	2,020	1,200	1,147	1,182	994	1,051
Adult	354	436	565	574	608	430	364	374	320	234
Exercise programs	n/a	220	386	635	510	800	840	3,788	3,804	-
Youth art programs	n/a	208	234	61	120	450	725	724	412	234
Special events	n/a	n/a	n/a	n/a	n/a	930	975	490	834	1,313
Golf Course:										
Golf rounds played	18,870	18,712	16,585	17,174	17,504	16,805	17,610	17,548	18,737	17,611
Golf memberships	263	262	197	178	169	200	182	125	135	138
Multi-year discounted memberships							1,037	-	363	235
Community Center: {d}										
Memberships sold	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2,685	1,919
Day passes sold	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,565	4,635
Water aerobics class participation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,240	13,386
Swim lesson registrations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	431	224
Child watch check-ins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,582	6,510
Kids Night Out participants	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	130	196

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	225	225	225	225	225	225	225	225	230	230
Parks	13	13	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	8	8	8	8	8	8	8	8	8	8
Golf courses	1	1	1	1	1	1	1	1	1	1
Picnic Shelters	11	11	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	142.80
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
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
2017	17	3,080,047	6	2,516,576	23	5,596,623
2018	30	4,135,424	18	6,605,523	48	10,740,947

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

City of Excelsior Springs, Missouri

**Top 10 Water Users
Calendar Year Ending December 31, 2018
(Unaudited)**

Business Name	Type of Business	Percentage of Total Usage
Ray County Public Water District No. 1	Neighboring Water District	12.37%
City of Lawson	Neighboring City	11.83%
Clay County Public Water District No. 3	Neighboring Water District	10.20%
American Italian Pasta Company	Pasta manufacturer	4.79%
Widewaters Excelsior Springs	Hotel	1.46%
City of Prathersville	Neighboring City	1.45%
Excelsior Springs Job Corps	Education facility	1.19%
Coveris	Consumer packaging manufacturer	1.04%
Fiskars	Manufacturer	0.78%
Excelsior Springs Hospital	Medical Center	0.74%

City of Excelsior Springs, Missouri

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

	2009	2010	2011	2012
Total number of customers				
Residential	3,952	4,098	4,084	4,047
Commercial	419	418	421	420
Percent outside customers				
Residential	4.20%	4.17%	4.21%	4.32%
Commercial	1.90%	2.39%	2.14%	1.90%
Percent billed greater than 30,000 gallons				
Residential	0.40%	0.47%	0.47%	0.44%
Commercial	13.60%	12.60%	12.50%	12.62%
Average annual customers				
Residential < 30,000 gallons	3,771	3,908	3,894	3,855
Residential > 30,000 gallons	15	19	18	17
Outside Residential < 30,000 gallons	165	170	171	174
Outside Residential > 30,000 gallons	1	1	1	1
Commercial < 30,000 gallons	355	358	361	360
Commercial > 30,000 gallons	56	50	51	52
Outside Commercial < 30,000 gallons	7	7	7	7
Outside Commercial > 30,000 gallons	1	3	2	1
Total average annual customers	4,371	4,516	4,505	4,467
Annual consumption (1,000 gal)				
Retail				
Residential < 30,000 gallons	192,840	189,177	186,915	189,251
Residential > 30,000 gallons	24,503	27,434	28,043	26,616
Outside Residential < 30,000 gallons	8,257	8,179	8,228	9,537
Outside Residential > 30,000 gallons	396	292	482	451
Commercial < 30,000 gallons	15,547	16,708	17,027	15,242
Commercial > 30,000 gallons	137,607	136,357	136,215	126,809
Outside Commercial < 30,000 gallons	346	304	263	252
Outside Commercial > 30,000 gallons	5,326	6,422	4,525	4,432
Tank water	1,081	977	1,233	1,241
Subtotal retail consumption (1,000 gal)	385,903	385,850	382,931	373,831
Wholesale				
Mosby	5,506	5,668	5,806	3,090
Prathersville	3,200	3,386	4,610	3,807
Clay County Public Water District # 3	61,092	61,078	68,142	63,698
City of Lawson	64,143	66,919	63,516	66,311
Ray County Public Water District # 1	61,705	59,980	61,580	66,773
Subtotal	195,646	197,031	203,654	203,679
Total annual consumption (1,000 gal)	581,549	582,881	586,585	577,510

[1] Mosby water is now billed with Prathersville.

Fiscal Year Ended September 30,						
2013	2014	2015	2016	2017	2018	
4,073	4,066	3,765	3,785	3,798	3,805	
382	381	375	378	384	387	
4.27%	4.25%	4.25%	4.23%	4.19%	4.20%	
1.97%	2.10%	2.13%	1.99%	1.82%	1.81%	
0.32%	0.50%	0.41%	0.42%	0.40%	0.45%	
12.60%	12.50%	12.20%	12.40%	12.51%	12.43%	
3,886	3,889	3,590	3,609	3,625	3,629	
13	18	15	16	14	17	
173	158	159	159	158	160	
1	1	1	1	1	-	
327	327	323	325	331	339	
47	46	44	45	46	48	
7	2	6	6	5	6	
1	6	2	2	2	1	
<u>4,455</u>	<u>4,447</u>	<u>4,140</u>	<u>4,163</u>	<u>4,182</u>	<u>4,200</u>	
179,032	168,150	160,879	160,835	159,431	159,703	
19,443	24,029	20,076	20,391	21,225	41,214	
7,402	7,205	7,075	7,004	6,981	7,213	
804	386	108	339	574	427	
14,257	16,032	15,249	6,322	15,721	15,683	
112,239	107,129	99,569	105,098	92,434	105,737	
702	235	246	183	4,773	403	
5,525	4,716	5,512	9,167	239	1,935	
1,109	1,213	1,048	1,098	1,229	1,101	
<u>340,513</u>	<u>329,095</u>	<u>309,762</u>	<u>310,437</u>	<u>302,607</u>	<u>333,416</u>	
4,607	983	-	-	-	-	
5,177	7,262	6,761	6,516	6,801	7,532	
58,641	52,009	55,000	43,018	54,661	52,994	
66,419	58,635	56,396	57,540	57,855	61,508	
60,653	62,609	63,471	61,927	66,546	64,308	
<u>195,497</u>	<u>181,498</u>	<u>181,628</u>	<u>169,001</u>	<u>185,863</u>	<u>186,342</u>	
<u>536,010</u>	<u>510,593</u>	<u>491,390</u>	<u>479,438</u>	<u>488,470</u>	<u>519,758</u>	

City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
AVERAGE ANNUAL CUSTOMERS										
Residential	3,983	3,948	3,398	3,652	3,675	3,669	3,677	3,418	3,443	3,467
Outside Residential	11	10	8	8	11	12	11	10	9	10
Commercial	392	391	340	370	363	362	358	333	336	337
Outside Commercial	4	3	3	3	3	3	3	3	3	3
Total Average Annual Customers	4,390	4,352	3,750	4,033	4,052	4,046	4,049	3,764	3,791	3,817
ANNUAL CONSUMPTION (1,000 GALLONS)										
Residential	200,922	202,525	198,781	201,856	186,081	180,858	169,575	168,314	167,764	187,685
Outside Residential	87	79	36	39	150	160	174	108	84	112
Commercial	143,519	141,538	141,043	127,349	103,136	95,521	94,161	87,057	85,892	89,800
Outside Commercial	3,008	3,613	1,060	1,473	1,200	966	1,363	3,196	1,162	1,219
Total Annual Consumption (1,000 Gallons)	347,536	347,755	340,920	330,717	290,567	277,505	265,273	258,675	254,902	278,816