

City of Cassville, Missouri



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2017

CITY OF CASSVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Prepared by:
Jennifer Evans
City Clerk/Finance Officer

City of Cassville, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2017

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INTRODUCTORY SECTION



City of Cassville 300 Main St Cassville,
Missouri 65625
417-847-4441 fax: 417-847-5001

www.cityofcassville.com

May 15, 2018

To the Honorable Mayor, Board of Aldermen and the Citizens of the City of Cassville,

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Cassville, Missouri (the City) for the fiscal year ended December 31, 2017. In accordance with Cassville City Code Section 115.170, the City prepares annual financial statements which are submitted herewith. This report represents a culmination of twelve months of financial activity, presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

The management of the City is responsible for the completeness and reliability of the information contained in this report. I believe that the information reported in this document fairly presents the financial position of the City in all material aspects on a government-wide and fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

City management is also responsible for the system of internal controls which is designed to ensure that the financial and physical assets of the City are effectively safeguarded and that accurate accounting data is available for collection, compilation and reporting purposes in conformity with generally accepted accounting principles. The City's internal control system is designed to promote operational efficiency and adherence to policy. The cost of internal controls should not outweigh their benefits; therefore, the City of Cassville's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

The City of Cassville's financial statements have been audited by Decker & DeGood, Certified Public Accountants. The objective of an annual audit is to determine if the financial statements of the City are fairly presented, in all material respects, in conformity with GAAP and to express an opinion to that fact. The audit also involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements as reported by management and tests of internal control procedures that have direct impact on the basic financial statements. An unmodified or "clean" opinion has been issued for the year ended December 31, 2017, which can

be found in the independent auditor's report located at the front of the financial section of this document.

This report conforms to the standards of financial reporting as set forth by the Governmental Accounting Standards Board (GASB) and the guidelines per the Government Finance Officers Association (GFOA). The document is presented in three distinct sections: introductory, financial and statistical. GAAP requires that management provide a Management's Discussion and Analysis (MD&A), which is a narrative introduction, overview and analysis to accompany the basic financial statements and is found following the auditor's report. This letter of transmittal is designed to complement the presentation found in the MD&A and should be read in conjunction with it. The City's finance department prepares the MD&A and the statistical section.

Profile of the City

The City of Cassville (2010 population 3,281) is located in the Southwest corner of the state of Missouri, nestled in the Ozark Mountains. It is the County seat of Barry County and lies just 8 miles north of Roaring River State Park in the Mark Twain National Forest. The city is 3.22 square miles and plays host to thousands of campers, trout fishermen and other visitors a year.

The City is governed by a Mayor-City Administrator-Board of Aldermen form of government. The Mayor serves a two-year term and is elected on a non-partisan, at large basis. Board members serve a two-year term with two members serving from each of two wards within the City, on a staggered two-year election rotation. The City Administrator is the Chief Administrative Assistant to the Mayor and as such is the Administrative Officer of the City. The City Administrator coordinates and generally supervises the operation of all departments of the City of Cassville and is responsible for managing the city, enforcing the laws and ordinances, and carrying out the policies of the Board of Aldermen.

As the legislative body, the Board of Aldermen is responsible for enacting all ordinances, resolutions and regulations governing the City, as well as for appointing the members of various statutory and ordinance boards, the City Administrator, the City Attorney and the City Clerk.

Cassville is a full-service city providing a broad range of services: police protection; water, sewer and stormwater management; planning; economic and community development support; thoroughfares and infrastructure; an aquatic facility; a greenway trail; parks and ball fields; and a municipal airport.

The financial reporting entity (the government) encompasses all the individual funds of the City of Cassville. There are no associated, legally separate entities to include in the City's financial reports.

All funds are budgeted, even though Missouri State Statutes only require that the General Fund and Special Revenue Funds be annually appropriated. Budgets are viewed as a management control tool to monitor and measure expenditure levels. Budgeting of the enterprise activity is necessary to ensure the level of user rates is sufficient to cover costs and meet bondholder requirements for debt coverage.

The Board of Aldermen adopts a final budget by no later than the close of the fiscal year. After budgets are established, any budgetary changes or adjustments require approval of the Board and are made six months after the beginning of the fiscal year and again at year end. The Board of Aldermen's budget policy sets the parameters for the annual budget process, including priority of services, balancing the budget, internal controls, etc.

Economic Condition

Historically, a primary factor affecting the local economy has been a reliance on the manufacturing industry for jobs and economic stability. In recent years, manufacturing trends have moved toward foreign outsourcing of labor and products. While this trend has touched Cassville somewhat, the manufacturing industry remains strong in the area with manufacturing facilities such as Regal-Beloit, Justin Boot, Able2 and Arning Canopy Systems being the largest employers in Cassville. The current unemployment rate is 3.4% with the average unemployment rate for 2017 being 3.525%. Future job growth over the next 10 years is expected to rise by 37.7%. Although there is a potential for decline in the area of manufacturing, the top three industries in Cassville remain Manufacturing, Educational Services, and Retail Trade. The City continues to work to develop new strategies to grow the economy through a different vein.

The City does not collect any property taxes from its citizens; therefore, revenues are generated solely through several sales taxes. A general one-cent sales tax is collected for the general fund; and three additional sales taxes are collected for their corresponding special revenue funds. They are: a half-cent parks and stormwater tax, a half-cent capital improvement tax and a three-eighths-cent transportation tax. The enterprise funds (water and sewer) are funded through charges for services. Since the majority of the City's revenues are sales tax driven, Cassville continues to focus on tourism and retail development in addition to industrial development to bolster economic growth. The City sees approximately 650,000 tourists annually, with the majority of those visitors coming in the Spring and Summer months, and recognizes the potential to capitalize on the retail needs of these visitors including lodging, restaurants, camping and fishing supplies. Addressing the needs of current residents and attracting new households has contributed to the stable economy in Cassville. The Cassville school system remains a strong factor in attracting families to the area and a well-established ongoing partnership with the YMCA to provide programs and activities for children and families helps to foster a strong sense of community. Crowder College offers 2 and 4 year degrees thereby attracting another demographic for growth and development. The proximity to Table Rock Lake and Roaring River State Park draws retirees to the area. All of these examples contribute to the continuity of the City and the positive outlook on the horizon of growth.

The City of Cassville's long-term financial planning and major initiative planning process is a collaborative effort between all department heads, the Mayor and the Board of Aldermen. In 2017, the Board of Aldermen, Mayor and City Administrator undertook a two-day strategic planning session revamping the City's mission statement, goals and objectives and core values. This planning session then set the stage to get stakeholder involvement in launching the vision that was cast at that planning session. The City of Cassville is committed to striving for excellence in and committing resources to the areas of infrastructure, tourism and economic development.

The City is currently on the cusp of some major infrastructure projects. A comprehensive engineering study of the City's sewer collections system was done in 2015 through grant funding received from the Missouri Department of Natural Resources. In 2017, the voters approved an \$11 million bond issue for combined waterworks and sewerage system repairs and improvement. Since the passage of the issue, the City has been approved for USDA loan funding for approximately \$4 million for improvements and repairs to the Sewer Collections System. This project is set to take off in 2018 by mid-year. Improvements to the water system are also on the horizon. The City hopes to have financing secured and the project started by early 2019. As these underground infrastructure projects unfold and get completed, the City looks to make street improvements as well, using the 3/8 cent transportation sales tax revenue. The City has contracted with an Engineering Firm to be the Engineer of Record for these multi-faceted projects. The City continues to have a Financial Advisor under contract as well. All of these strategic partnerships have served to culminate in some major initiatives to propel the City forward in reaching its goals of infrastructure strength and improvement in order to build a strong economy.

The City of Cassville is known as the "City of Seven Valleys", and as such, experiences frequent flooding events due to the 7 different waterways that enter the town. After many years of neglect, the City has undertaken the task of tackling the flooding problem in order to establish a drier foot print for retailers and industry. A large portion of the Parks and Stormwater Tax revenue fund has been used for storm water management projects. In 2016 the City began a massive undertaking and partnership with several Federal and State Agencies to clean out and widen Flat Creek, a creek that runs through a majority of the City and is the primary source of flooding when prolonged rain events occur. The creek had not been maintained in decades and was a contributing factor to recurring flooding issues affecting a large portion of the City's business sector. In addition to physical work in the creeks themselves, the City has seen the need for improvements in stormwater management, seeking to gain an understanding of flooding impact and prevention. The City has partnered with the IDC (Industrial Development Committee, a for profit corporation that seeks to drive industrial development within the City), to pay for a comprehensive HEC-RAS (Hydrologic Engineering Centers River Analysis System). The cost of this computer model was \$185,000 and was paid for out of the City's Economic Development fund as well as with a \$50,000 contribution from the IDC. The purpose of the HEC-RAS is to model the flow of water during a high volume rain event allowing the City to determine where to allow development, what impact new construction will have on downstream businesses/residences, and how best to continue creek maintenance. This proactive step is a major initiative in the City's goal of driving economic development.

The Board of Aldermen have established policies regarding the setting aside of a portion of water and sewer revenues for repair and replacement, in addition to minimum fund balance restrictions.

Achievements and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in financial Reporting to the City of Cassville for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was

the first year that the government has achieved 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 Comprehensive Annual Financial Report is due to the proficiency of the staff of the Finance Department, who maintains the financial reporting system for the City of Cassville. The City's participation in the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program speaks to the commitment that the City has to strive for excellence and transparency in its financial endeavors. Recognition is extended to the City elected officials and staff for their diligent efforts to provide quality services to the citizens of Cassville with limited resources.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jennifer Evans, CPFO". The signature is written in a cursive, flowing style.

Jennifer Evans, *CPFO, MRCC*
City Clerk/Finance Officer



Government Finance Officers Association

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

Presented to

**City of Cassville
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

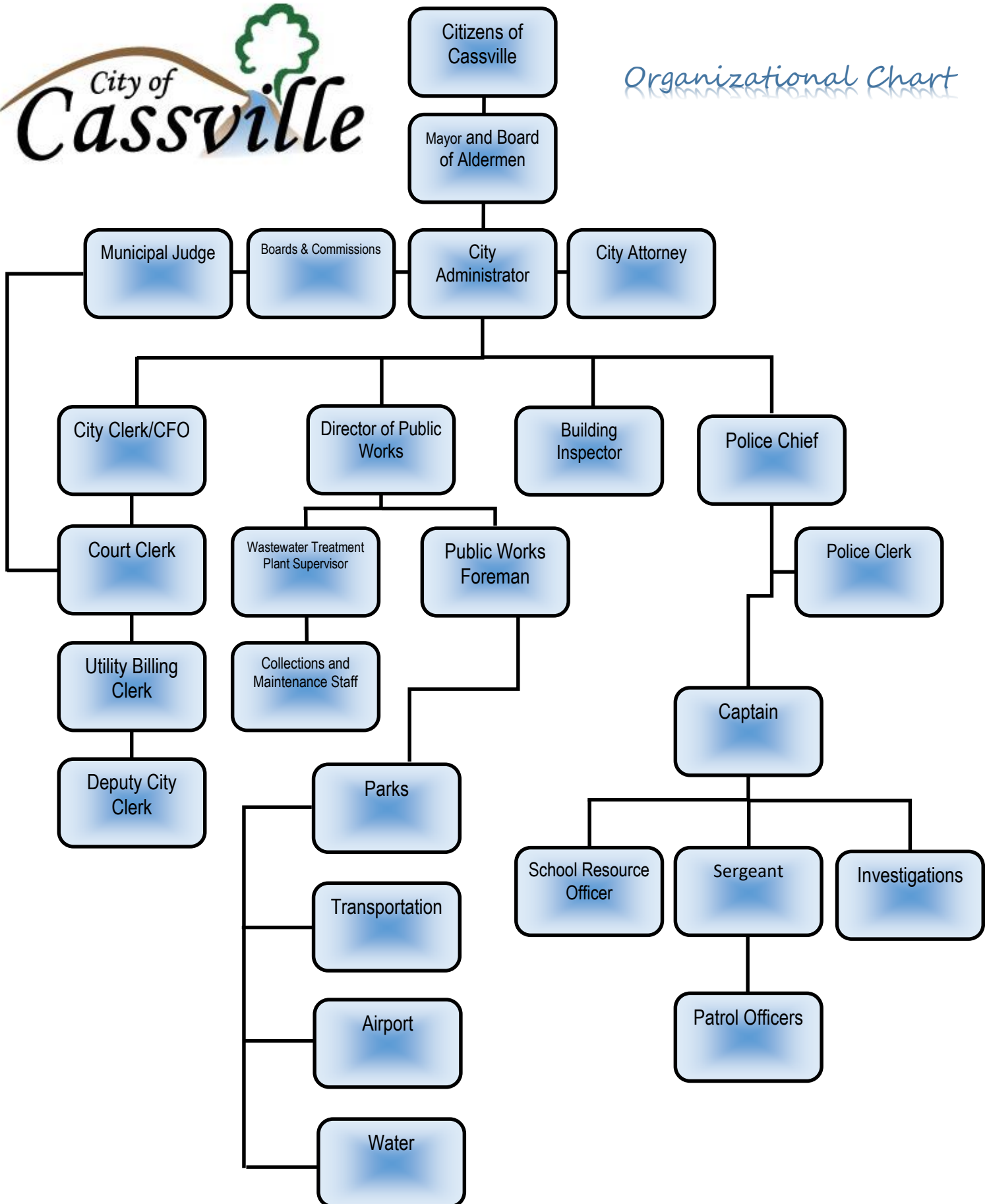
December 31, 2016

Christopher P. Morill

Executive Director/CEO



Organizational Chart



City of Cassville, Missouri
Principal Officials As Of December 31, 2017

MAYOR AND BOARD OF ALDERMEN

Bill Shiveley, Mayor
Jerry Marple, North Ward Alderman
Jon Horner, North Ward Alderman
Mike Vining, South Ward Alderman
Cindy Carr, South Ward Alderman

APPOINTED

City Administrator – Steve Walensky
City Attorney – Don Cupps
Assistant City Attorney/City Prosecutor – David Cole
City Clerk/Finance Officer – Jennifer Evans

Public Works

David Brock, Director

Police

Dana Kammerlohr, Chief

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Cassville, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cassville, Missouri, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cassville, Missouri, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

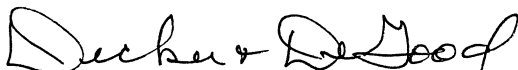
Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 13 through 21, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 other supplementary information and introductory and statistical section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the other 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.

The introductory and statistical sections have 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 provided any assurance on them.



Decker & DeGood
Springfield, Missouri
April 24, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Cassville's financial performance provides an overview of the City's financial activities for the year ended December 31, 2017. Please read it in conjunction with the City's financial statements, which begin on page 22.

Financial Highlights and Significant Events

- On a government-wide basis, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$14,542,318. The City has unrestricted net position totaling \$ 3,374,766, which can be used to fund the City's functions/programs.
- As of December 31, 2017, governmental activities and business-type activities had net positions of \$ 7,593,217 and \$ 6,949,101, respectively.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 2,802,612, an increase of \$ 109,550 in comparison with the prior year. Approximately 69% or \$ 1,939,143 is available for discretionary spending by the City. The remaining fund balance is either restricted by outside parties or not in spendable form.
- The unassigned fund balance for the General Fund, \$ 1,939,143, is 145% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- The City's long-term debt obligations decreased by \$ 421,739, or 14% as compared to fiscal year 2016.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Cassville's finances, in a manner similar to private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the City. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows 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 is improving or deteriorating.

Unaudited

The Statement of Activities presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cassville 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 include general government, judiciary, public safety, transportation, culture and recreation. The business-type activities include the water and sewer systems.

The government-wide financial statements can be found on pages 23 and 24 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, while others are established to help control and manage money for a particular purpose. The City's two kinds of funds are as follows:

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash when earned and expenditures when incurred. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds in reconciliation at the bottom of the fund financial statements.

The City of Cassville adopts an annual budget for its governmental funds and a comparison of actual to budget has been provided to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual can be found on page 59-61.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 25-28 of this report.

- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows. The basic proprietary fund financial statements (Statement of Net Position, Statement of Revenues, Expenses

Unaudited

and Changes in Net Position and Statement of Cash Flows) can be found on pages 29-31 of this report.

Notes to the 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 the financial statements can be found on pages 32-57 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 58-63 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the City of Cassville, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$ 14,542,318, at the close of the most recent fiscal year.

City of Cassville				
Condensed Statement of Net Position				
	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Current Assets and other assets	\$ 2,912,584	\$ 2,775,473	\$ 2,014,265	\$ 1,956,540
Capital Assets	5,320,273	5,161,964	8,004,460	8,237,912
Total Assets	8,232,857	7,937,437	10,018,725	10,194,452
Deferred outflows of resources	99,301	116,612	48,490	109,460
Current Liabilities	140,803	114,241	661,299	509,460
Long-term Liabilities	564,155	478,188	2,436,246	3,196,847
Total Liabilities	704,958	592,429	3,097,545	3,706,307
Deferred inflows of resources	33,983	17,933	20,569	5,590
Net Position:				
Invested in capital assets-net	5,320,322	5,161,964	5,463,379	5,274,452
Restricted	-	-	383,851	351,097
Unrestricted	2,272,895	2,281,718	1,101,871	966,466
Total net position	\$ 7,593,217	\$ 7,443,682	\$ 6,949,101	\$ 6,592,015

By far, the largest portion of the City of Cassville's net position (74.16%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Cassville uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although, the City of Cassville investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unaudited

An additional portion of the City of Cassville's net position (2.63%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 3,374,766 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Cassville is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City of Cassville's overall net position improved \$ 506,621 or a difference of (\$ 728,983) from the prior year's improvement.

City of Cassville
Condensed Statement of Changes in Net Position

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Revenues:				
Program Revenues:				
Charges for services	\$ 313,517	\$ 327,731	\$ 1,466,701	\$ 1,480,517
Operating grants and contributions	160,035	170,310	19,936	4,000
Capital grants and contributions	28,951	258,419	-	-
General Revenues:				
Taxes	2,448,330	2,418,839	-	-
Interest	35,389	11,906	3,423	1,196
Other	3,411	3,472	-	-
Total Revenue	<u>2,989,633</u>	<u>3,190,677</u>	<u>1,490,060</u>	<u>1,485,713</u>
Expenses:				
Administration	404,824	306,302	-	-
Public Safety	800,963	783,258	-	-
Building inspection	17,953	18,460	-	-
Airport	72,850	74,266	-	-
Economic development	169,358	382	-	-
Sanitation	211,960	212,902	-	-
Parks and recreation	401,077	401,545	-	-
Storm water	116,810	-	-	-
Streets	412,557	254,121	-	-
Water	-	-	525,203	581,713
Sewer	-	-	839,517	807,837
Total Expense	<u>2,608,352</u>	<u>2,051,236</u>	<u>1,364,720</u>	<u>1,389,550</u>
Other sources and (uses)				
Transfers	<u>(231,746)</u>	<u>(223,863)</u>	<u>231,746</u>	<u>223,863</u>
Change in Net Position	149,535	915,578	357,086	320,026
Net Position, beginning	<u>7,443,682</u>	<u>6,528,104</u>	<u>6,592,015</u>	<u>6,271,989</u>
Net Position, ending	<u>\$ 7,593,217</u>	<u>\$ 7,443,682</u>	<u>\$ 6,949,101</u>	<u>\$ 6,592,015</u>

Unaudited

Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$ 766,043 from the prior fiscal year for an ending balance of \$ 7,593,217. The change can be attributed to less money received in federal grants and more funds expended on streets and storm water. While other revenue as sales taxes increased so did operating expenses increase in a similar amount.

Business-type Activities. For the City of Cassville's business-type activities, the results for the current fiscal year were positive in that the overall net position increased to reach an ending balance of \$ 6,949,101 or a \$ 37,060 increase. The increase was attributable to a slight increase in sales with a decrease in operating expenses of \$ 24,830.

Financial Analysis of the Governmental Funds

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

Governmental Funds

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

Unaudited

Some significant items are presented below for comparison and analysis.

	Percent of			Change	
	Total	2017	2016	Amount	%
Revenues					
Surtax	0.13%	\$ 3,758	\$ 3,425	\$ 333	10.00%
Franchise taxes	1.40%	41,961	51,285	(9,324)	-18.18%
Sales taxes	75.95%	2,270,764	2,233,770	36,994	1.66%
Missouri motor fuel taxes	4.41%	131,847	130,359	1,488	1.14%
Licenses & permits	0.44%	13,144	11,289	1,855	16.43%
Charge for services	7.63%	228,195	226,262	1,933	0.85%
Fines & forfeits	1.72%	51,298	74,320	(23,022)	-30.98%
Interest	1.18%	35,389	11,906	23,483	197.24%
Rents	0.70%	20,880	15,860	5,020	31.65%
Contributions	1.67%	50,000	-	50,000	-
Grants	4.65%	138,986	428,729	(289,743)	-67.58%
Miscellaneous	0.11%	3,411	931	2,480	266.38%
Total	100.00%	2,989,633	3,188,136	(198,503)	-6.23%
Expenditures:					
General government	12.33%	326,451	219,560	106,891	48.68%
Police and courts	28.32%	749,965	719,655	30,310	4.21%
Building inspection	0.65%	17,256	18,271	(1,015)	-5.56%
Streets	9.56%	253,081	192,045	61,036	31.78%
Economic development	6.18%	163,664	59,179	104,485	176.56%
Parks and recreation	9.40%	248,904	278,046	(29,142)	-10.48%
Sanitation	8.00%	211,960	212,902	(942)	-0.44%
Airport	1.00%	26,442	31,640	(5,198)	-16.43%
Storm water	4.37%	115,713	-	115,713	-
Capital outlay	20.20%	534,901	924,208	(389,307)	-42.12%
	100.00%	2,648,337	2,655,506	(7,169)	-0.27%

General revenue decreased by \$198,503 over the prior year largely due to a decrease in grant funding received. Expenditures were relatively consistent with the exception of a decrease in capital outlay, and an increase in storm water projects and a storm water mapping tool paid for out of the Economic Development Fund.

Unaudited

Business-type Activities

In reviewing the current to the past year on the water and sewer fund, we noted the following:

	2017	2016	Change	
			Amount	%
Waterworks				
Revenue	\$ 699,259	\$ 698,915	\$ 344	0.05%
Expense net of Depreciation	394,502	423,774	(29,272)	-6.91%
Operating Income	190,859	133,398	57,461	43.07%
Sewer				
Revenue	767,442	781,602	(14,160)	-1.81%
Expense net of Depreciation	640,990	523,983	117,007	22.33%
Operating Income (Loss)	(42,283)	60,064	(102,347)	-170.40%

The Water and Sewer Funds remained consistent with the prior year showing in 2016 a net position of \$ 6,592,015 compared to 2017 of \$ 6,949,101 with a change in net position of \$ 357,086 as compared to the prior year of \$ 320,026. The slight change was due to an increase in revenue combined with a similar decrease in operating expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, amendments were made to increase the original estimated revenue and original budgeted appropriations. Sales tax revenue was approximately 6.3% higher than budgeted and an increase in interest income was higher than originally anticipated. Some decreases to the Revenue budget were made as well. A project at the airport installing a new grant funded facility was postponed until 2018 affecting both the projected fuel revenue and grant revenue lines.

Final budget compared to actual results. The most significant differences between final estimated revenues and actual were as follows:

Revenue Source	Estimated		Actual Revenues	Differences
	Original Revenues	Final Revenues		
Sales Taxes	\$ 899,088	\$ 955,679	\$ 956,238	\$ 559
Interest	12,015	29,015	32,960	3,945
Charge for Airport Fuel	7,500	7,500	-	(7,500)
Grants	253,262	74,045	51,659	(22,386)

As previously mentioned, overall sales tax revenue came in higher than originally anticipated and was adjusted accordingly.

Unaudited

An increase in interest rates to the demand deposit account is reflected in the increase in interest revenue.

Fuel sales at the Airport were anticipated with the installation of a new fuel facility; however, the project was postponed until 2018; therefore, there was no revenue for airport fuel.

As mentioned above, the grant funds anticipated for the Airport Fuel Facility project were rescheduled to be received in 2018, so the budget was amended to reflect this postponement.

A review of actual expenditures compared to the appropriations in the final budget yields all departments remaining well under the amount appropriated for them. In order maintain a structurally balanced budget, the expense budget was increased in the Administration Department's contingency expense line item to offset the increase made to the revenue side due to the differing factors as mentioned above.

CITY OF CASSVILLE'S CAPITAL ASSETS

(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 308,682	\$ 283,250	\$ 100,506	\$ 100,506	\$ 409,188	\$ 383,756
Buildings and plants	2,637,640	2,737,281	4,489,874	4,649,166	7,127,514	7,386,447
Infrastructure	1,728,733	1,586,640	3,262,667	3,336,900	4,991,400	4,923,540
Equipment	450,295	408,152	110,703	88,258	560,998	496,410
Vehicles	194,923	146,641	40,710	62,939	235,633	209,580
	<u>\$ 5,320,273</u>	<u>\$ 5,161,964</u>	<u>\$ 8,004,460</u>	<u>\$ 8,237,769</u>	<u>\$ 13,324,733</u>	<u>\$ 13,399,733</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. Additional information on the City's capital assets can be found in Note C, pages 43-44, of the notes to the financial statements of this report.

CITY OF CASSVILLE'S OUTSTANDING DEBT

At year-end, the City had \$ 2,541,721 in outstanding notes as compared to the prior year of \$ 2,963,460.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue Bonds	\$ -	\$ -	\$ 1,965,860	\$ 2,205,061	\$ 1,965,860	\$ 2,205,061
COP's	-	-	575,861	758,399	575,861	758,399
TOTALS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,541,721</u>	<u>\$ 2,963,460</u>	<u>\$ 2,541,721</u>	<u>\$ 2,963,460</u>

Additional information on the City's long-term debt can be found in Note D, on pages 45-48, of the notes to the financial statements of this report.

Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's 2018 annual budget for all funds estimates total expenditures of \$ 5,527,779, including capital expenditures of \$ 898,946.

The City is continuing to recover from the devastating floods experienced on two separate occasions in 2015. The 2018 budget includes \$ 100,000 from the parks and storm water fund for creek debris removal. This storm water mitigation activity is a part of the City's ongoing effort to deal with flooding issues in the area.

The City's 2018 budget reflects a 3-year street maintenance plan, with \$ 167,800 being set aside for resurfacing and repair projects.

A parks improvement plan is planned for 2018 with grant funding being sought out for new bathroom facilities and trail head improvements.

A major project at the airport is planned for 2018 in installing a new fuel facility. A grant has been obtained from the Missouri Department of Transportation's Aviation Division and \$ 418,418 has been budgeted for this project. The City's share will be 10% or \$ 42,000. This facility will open up more opportunities for airplanes to fly into Cassville's airport.

A staff realignment was budgeted for 2018 with the net effect of all staffing changes being a \$ 20,337 increase in personnel costs. This realignment will allow the Police Department to work more efficiently and the City Hall staff to make better use of personnel resources.

In 2018, sales tax revenue is projected to be \$ 2,193,037 which is 2.7% over the prior year budgeted amount. This figure represents 3.5% less than actual tax received in 2017. Water and Sewer rates were increased by 4%, the increase is expected to generate an additional \$ 55,000 in revenue. The steady increase in rates on an annual basis the past 5 year has positioned the City to qualify for USDA loan funding for a major rehabilitation and repair project for the sewer collection system. In 2018, this major repair to the City's infrastructure will begin.

Conservative fiscal responsibility and intergenerational equity remain the hallmarks of the City of Cassville's budgetary process. The City continues to focus on providing the highest level of services, investing in capital, and looking ahead to the needs of the City from an infrastructure standpoint. The 2018 budget provides adequate funding for all City functions while maintaining the efficiencies and cost savings in all departments. Overall, the economic outlook for the City is very optimistic.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk/Finance Officer's office at 300 Main Street, Cassville, Missouri.

Jennifer Evans
City Clerk/Finance Officer

Unaudited

BASIC FINANCIAL STATEMENTS

CITY OF CASSVILLE, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,207,166	\$ 1,253,455	\$ 3,460,621
Investments	227,091	-	227,091
Receivables-			
Sales taxes	373,779	-	373,779
Franchise tax	17,486	-	17,486
Utilities, net	19,676	106,567	126,243
Motor fuel taxes	21,551	-	21,551
Grants	4,773	-	4,773
Prepaid items	41,062	30,061	71,123
Restricted cash and cash equivalents-			
Debt reserves	-	624,182	624,182
Capital assets:			
Land	308,682	100,506	409,188
Other capital assets, net of accumulated depreciation	5,011,591	7,903,954	12,915,545
Total Assets	8,232,857	10,018,725	18,251,582
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	99,301	48,490	147,791
LIABILITIES			
Accounts payable	52,010	21,441	73,451
Accrued wages	33,120	16,364	49,484
Accrued payroll taxes and benefits	10,732	3,525	14,257
Accrued interest	-	27,553	27,553
Accrued pension-lagers	14,110	-	14,110
Customer deposits	-	120,976	120,976
Noncurrent liabilities:			
Due within one year	30,831	471,440	502,271
Due in more than one year:			
Certificates of participation	-	388,694	388,694
Revenue bonds	-	1,694,819	1,694,819
Compensated absences	7,020	-	7,020
Net pension liability	557,135	352,733	909,868
Total Liabilities	704,958	3,097,545	3,802,503
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	33,983	20,569	54,552
NET POSITION			
Net investment in capital assets	5,320,322	5,463,379	10,783,701
Restricted-			
Debt reserves	-	383,851	383,851
Unrestricted	2,272,895	1,101,871	3,374,766
Total Net Position	\$ 7,593,217	\$ 6,949,101	\$ 14,542,318

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
STATEMENT OF ACTIVITIES-
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 404,824	\$ 26,399	\$ -	\$ -	\$ (378,425)	\$ -	\$ (378,425)
Public safety- Police	733,152	-	83,703	5,711	(643,738)	-	(643,738)
Courts	67,811	51,298	-	-	(16,513)	-	(16,513)
Streets	412,557	1,200	20,567	-	(390,790)	-	(390,790)
Sanitation	211,960	228,195	-	-	16,235	-	16,235
Parks and recreation	401,077	-	4,780	-	(396,297)	-	(396,297)
Storm water	116,810	-	-	-	(116,810)	-	(116,810)
Building inspections	17,953	6,425	985	23,240	12,697	-	12,697
Airport	72,850	-	-	-	(72,850)	-	(72,850)
Economic development	169,358	-	50,000	-	(119,358)	-	(119,358)
Total governmental activities	<u>2,608,352</u>	<u>313,517</u>	<u>160,035</u>	<u>28,951</u>	<u>(2,105,849)</u>	<u>-</u>	<u>(2,105,849)</u>
Business-type activities:							
Water	525,203	699,259	-	-	-	174,056	174,056
Sewer	839,517	767,442	19,936	-	-	(52,139)	(52,139)
Total business-type activities	<u>1,364,720</u>	<u>1,466,701</u>	<u>19,936</u>	<u>-</u>	<u>-</u>	<u>121,917</u>	<u>121,917</u>
Total government	<u>\$ 3,973,072</u>	<u>\$ 1,780,218</u>	<u>\$ 179,971</u>	<u>\$ 28,951</u>	<u>(2,105,849)</u>	<u>121,917</u>	<u>(1,983,932)</u>
General Revenues							
Taxes:							
Surtax					3,758	-	3,758
Franchise taxes					41,961	-	41,961
Sales taxes					2,270,764	-	2,270,764
Missouri motor fuel taxes					131,847	-	131,847
Interest on investments					35,389	3,423	38,812
Miscellaneous					3,411	-	3,411
Fee in Lieu of Taxes					69,919	(69,919)	-
Transfers					(301,665)	301,665	-
Total general revenues and transfers					<u>2,255,384</u>	<u>235,169</u>	<u>2,490,553</u>
Change in net position					149,535	357,086	506,621
Net position beginning					<u>7,443,682</u>	<u>6,592,015</u>	<u>14,035,697</u>
Net position ending					<u>\$ 7,593,217</u>	<u>\$ 6,949,101</u>	<u>\$ 14,542,318</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI

BALANCE SHEET- GOVERNMENTAL FUNDS DECEMBER 31, 2017

	General Fund	Park/Storm Water Fund	Street Fund	Capital Project Fund	Nonmajor Fund Economic Development Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,715,655	\$ 138,157	\$ 127,255	\$ 171,818	\$ 54,281	\$ 2,207,166
Investments	100,452	-	-	-	126,639	227,091
Receivables						
Sales tax	157,383	78,691	59,014	78,691	-	373,779
Franchise taxes	17,486	-	-	-	-	17,486
Refuse fees, net	19,676	-	-	-	-	19,676
Motor fuel taxes	-	-	21,551	-	-	21,551
Grants	4,773	-	-	-	-	4,773
Prepaid items	29,864	6,353	4,845	-	-	41,062
TOTAL ASSETS	\$ 2,045,289	\$ 223,201	\$ 212,665	\$ 250,509	\$ 180,920	\$ 2,912,584
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 25,732	\$ 1,315	\$ 4,313	\$ -	\$ 20,650	\$ 52,010
Accrued wages	27,160	2,048	3,912	-	-	33,120
Accrued payroll taxes and benefits	9,280	498	954	-	-	10,732
Accrued pension-lagers	14,110	-	-	-	-	14,110
Total Liabilities	76,282	3,861	9,179	-	20,650	109,972
FUND BALANCES						
Fund Balances -						
Nonspendable	29,864	6,353	4,845	-	-	41,062
Restricted-						
Park/Storm Water	-	212,987	-	-	-	212,987
Streets	-	-	198,641	-	-	198,641
Capital Improvements	-	-	-	250,509	-	250,509
Economic Development	-	-	-	-	160,270	160,270
Unassigned	1,939,143	-	-	-	-	1,939,143
Total Fund Balances	1,969,007	219,340	203,486	250,509	160,270	2,802,612
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,045,289	\$ 223,201	\$ 212,665	\$ 250,509	\$ 180,920	\$ 2,912,584

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total Fund Balances-Governmental Funds	\$ 2,802,612
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Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Non-depreciable assets	308,682	
Depreciable assets	<u>5,011,591</u>	
		5,320,273

Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension liability	(557,135)
Deferred outflows - pension related	99,301
Deferred inflows - pension related	(33,983)
Compensated absences	<u>(37,851)</u>

Net position of governmental activities	<u><u>\$ 7,593,217</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Park/Storm Water Fund	Street Fund	Capital Project Fund	Nonmajor Fund Economic Development Fund	Total Governmental Funds
REVENUES						
Taxes:						
Surtax	\$ 3,758	\$ -	\$ -	\$ -	\$ -	\$ 3,758
Franchise taxes	41,961	-	-	-	-	41,961
Sales and use taxes	956,238	478,095	358,313	478,118	-	2,270,764
Intergovernmental:						
Missouri motor fuel taxes	-	-	131,847	-	-	131,847
Licenses & permits	11,944	-	1,200	-	-	13,144
Fines & forfeitures	51,298	-	-	-	-	51,298
Service charges:						
Refuse fees	228,195	-	-	-	-	228,195
Interest	32,960	-	-	-	2,429	35,389
Rents	20,880	-	-	-	-	20,880
Contributions	-	-	-	-	50,000	50,000
Grants	113,639	4,780	20,567	-	-	138,986
Miscellaneous	3,411	-	-	-	-	3,411
Total Revenues	<u>1,464,284</u>	<u>482,875</u>	<u>511,927</u>	<u>478,118</u>	<u>52,429</u>	<u>2,989,633</u>
EXPENDITURES						
Current:						
General government	326,451	-	-	-	-	326,451
Public safety- Police	694,265	-	-	-	-	694,265
Courts	55,700	-	-	-	-	55,700
Streets	-	-	253,081	-	-	253,081
Sanitation	211,960	-	-	-	-	211,960
Parks and recreation	-	248,904	-	-	-	248,904
Storm water	-	115,713	-	-	-	115,713
Building inspections	17,256	-	-	-	-	17,256
Airport	23,603	-	-	2,839	-	26,442
Economic development	-	-	-	-	163,664	163,664
Capital outlay	8,158	58,968	334,866	132,909	-	534,901
Total Expenditures	<u>1,337,393</u>	<u>423,585</u>	<u>587,947</u>	<u>135,748</u>	<u>163,664</u>	<u>2,648,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,891	59,290	(76,020)	342,370	(111,235)	341,296
OTHER FINANCING SOURCES (USES)						
Transfers (to)	-	-	(17,903)	(283,762)	-	(301,665)
Transfer in- Fee in Lieu of Taxes	69,919	-	-	-	-	69,919
NET CHANGES IN FUND BALANCES	196,810	59,290	(93,923)	58,608	(111,235)	109,550
FUND BALANCES - BEGINNING (RESTATED)	1,772,197	160,050	297,409	191,901	271,505	2,693,062
FUND BALANCES - ENDING	\$ 1,969,007	\$ 219,340	\$ 203,486	\$ 250,509	\$ 160,270	\$ 2,802,612

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balances--total governmental funds	\$ 109,550
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital assets	534,901
Current year's depreciation	(376,543)
Some expenses reported in statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in compensated absences	(6,016)
Change in pension expense	(112,357)
	<hr/>
Change in net position of governmental activities	<u><u>\$ 149,535</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2017

	Business-type Activities		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 580,985	\$ 672,470	\$ 1,253,455
Utility Receivables, net	49,402	57,165	106,567
Prepaid items	14,461	15,600	30,061
Total Current Assets	<u>644,848</u>	<u>745,235</u>	<u>1,390,083</u>
Noncurrent Assets:			
Restricted cash and cash equivalents			
Debt reserves	-	624,182	624,182
Capital assets:			
Land	35,471	65,035	100,506
Other capital assets, net of accumulated depreciation	<u>2,329,194</u>	<u>5,574,760</u>	<u>7,903,954</u>
Total Noncurrent Assets	<u>2,364,665</u>	<u>6,263,977</u>	<u>8,628,642</u>
TOTAL ASSETS	<u>3,009,513</u>	<u>7,009,212</u>	<u>10,018,725</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>16,818</u>	<u>31,672</u>	<u>48,490</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	11,908	9,533	21,441
Accrued wages	6,677	9,687	16,364
Accrued payroll taxes and benefits	1,577	1,948	3,525
Accrued interest	6,047	21,506	27,553
Customer deposits	60,488	60,488	120,976
Current portion of long-term debt	<u>191,173</u>	<u>280,267</u>	<u>471,440</u>
Total Current Liabilities	<u>277,870</u>	<u>383,429</u>	<u>661,299</u>
Noncurrent Liabilities:			
Certificate of participation	388,694	-	388,694
Revenue bonds	-	1,694,819	1,694,819
Net pension liability	<u>122,365</u>	<u>230,368</u>	<u>352,733</u>
TOTAL LIABILITIES	<u>788,929</u>	<u>2,308,616</u>	<u>3,097,545</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>7,134</u>	<u>13,435</u>	<u>20,569</u>
NET POSITION			
Net investment in capital assets	1,788,804	3,674,575	5,463,379
Restricted-			
Debt reserves	-	383,851	383,851
Unrestricted	<u>441,464</u>	<u>660,407</u>	<u>1,101,871</u>
TOTAL NET POSITION	<u>\$ 2,230,268</u>	<u>\$ 4,718,833</u>	<u>\$ 6,949,101</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
OPERATING REVENUES:			
Charges for services	\$ 696,828	\$ 767,442	\$ 1,464,270
Water tap	2,431	-	2,431
Total Operating Revenues	<u>699,259</u>	<u>767,442</u>	<u>1,466,701</u>
OPERATING EXPENSES:			
Chemicals	2,558	22,830	25,388
Credit card fees	3,947	3,947	7,894
Depreciation	130,701	198,527	329,228
Dues and subscriptions	735	590	1,325
Group insurance	19,994	27,694	47,688
Insurance -Liability	15,227	27,512	42,739
-Workers compensation	24,328	6,464	30,792
Lab expense	-	5,921	5,921
Miscellaneous	2,194	2,836	5,030
Office supplies and postage	5,757	5,784	11,541
Payroll taxes	9,972	16,051	26,023
Professional fees	43	72,776	72,819
Repairs & maintenance	110,796	104,121	214,917
Wages and retirement benefits	85,588	191,303	276,891
Supplies	9,353	9,419	18,772
Telephone	1,286	2,115	3,401
Travel and training	989	1,063	2,052
Uniforms	3,379	5,679	9,058
Utilities	69,923	93,744	163,667
Vehicle expense	11,630	9,090	20,720
Total Operating Expenses	<u>508,400</u>	<u>807,466</u>	<u>1,315,866</u>
OPERATING INCOME (LOSS)	<u>190,859</u>	<u>(40,024)</u>	<u>150,835</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest income	-	3,423	3,423
Grants	-	19,936	19,936
Interest expense	(16,803)	(32,051)	(48,854)
Total Non-operating Revenues (Expenses)	<u>(16,803)</u>	<u>(8,692)</u>	<u>(25,495)</u>
INCOME (LOSS) BEFORE TRANSFERS	174,056	(48,716)	125,340
Transfer (out) Fee in lieu of taxes	(33,719)	(36,200)	(69,919)
Transfers (out)	-	(61,890)	(61,890)
Transfer in	<u>79,793</u>	<u>283,762</u>	<u>363,555</u>
CHANGE IN NET POSITION	220,130	136,956	357,086
TOTAL NET POSITION - BEGINNING	<u>2,010,138</u>	<u>4,581,877</u>	<u>6,592,015</u>
TOTAL NET POSITION - ENDING	<u>\$ 2,230,268</u>	<u>\$ 4,718,833</u>	<u>\$ 6,949,101</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 707,172	\$ 778,499	\$ 1,485,671
Payments to suppliers	(264,374)	(375,512)	(639,886)
Payments to employees	(172,388)	(280,994)	(453,382)
Net Cash Provided by Operating Activities	270,410	121,993	392,403
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Fee in lieu of taxes paid to General Fund	(33,719)	(36,200)	(69,919)
Grants	-	19,936	19,936
Transfers In	-	283,762	283,762
Net Cash Provided by (Used for) Noncapital Financing Activities	(33,719)	267,498	233,779
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfer in	79,793	-	79,793
Transfer (out)	-	(61,890)	(61,890)
Capital improvements	(68,109)	(27,810)	(95,919)
New debt issue	-	569,600	569,600
Principal paid	(182,538)	(808,801)	(991,339)
Interest paid	(18,720)	(42,746)	(61,466)
Net Cash (Used for) Capital and Related Financing Activities	(189,574)	(371,647)	(561,221)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	-	3,423	3,423
Net Cash Provided by Investing Activities	-	3,423	3,423
NET CASH INCREASE FOR THE YEAR	47,117	21,267	68,384
CASH AT BEGINNING OF YEAR	533,868	1,275,385	1,809,253
CASH AT END OF YEAR	\$ 580,985	\$ 1,296,652	\$ 1,877,637
SUMMARY OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 580,985	\$ 672,470	\$ 1,253,455
Restricted cash and cash equivalents	-	624,182	624,182
Total Cash and Cash Equivalents	\$ 580,985	\$ 1,296,652	\$ 1,877,637
Reconciliation of operating income (Loss) to net cash provided by operating activities:			
Operating Income (Loss)	\$ 190,859	\$ (40,024)	\$ 150,835
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	130,701	198,527	329,228
(Increase) Decrease in Accounts Receivable	5,788	8,932	14,720
(Increase) Decrease in Prepaid Items	(2,916)	(1,145)	(4,061)
Increase (Decrease) in amounts related to pensions	(53,621)	(46,056)	(99,677)
Increase (Decrease) in Accounts Payable	687	(476)	211
Increase (Decrease) in Wages and benefits	(3,213)	110	(3,103)
Increase (Decrease) in Customer deposits	2,125	2,125	4,250
Net Cash Provided by Operating Activities	\$ 270,410	\$ 121,993	\$ 392,403

The accompanying notes are an integral part of these financial statements.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Cassville, Missouri (the “City”) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (U.S. GAAP). The following summary of the more significant policies of the City is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

THE REPORTING ENTITY

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit’s Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

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 activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund but distinguish between the City’s governmental activities and business-type activities. 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.

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 properly included among program revenues are reported instead as general revenues.

Fund financial statements. Separate financial statements are provided for governmental funds and proprietary funds. Separate columns are presented for each major governmental fund and for each major enterprise fund. Non-major funds are aggregated and presented in a single column labeled “Nonmajor Governmental Funds.”

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types: Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The following are the City's major governmental funds:

General Fund

The General Fund is the government's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is considered a major fund type.

Park/Storm Water Fund

This is a special revenue fund used to account for all financial resources (1/2 cent park/storm water sales tax) used for park and recreation activities and in addition for improvements to storm water drainage. The Park/Storm Water Fund is considered a major fund type.

Street Fund

This is a special revenue fund used to account for all financial resources (Missouri Motor Fuel taxes and 3/8 cent sales tax) that by law or Council designation is used for street repairs, maintenance and capital improvements. The Street Fund is considered a major fund type.

Capital Project Fund

This is a capital project fund established to account for the proceeds of specific revenue sources (1/2 cent capital improvement sales tax) that are legally restricted to expenditures for specified purposes. The Capital Improvement Fund is considered a major fund type.

Proprietary Fund Types: Proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector. The following are the City's major proprietary funds:

Water and Sewer Funds

These funds account for the provision of water and sewer services, respectively, to the residents and applicable nonresidents of the City. They are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues collected, expenditures paid, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the City reports the following fund types of nonmajor funds:

Economic Development Fund

This is a special revenue fund established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Economic Development Fund is considered a non-major fund type.

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 is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 60 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, claims, and judgments, are recorded only when payment is due (i.e., matured).

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fixed period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer department funds are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue, the portion of hook ups and meter sets intended to recover the cost of new customers to the system. Operating expenses of the enterprise fund 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.

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCES

Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Statement of Cash Flows

For cash flow statement purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Missouri State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are Certificate of Deposit stated at fair value (cost).

Restricted Assets

Certain General Fund monies are classified as restricted assets on the balance sheet because their use is limited by covenants of the capital lease agreement and restriction by law of use of certain revenues. The reserve account is to be used solely for the purpose of making lease payments on the applicable due dates when and to the extent other funds are not available for this purpose. The bond reserve account is used only for the payment of the principal and interest on the lease obligation.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets - continued

Certain funds generated by the water and sewer fund are classified as restricted assets on the balance sheet because their use is limited by the sewer system revenue bond ordinances. The bond principal and interest account is used for payment of current bond payment within the current year. The bond reserve account is to be used only to pay bonds at maturity or interest as it accrues when and to the extent other funds are not available for this purpose. The depreciation and replacement account is to be expended only for repairs or replacement to the utilities if no other funds are available.

Restricted assets consisted of the following for the year ended December 31, 2017:

Business-type Activities:	<u>Cash Balances</u>	<u>Required Debt Reserves</u>
Water and Sewer Fund		
Bond reserves	\$ 251,239	\$ 307,300
Bond principal and interest	85,000	76,551
Bond repair and replacement	<u>287,943</u>	<u>-</u>
	<u><u>\$ 624,182</u></u>	<u><u>\$ 383,851</u></u>

Accounts Receivable

Receivables reflect amounts collected within 60 days after year end with no allowance for doubtful accounts with the exception of Water and Sewer utilities which represent 30 days. Those accounts had \$ 19,251 for water, \$ 26,151 for sewer and \$ 5,911 for refuse as allowance for doubtful accounts. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the fiscal year.

Inventories

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased.

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 fund financial statements. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), 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 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected not to go back 20 years and record estimated cost of streets less depreciation, but began in 2004 recording capital outlay of street projects and then depreciating the cost from twenty to forty years.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings and utility plants	30-55 years
Infrastructure	20-40 years
Furniture and equipment	5-20 years
Vehicles	5-10 years

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds where proceeds were used to finance construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. For the year ended December 31, 2017, the City did not have any projects that interest was capitalized and interest expense for the year was \$ 48,854.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has one item that meet the definition of deferred outflows of resources. It is the statement of net position and proprietary fund statements for amounts related to pension outflows as per GASB 68.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position 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 then. At this time, the City has one item that meet the definition of deferred inflows of resources. It is the amount that is related to pension inflows as per GASB 68.

Obligation for Bond Arbitrage

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the City must rebate to the United State Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of December 31, 2017, the City had no outstanding arbitrage rebate liability.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and 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 report at fair value.

Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

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

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds

As of December 31, 2017, fund balances of the governmental funds are classified as follows:

Non-spendable-This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted-This classification includes amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed-This classification includes amounts that can be used only for specific purposes determined by a formal action by the City Council. Such formal action may be in the form of an ordinance and may only be modified or rescinded by a subsequent formal action.

Assigned-This classification includes amounts that are intended by the City to be used for a specific purpose but are neither restricted nor committed. Assignments may be made only by the government body or official.

Unassigned-All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assigned actions.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position - continued

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

Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

Vacation, sick leave, and other compensated absences

City employees accrue benefits of accrued vacation but the City only reports those benefits as paid and doesn't believe that the total liability would be paid in any one year.

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. The City elected to not assess property taxes in exchange for approval of sales tax revenue. Levy therefore has been set at \$ 0.00.

Revenue – Sales Tax

The City has four authorizations of sales tax revenue. A one cent general sales tax (\$ 956,238), a ½ cent Park/Storm Water (\$ 478,095), a ½ cent Capital Improvement sales tax (\$ 478,118) and a 3/8 cent Transportation sales tax (\$ 358,313). The ½ cent Capital Improvement sales tax has an expiration date of September 30, 2025 and is used for debt repayment of bond issues in the Sewer Fund, which total principal and interest for 2017 was \$ 283,762.

Fee in Lieu of Taxes

The Water and Sewer Fund is exempt from federal and state income taxes. However, the Water and Sewer Fund makes payments in lieu of taxes to the General Fund which is based on a percentage of sales. The payments are reflected as a transfer on the statements of Revenue, Expenses and Changes in Net Position.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest Earned on SRF Bond Reserves

On the debt issues funded under the State Revolving Funds the City earns interest on reserve accounts established by the Federal Government and State of Missouri which is applied to reduce the required interest payments for the City. The 2002 B at year end had \$ 907,597 set aside in reserves.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance on Bond Reserves

The City is in compliance with significant requirements regarding deposits and debt service payments.

Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$ 4,080,124. The City did not have any general obligation bonds outstanding as of December 31, 2017.

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

Investments. For the year ended December 31, 2017 the City's investments were in certificates of deposits.

As of December 31, 2017 the City's bank balances and certificates of investments were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does have a written investment policy covering credit risk.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City policy is to limit the length of investments to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities before maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City policy is to invest in only those instruments approved by the State of Missouri which have minimal risk.

Custodial Credit Risk is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the City and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the City. The City does have a written investment policy on custodial credit risk which all investments are either insured or registered in the City's name and held by the City's agent.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE C – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2017 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	<u>\$ 283,250</u>	<u>\$ 25,432</u>	<u>\$ -</u>	<u>\$ 308,682</u>
Capital assets being depreciated:				
Building & Aqua Park	\$ 4,385,431	\$ 14,341	\$ -	\$ 4,399,772
Infrastructure	1,983,853	298,782	-	2,282,635
Equipment	856,451	100,835	2,400	954,886
Vehicles	415,109	110,762	25,500	500,371
Total capital assets being depreciated	<u>7,640,844</u>	<u>524,720</u>	<u>27,900</u>	<u>8,137,664</u>
Less: Accumulated depreciation for:				
Buildings & Aqua Park	1,648,150	113,982	-	1,762,132
Infrastructure	397,213	156,689	-	553,902
Equipment	448,299	58,692	2,400	504,591
Vehicles	268,468	47,180	10,200	305,448
Total accumulated depreciation	<u>2,762,130</u>	<u>376,543</u>	<u>12,600</u>	<u>3,126,073</u>
Total capital assets being depreciated, net	<u>\$ 4,878,714</u>			<u>\$ 5,011,591</u>
Governmental activities capital assets, net	<u>\$ 5,161,964</u>			<u>\$ 5,320,273</u>

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

Governmental activities:

General government	\$ 29,725
Police and court	47,681
Streets	125,594
Parks and recreation	127,320
Storm water	1,097
Economic development	100
Airport	<u>45,026</u>
	<u>\$ 376,543</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE C – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	<u>\$ 100,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,506</u>
Capital assets being depreciated:				
Buildings	\$ 1,455,768	\$ 12,479	\$ -	\$ 1,468,247
Plant	6,104,066	1,976	-	6,106,042
Equipment	358,047	44,896	8,381	394,562
Vehicles	315,044	-	-	315,044
Infrastructure	4,922,890	36,568	-	4,959,458
Total capital assets being depreciated	<u>13,155,815</u>	<u>95,919</u>	<u>8,381</u>	<u>13,243,353</u>
Less accumulated depreciation for:				
Buildings	427,085	33,815	-	460,900
Plant	2,483,583	139,932	-	2,623,515
Equipment	269,789	22,451	8,381	283,859
Vehicles	252,105	22,229	-	274,334
Infrastructure	1,585,990	110,801	-	1,696,791
Total accumulated depreciation	<u>5,018,552</u>	<u>329,228</u>	<u>8,381</u>	<u>5,339,399</u>
Total capital assets being depreciated, net	<u>\$ 8,137,263</u>			<u>\$ 7,903,954</u>
Business-type activities capital assets, net	<u>\$ 8,237,769</u>			<u>\$ 8,004,460</u>

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

Business-type activities:	
Water	\$ 130,701
Sewer	<u>198,527</u>
	<u>\$ 329,228</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D – LONG-TERM DEBT

Governmental Activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 31,836	40,810	\$ 34,795	\$ 37,851	\$ 30,831

For compensated absences, the General Fund normally liquidates 79%, the Park Fund 15% and the Street Fund the remaining 6%.

Business-type activities:

The following is a summary of debt transactions of the City for the year ended December 31, 2017 as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds	\$ 2,205,061	\$ 569,600	\$ 808,801	\$ 1,965,860	\$ 271,041
COP	758,399	-	182,538	575,861	187,167
Total debt payable	2,963,460	569,600	991,339	2,541,721	458,208
Compensated absences	18,538	19,048	24,354	13,232	13,232
Total Business-type					
Activities long-term debt	\$ 2,981,998	\$ 588,648	\$ 1,015,693	\$ 2,554,953	\$ 471,440
Long term debt payable within one year				\$ 471,440	
Long term debt payable in more than one year					
Certifications of participation				388,694	
Revenue Bonds				1,694,819	
				\$ 2,554,953	

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D – LONG-TERM DEBT (Continued)

The Proprietary Funds long-term debt as of December 31, 2017 follows:

\$ 570,000, Capital Improvement Sales Tax
Revenue Bonds Series 2005 Waterworks and
Sewerage System Improvements Project
due in annual installments at 3.75% to 4.8%
interest maturing March 1, 2020. \$ 150,000

\$2,935,000, Water Pollution Control Revenue
Bonds (State Revolving Fund Program) Series
2002B, Sewerage System Improvements and
extensions, due in annual installments at 2.0%
to 5.5% interest maturing July 1, 2023. 1,095,000

\$ 318,000, Neighborhood Improvement District
Bonds Series 2006A, for the Sherwood Forest
Project, due in annual installments at 1.5%. 168,160

\$ 569,600, Refunding Capital Improvement Sales Tax
Revenue Bonds, Series 2017 were issued February 2017
to refund the 2010 Southern Hills sales tax revenue bonds.
Payments are semi-annual principal and interest at 2.34%
with final payment July 10, 2015. 552,700

\$ 1,965,860

\$ 1,110,042, Refunding Certificate of Participation (COP)
Bonds Water and Wastewater Improvements Series 2014
Bonds were issued in January 2014 to refund the 2010
Certificates of Participation. In 2014, interest only is due
with semi-annual payments of principal and interest at 2.52%
commencing in 2015. Bonds will mature on August 1, 2020. \$ 575,861

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D – LONG-TERM DEBT (Continued)

In conjunction with the 2002B and 2006A SRF (State Revolving Fund Programs) reserve accounts have been established with federal capitalization grants and matching funds from the State of Missouri. The reserve accounts are held in trust by the State of Missouri and interest from these accounts are used to reduce the amount of debt payment for the City. For 2017 those accounts earned \$ 41,331 which was applied to the debt payment schedule and reduced the debt payment due from the City.

Neighborhood Improvement District

The Sherwood Forest District is a special assessment district formed for the purpose of providing utility improvements. Each property owner will be assessed for their portion of the assessment with their real estate taxes beginning in calendar year 2007 and thereafter until all amounts, including interest, are paid in full.

The annual requirements to amortize bonded debt as of December 31, 2017 follows:

Year Ending December 31,	Principal	Interest	Totals
2018	\$ 284,739	\$ 72,980	\$ 357,719
2019	291,284	59,716	351,000
2020	297,836	46,592	344,428
2021	254,294	34,823	289,117
2022	260,760	23,975	284,735
2023-2026	576,947	21,950	598,897
	<u>\$ 1,965,860</u>	<u>\$ 260,036</u>	<u>\$ 2,225,896</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D – LONG-TERM DEBT (Continued)

Following is a summary of debt maturities and interest requirements on above leases:

Year Ending December 31,	COP Total
2018	\$ 200,500
2019	200,500
2020	200,500
Total minimum lease payment	601,500
Less: amount representing interest	(25,639)
Present value of minimum lease payments	<u>\$ 575,861</u>

Assets acquired through capital lease for the above improvements totaling \$ 1,094,796 with accumulated depreciation to date of \$ 183,056.

Governmental activities

For governmental activities compensated absences are generally liquidated by the General Fund.

NOTE E – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City. In the past three years, the City has had no losses that exceeded commercial insurance coverage.

NOTE F – FUND TRANSFERS

The Street Fund transferred \$ 17,903 and the Sewer Fund transferred \$ 61,890 for a total of \$ 79,793 to the Water Fund for share of payment on long-term debt.

The Capital Improvement Fund transferred to the Sewer Fund \$ 283,762 to pay bond principal and interest capital improvement sales tax revenue bond.

The Water and Sewer Fund paid a 5% fee-in-lieu of based on sales to the General Fund.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G – DEFINED BENEFIT PENSION PLAN

The City of Cassville participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri. The retirement system covers all full-time City employees.

Plan description

The City of Cassville's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Cassville 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 receive a reduced allowance.

	<u>2017 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	5 years
Member Contributions:	4.00%

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

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Employees covered by benefit terms

At June 30, 2017, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>26</u>
Total	<u><u>36</u></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. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employers contribution rates are 16.0% General and 9.1% Police of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial assumptions

The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment

Mortality rates were based on 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.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

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.

The actuarial assumptions were based on the 5-year 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.93%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Discount rate

The discount rate used to measure the total pension liability is 7.25%. 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 CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 7/1/2016 Liability (Asset)	<u>\$ 1,916,314</u>	<u>\$ (912,026)</u>	<u>\$ 1,004,288</u>
Changes for the year:			
Service Cost	90,683	-	90,683
Interest	139,675	-	139,675
Difference between expected and actual experience	(3,527)	-	(3,527)
Changes in assumptions	(21,062)	-	(21,062)
Contribution - employer	-	(122,180)	(122,180)
Contribution - employee	-	(38,175)	(38,175)
Net investment income	-	(148,702)	148,702
Benefit payments, including refunds	(26,359)	26,359	-
Administrative expense	-	2,951	2,951
Other changes	-	5,917	5,917
Net changes	<u>179,410</u>	<u>(273,830)</u>	<u>202,984</u>
Balances at 6/30/2017 Liability (Asset)	<u><u>\$ 2,095,724</u></u>	<u><u>\$ (1,185,856)</u></u>	<u><u>\$ 909,868</u></u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25 %, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25 % than the current rate.

Current Single Discount		
1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
<u>\$ 1,226,625</u>	<u>\$ 909,868</u>	<u>\$ 650,263</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017 the employer recognized pension expense of \$ 145,434. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 10,619	\$ (22,781)
Differences in assumptions	66,447	(17,311)
Excess(deficit) in investment returns	5,131	(14,460)
Contributions subsequent to the measurement date*	65,594	-
Total	<u>\$ 147,791</u>	<u>\$ (54,552)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a decrease in the Net Pension Liability for the year ending December 31, 2018.

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

Year ended:	
2018	\$ 14,962
2019	14,960
2020	7,475
2021	(6,555)
2022	(2,912)
Thereafter	(285)
Total	<u>\$ 27,645</u>

Payable to the Pension Plan

At December 31, 2017, the City of Cassville reported a payable of \$ 14,110 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE H – GRANTS

Intergovernmental awards received by the City are subject to audit and adjustment by the grantor agencies. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agencies. No disallowed costs have resulted from this audit and management believes that further examination will not result in any disallowed costs.

NOTE I – COMMITMENTS

Water Tank Maintenance Agreement

On July 5, 2013 the City approved a ten-year contract for water tank maintenance that will cost \$ 53,903 per year beginning 2013 and ending 2020.

NOTE J – ADVANCE REFUNDING

The City issued \$ 569,600 in Capital Improvement Sales Tax Refunding Revenue Bonds with interest rates 2.34%. The proceeds were used to advance refund \$ 565,0000 of outstanding 2010 Revenue Bonds which had interest rates ranging from 5.65% to 6.00%. The net proceeds of \$ 608,262.68 after paying \$ 25,880 of issuance costs were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2010 Revenue Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The economic gain (difference between the present values of the debt service payments on the old and new debt) of 76,240.78.

NOTE K – RESTATEMENT OF BEGINNING BALANCES

During the current year, it was determined that compensated absences were incorrectly recorded in the Governmental Funds as a current liability. To correct this error the beginning fund balances were adjusted as follows:

	General Fund	Park/ Storm Water Fund	Street Fund
Beginning Fund Balance	\$ 1,747,793	\$ 157,570	\$ 292,458
Adjustment to correct error	<u>24,404</u>	<u>2,480</u>	<u>4,951</u>
Beginning Fund Balance As Restated	<u><u>\$ 1,772,197</u></u>	<u><u>\$ 160,050</u></u>	<u><u>\$ 297,409</u></u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

The City adopted the following statements during the year ended December 31, 2017:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement did not have a material effect on the financial statements as the City has no OPEB plans.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement NO. 14*, issued June 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017. This Statement establishes additional blending requirement for the financial statement presentation of component units that are organized as not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, issued March 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017. This Statement is to improve accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements. Another objective of this Statement is to enhance the transparency and decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying resources that are available to a government.

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73* issued March 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017 except for the requirement of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This Statement is to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68 *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

The City did not have any changes to report for the year ending December 31, 2017 upon adopting GASB 74, 80 to 82.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

The Statements which might impact the City are as follows:

GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement replaces the requirements of Statements No. 45 and No. 57. The Statement is effective for periods beginning after June 15, 2017.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending December 31, 2019. This Statement is to provide financial statement users with information about assets retirement obligations (AROs) that were not addressed in GASB standards establishing uniform accounting and financial reporting requirement for these obligations.

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the City beginning after December 15, 2018. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 85, *Omnibus 2017 Activities*, issued March 2017, will be effective for the City beginning after June 15, 2017. This Statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the City beginning after June 15, 2017. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE L – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning after December 25, 2019. This Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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

CITY OF CASSVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
DECEMBER 31, 2017

Explanation of Budgetary Process

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

- a. City department directors prepare departmental operating budgets and the Director of Finance makes revenue projections on or before September 1st.
- b. Departmental meetings are conducted during the month of October with the City Manager and the Director of Finance to allow the departments to support their budgets.
- c. Preliminary budget summaries of revenues and expenditures/expenses are prepared for review by the City Manager.
- d. Final budget decisions are made by the City Manager by mid-November.
- e. A proposed budget is submitted to the City Council by the end of November.
- f. Prior to January 1st, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus fund balances at the beginning of the year.
- g. Budgetary control is exercised by the City Council at the department and fund levels. This is the legal level of control. All unexpended appropriations lapse at year-end.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

The budgeted amounts included in the basic financial statements are as originally adopted or amended by the City Council, pursuant to State Statutes. The City Council adopts annual budgets for the General Fund, Park/Storm Water Fund, Street Fund, Economic Development Fund, Capital Project Fund and Water and Sewer Funds.

For the year ended December 31, 2017, actual expenditures were within budget.

CITY OF CASSVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET BASIS - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund			
	Budget			Variance with
REVENUES	Original	Final	Actual	Final Budget
Taxes:				
Surtax	\$ 3,400	\$ 3,758	\$ 3,758	\$ -
Franchise taxes	43,000	43,000	41,961	(1,039)
Sales taxes	899,088	955,679	956,238	559
Licenses & permits	8,350	11,850	11,944	94
Fines & forfeitures	69,250	71,250	51,298	(19,952)
Charges:				
Refuse fees	222,000	222,000	228,195	6,195
Airport fuel	7,500	7,500	-	(7,500)
Interest	12,015	29,015	32,960	3,945
Rents	15,500	15,500	20,880	5,380
Grants	253,262	74,045	113,639	39,594
Miscellaneous	27,275	53,695	3,411	(50,284)
Total Revenues	<u>1,560,640</u>	<u>1,487,292</u>	<u>1,464,284</u>	<u>(23,008)</u>
EXPENDITURES				
Current:				
General government	345,158	395,395	326,451	68,944
Public safety- Police	759,135	822,602	694,265	128,337
Courts	59,606	60,007	55,700	4,307
Sanitation	208,550	212,550	211,960	590
Building inspections	33,529	30,680	17,256	13,424
Airport	43,945	35,341	23,603	11,738
Capital outlay	-	-	8,158	(8,158)
Total Expenditures	<u>1,449,923</u>	<u>1,556,575</u>	<u>1,337,393</u>	<u>219,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	110,717	(69,283)	126,891	196,174
OTHER SOURCES (USES)				
Transfer in	(180,000)	-	-	-
Fee in lieu of taxes	<u>69,283</u>	<u>69,283</u>	<u>69,919</u>	<u>636</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	196,810	<u>\$ 196,810</u>
FUND BALANCES - BEGINNING (RESTATED)			<u>1,772,197</u>	
FUND BALANCES - ENDING			<u>\$ 1,969,007</u>	

CITY OF CASSVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET BASIS - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Park/Storm Water Fund		
	Budget		Variance with
	Original	Final	Final Budget
REVENUES			
Sales taxes	\$ 449,562	\$ 477,816	\$ 478,095
Grants	-	4,780	4,780
Total Revenues	<u>449,562</u>	<u>482,596</u>	<u>482,875</u>
EXPENDITURES			
Current:			
Parks and recreation	215,201	290,859	248,904
Storm water	182,746	117,292	115,713
Capital outlay	51,613	74,445	58,968
Total Expenditures	<u>449,560</u>	<u>482,596</u>	<u>423,585</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2</u>	<u>\$ -</u>	<u>59,290</u>
FUND BALANCES - BEGINNING (RESTATED)			<u>160,050</u>
FUND BALANCES - ENDING			<u>\$ 219,340</u>

CITY OF CASSVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET BASIS - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Street Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales tax	\$ 337,170	\$ 358,071	\$ 358,313	\$ 242
Missouri motor fuel taxes	124,000	131,821	131,847	26
Licenses and permits	600	1,425	1,200	(225)
Grants	-	20,567	20,567	-
Total Revenues	<u>461,770</u>	<u>511,884</u>	<u>511,927</u>	<u>43</u>
EXPENDITURES				
Current expense	208,903	275,946	253,081	22,865
Capital outlay	252,867	335,938	334,866	1,072
Total Expenditures	<u>461,770</u>	<u>611,884</u>	<u>587,947</u>	<u>23,937</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(100,000)	(76,020)	23,980
OTHER SOURCES (USES)				
Transfer to other funds	-	-	(17,903)	(17,903)
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>(93,923)</u>	<u>\$ 6,077</u>
FUND BALANCES - BEGINNING (RESTATEd)			<u>297,409</u>	
FUND BALANCES - ENDING			<u>\$ 203,486</u>	

CITY OF CASSVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2017	2016	2015
Total Pension Liability			
Service costs	\$ 90,683	\$ 86,720	\$ 83,197
Interest on Total Pension Liability	139,675	121,155	110,055
Difference between expected and actual experience	(3,527)	920	(15,813)
Changes in Assumptions	(21,062)	98,837	-
Benefit payments, including refunds	(26,359)	(38,959)	(13,628)
Net change in total pension liability	179,410	268,673	163,811
Total Pension Liability-beginning	1,916,314	1,647,641	1,483,830
Total Pension Liability-ending	<u>\$ 2,095,724</u>	<u>\$ 1,916,314</u>	<u>\$ 1,647,641</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 122,180	\$ 111,305	\$ 110,278
Contributions - employee	38,175	35,360	34,646
Net investment income	148,702	(568)	13,544
Benefits payments, including refunds	(26,359)	(38,959)	(13,628)
Pension Plan Administrative Expense	(2,951)	(2,862)	(3,170)
Other (Net Transfer)	(5,917)	(250)	19,259
Net change in plan fiduciary net position	273,830	104,026	160,929
Plan Fiduciary Net Position-beginning	912,026	808,000	647,071
Plan Fiduciary Net Position-ending	<u>\$ 1,185,856</u>	<u>\$ 912,026</u>	<u>\$ 808,000</u>
Net Pension Liability	<u>\$ 909,868</u>	<u>\$ 1,004,288</u>	<u>\$ 839,641</u>
Plan fiduciary net position as a percentage of the total pension liability	56.58%	47.59%	49.04%
Covered-employee payroll	\$ 9,312,841	\$ 865,806	\$ 863,141
Net Pension liability as a percentage of covered employee payroll	9.77%	115.99%	97.28%

Notes to schedule:

*Information not available as this represents the first actuarial valuation performed pursuant to GASB Statement No. 67.

This schedule is intended to cover ten years. The City implemented GASB Statement No. 67 in fiscal year 2014. Information for years prior to fiscal year 2014 is therefore unavailable.

CITY OF CASSVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS (ONLY EIGHT PRESENTED)
FOR THE YEARS ENDED DECEMBER 31

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2010	\$ 55,594	\$ 55,594	\$ -	\$ 804,119	6.91%
2011	63,110	63,110	-	876,167	7.20%
2012	89,187	89,187	-	805,798	11.07%
2013	95,055	95,055	-	781,669	12.16%
2014	105,880	105,880	-	845,313	12.53%
2015	114,290	114,290	-	879,713	12.99%
2016	112,162	112,161	1	908,452	12.35%
2017	139,343	130,547	8,796	989,973	13.19%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2017

Notes: The roll-forward of total pension liability from February 28, 2017 to June 30, 2017 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal and Modified Terminal Funding

Amortization Method A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining Amortization Period Multiple bases from 13 to 24 years

Asset Valuation Method 5-Year smoothed market: 20% corridor

Inflation 3.25% wage inflation; 2.50% price inflation

Salary increases 3.25% to 6.55% including wage inflation

Investment Rate of Return 7.25%, net of investment expenses

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.

Mortality 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.

Other information: None

City began participation in the Lagers retirement system in 2010, therefore, only eight years of history is presented.

CITY OF CASSVILLE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET BASIS -
FOR THE YEAR ENDED DECEMBER 31, 2017

Economic Development Fund				
REVENUES	Budget		Actual	Variance with Final Budget
	Original	Final		
Interest	\$ 800	\$ 800	\$ 2,429	\$ 1,629
Contributions	105,000	50,000	50,000	-
Total Revenues	105,800	50,800	52,429	1,629
EXPENDITURES				
Current:				
Economic development	105,800	163,778	163,664	114
Total Expenditures	105,800	163,778	163,664	114
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ (112,978)	(111,235)	\$ 1,743
FUND BALANCES - BEGINNING			271,505	
FUND BALANCES - ENDING			\$ 160,270	
Capital Project Fund				
REVENUES	Budget		Actual	Variance with Final Budget
	Original	Final		
Sales tax	\$ 449,562	\$ 477,839	\$ 478,118	\$ 279
Total Revenues	449,562	477,839	478,118	279
EXPENDITURES				
Current-Economic development	-	54,799	2,839	51,960
Capital outlay	178,800	139,278	132,909	6,369
Total Expenditures	178,800	194,077	135,748	58,329
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	270,762	283,762	342,370	(58,608)
OTHER SOURCES (USES)				
Transfer in	193,000	-	-	-
Transfer(out)	(283,762)	(283,762)	(283,762)	-
NET CHANGE IN FUND BALANCE	\$ 180,000	\$ -	58,608	\$ (58,608)
FUND BALANCES - BEGINNING			191,901	
FUND BALANCES - ENDING			\$ 250,509	

STATISTICAL SECTION

Contents

Financial Trends

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. **Pages 66-69***

Revenue Capacity

*These schedules contain information to help the reader assess the government's most significant local revenue source, sales taxes. **Pages 70-74***

Debt Capacity

*These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future. **Pages 75-79***

Demographic and Economic Information

*This information will help the reader understand the environment within which the government's financial activities take place. **Pages 80-81***

Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. **Pages 82-84***

City of Cassville, Missouri
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net investment in Capital Assets	\$ 5,320,322	\$ 5,161,964	\$ 4,528,957	\$ 4,104,709	\$ 3,884,089	\$ 3,740,361	\$ 3,488,683	\$ 3,214,447	\$2,880,700	\$2,705,103
Restricted	0	0	0	0	195,517	200,000	200,000	200,000	620,344	200,000
Unrestricted	2,272,895	2,281,718	1,999,147	2,062,295	1,572,071	1,451,226	1,282,380	1,009,554	628,833	1,023,737
Total Governmental activities net position	\$ 7,593,217	\$ 7,443,682	\$ 6,528,104	\$ 6,167,004	\$ 5,651,677	\$ 5,391,587	\$ 4,971,063	\$ 4,424,001	\$4,129,877	\$3,928,840
Business-type Activities										
Net investment in Capital Assets	\$ 5,463,379	\$ 5,274,452	\$ 5,087,597	\$ 4,944,511	\$ 4,891,185	\$ 4,640,922	\$ 4,675,330	\$ 3,028,504	\$4,525,847	\$4,413,322
Restricted	383,851	351,097	351,097	347,597	416,787	771,720	863,391	1,374,994	286,980	283,252
Unrestricted	1,101,871	966,466	833,295	1,095,675	854,304	525,149	368,626	1,437,860	803,302	959,188
Total business-type activities net position	\$ 6,949,101	\$ 6,592,015	\$ 6,271,989	\$ 6,387,783	\$ 6,162,276	\$ 5,937,791	\$ 5,907,347	\$ 5,841,358	\$5,616,129	\$5,655,762
Primary government										
Net investment in Capital Assets	\$ 10,783,701	\$ 10,436,416	\$ 9,616,554	\$ 9,049,220	\$ 8,775,274	\$ 8,381,283	\$ 8,164,013	\$ 6,242,951	\$7,406,547	\$7,118,425
Restricted	383,851	351,097	351,097	347,597	612,304	971,720	1,063,391	1,574,994	907,324	483,252
Unrestricted	3,374,766	3,248,184	2,832,442	3,157,970	2,426,375	1,976,375	1,651,006	2,447,414	1,432,135	1,982,925
Total primary government net position	\$ 14,542,318	\$ 14,035,697	\$ 12,800,093	\$ 12,554,787	\$ 11,813,953	\$ 11,329,378	\$ 10,878,410	\$ 10,265,359	\$9,746,006	\$9,584,602

City of Cassville, Missouri
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

		FISCAL YEAR									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses											
Governmental Activities:											
	General government	\$ 404,824	\$ 246,898	\$ 207,809	\$ 206,922	\$ 230,278	\$ 251,402	\$ 210,164	\$ 192,234	\$ 166,750	\$ 191,430
	Public Safety	800,963	783,258	717,816	663,937	694,192	665,512	637,991	665,331	672,642	720,354
	Streets	412,557	254,121	243,827	164,711	130,290	127,189	167,646	132,589	95,113	77,235
	Sanitation	211,960	212,902	207,561	203,304	202,921	209,161	212,455	198,222	195,892	176,319
	Parks and Recreation and Storm Water	517,887	401,545	346,472	251,711	271,235	266,699	273,663	270,632	269,007	265,624
	Building Inspections	17,953	18,460	14,772	9,007	31,144	10,887	14,437	9,360	22,003	22,642
	Airport	72,850	74,266	74,634	88,540	85,947	57,582	46,949	33,732	32,061	24,036
	Economic Development	169,358	59,786	63,421	55,945	44,941	55,945	99,457	62,834	201,137	31,581
	Interest	-	-	11,061	21,391	31,605	56,266	53,501	56,865	63,815	70,010
Total Governmental Activities		2,608,352	2,051,236	1,887,373	1,665,468	1,722,553	1,700,643	1,716,263	1,621,799	1,718,420	1,579,231
Business-Type Activities											
	Water	525,203	581,713	556,672	642,053	548,837	527,507	506,371	462,578	372,542	471,657
	Sewer	839,517	807,837	892,325	802,231	824,816	895,605	883,073	887,835	926,070	790,167
Total Business-Type Activities		1,364,720	1,389,550	1,448,997	1,444,284	1,373,653	1,423,112	1,389,444	1,350,413	1,298,612	1,261,824
Total Expenses		\$ 3,973,072	\$ 3,440,786	\$ 3,336,370	\$ 3,109,752	\$ 3,096,206	\$ 3,123,755	\$ 3,105,707	\$ 2,972,212	\$ 3,017,032	\$ 2,841,055
Program Revenues											
Governmental Activities:											
Charges for services:											
	General government	\$ 26,399	\$ 20,973	\$ 16,565	\$ 21,866	\$ 16,167	\$ 25,080	\$33,253	\$25,240	\$30,893	\$12,067
	Public Safety	51,298	74,320	74,687	72,498	93,489	110,489	87,936	104,474	135,910	122,235
	Streets	1,200	1,385	1,200	797	-	-	600	400	-	-
	Sanitation	228,195	219,531	223,130	216,415	210,789	207,743	209,462	202,958	200,751	181,880
	Parks and recreation	-	-	-	0	200	-	-	-	-	20,380
	Building Inspections	6,425	4,791	7,991	2,530	9,286	-	-	-	-	-
	Airport	-	6,731	25,939	22,507	32,749	14,580	10,307	16,224	9,881	11,332
	Economic Development	-	-	17	0	25	-	-	-	-	-
	Operating Grants and Contributions	160,035	170,310	101,743	51,588	117,413	86,818	95,082	57,309	143,073	168,435
	Capital Grants and Contributions	28,951	258,419	-	7,011	6,190	151,100	161,682	96,779	44,962	76,350
Total Governmental Activities		502,503	756,460	451,272	395,212	486,308	595,810	598,322	503,384	565,470	592,679
Business-Type Activities											
Charges for services:											
	Water	699,259	698,915	673,902	649,071	614,582	625,557	463,771	473,799	461,007	479,819
	Sewer	767,442	781,602	766,316	737,246	701,740	721,599	504,996	416,834	403,037	401,840
	Operating grants and Contributions	19,936	4,000	36,000	18,000	-	10,000	-	-	-	-
	Capital Grants and Contributions	-	-	-	-	-	-	134,635	410,221	-	-
Total Business-Type Activities		1,486,637	1,484,517	1,476,218	1,404,317	1,316,322	1,357,156	1,103,402	1,300,854	864,044	881,659
Total Primary Government Program Revenue		\$ 1,989,140	\$ 2,240,977	\$ 1,927,490	\$ 1,799,529	\$ 1,802,630	\$ 1,952,966	\$ 1,701,724	\$ 1,804,238	\$ 1,429,514	\$ 1,474,338
Net (Expense) Revenue											
Governmental Activities		\$ (2,105,849)	\$ (1,294,776)	\$ (1,436,101)	\$ (1,270,256)	\$ (1,236,245)	\$ (1,104,833)	\$ (1,117,941)	\$ (1,118,415)	\$ (1,152,950)	\$ (986,552)
Business-Type Activities		121,917	94,967	27,221	(39,967)	(57,331)	(65,956)	(286,042)	(49,559)	(434,568)	(380,165)
Total Net Expense		\$ (1,983,932)	\$ (1,199,809)	\$ (1,408,880)	\$ (1,310,223)	\$ (1,293,576)	\$ (1,170,789)	\$ (1,403,983)	\$ (1,167,974)	\$ (1,587,518)	\$ (1,366,717)
General Revenues											
Governmental Activities:											
Taxes:											
	Property taxes for general purposes	\$ 3,758	\$ 3,425	\$ 3,584	\$ 3,313	\$ 3,286	\$ 3,258	\$ 3,174	\$ 3,104	\$ 16,861	\$ 19,712
	Franchise taxes	41,961	51,285	49,241	54,377	51,296	46,306	58,456	58,769	62,187	56,186
	Sales taxes	2,270,764	2,233,770	2,196,728	1,827,640	1,631,668	1,651,097	1,588,556	1,597,104	1,633,402	1,669,170
	Missouri motor fuel taxes	131,847	130,359	127,996	124,290	118,856	107,865	110,673	110,570	107,132	111,612
	Miscellaneous	3,411	931	745	7,634	14,731	7,723	24,913	1,077	6,780	(22,041)
	Interest on investments	35,389	11,906	6,683	7,353	7,752	9,205	8,147	12,775	28,679	50,404
	Fee in Lieu of Taxes	69,919	68,062	66,629	65,218	24,090	75,300	41,032	39,870	40,328	41,538
	Transfers	(301,665)	(291,925)	(286,327)	(304,242)	(287,771)	(220,786)	(376,586)	(303,014)	(422,114)	(434,000)
	Insurance Claims	-	2,541	7,405	-	-	-	-	-	-	-
	Reimbursement to Developer per agreement	-	-	-	0	(67,573)	(115,653)	(82,209)	(107,716)	(119,268)	(118,205)
Total Governmental Activities		2,255,384	2,210,354	2,172,684	1,785,583	1,496,335	1,564,315	1,376,156	1,412,539	1,353,987	1,374,376
Business-Type Activities											
	Interest on investments	3,423	1,196	30,048	719	51,922	55,023	30,890	65,502	72,783	99,194
	Fee in Lieu of Taxes	(69,919)	(68,062)	(66,629)	(65,218)	(24,090)	(75,300)	(41,032)	(39,870)	(40,328)	(41,538)
	Transfers	301,665	291,925	286,327	304,242	287,771	220,786	376,586	303,014	422,114	434,000
	Miscellaneous	-	-	-	25,731	0	0	0	0	0	0
	Insurance Claims	-	-	14,860	-	-	-	-	-	-	-
	Reimbursement to Developer per agreement	-	-	-	0	(33,787)	(57,826)	(41,104)	(53,858)	(59,634)	(59,103)
Total Business-Type Activities		235,169	225,059	264,606	265,474	281,816	142,683	325,340	274,788	394,935	432,553
Total General Revenues Primary Government		\$ 2,490,553	\$ 2,435,413	\$ 2,437,290	\$ 2,051,057	\$ 1,778,151	\$ 1,706,998	\$ 1,701,496	\$ 1,687,327	\$ 1,748,922	\$ 1,806,929
Changes in Net Position											
Governmental Activities		149,535	915,578	736,583	515,327	260,090	459,482	258,215	294,124	201,037	387,824
Business-Type Activities		357,086	320,026	291,827	225,507	224,485	76,727	39,298	225,229	(39,633)	52,388
Total Change in Net Position		\$ 506,621	\$ 1,235,604	\$ 1,028,410	\$ 740,834	\$ 484,575	\$ 536,209	\$ 297,513	\$ 519,353	\$ 161,404	\$ 440,212

City of Cassville, Missouri
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

		FISCAL YEAR									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund											
Nonspendable		29,864	24,233	23,818	21,692	19,194	13,330	20,618	20,829	-	-
Restricted		-	-	5,261	5,249	5,237	5,223	5,202	5,190	5,175	5,512
Committed		-	-	-							
Assigned		-	-	-	-	-	-	-	-	100,000	-
Unassigned		1,939,143	1,723,560	1,497,693	1,292,518	1,057,554	899,440	817,094	557,098	500,866	414,592
Total General Fund		<u>\$ 1,969,007</u>	<u>\$ 1,747,793</u>	<u>\$ 1,526,772</u>	<u>\$ 1,319,459</u>	<u>\$ 1,081,985</u>	<u>\$ 917,993</u>	<u>\$ 842,914</u>	<u>\$ 583,117</u>	<u>\$ 606,041</u>	<u>\$ 420,104</u>
All Other Governmental Funds											
Nonspendable		11,198	9,638	6,689	5,773	4,649	3,850	9,453	7,522	-	-
Restricted		822,407	903,796	816,459	640,469	321,437	333,754	200,000	200,000	200,000	200,000
Committed		-	-	-							
Assigned		-	-	-	123,971	396,821	409,325	411,951	447,266	443,136	603,634
Total All Other Governmental Funds		<u>\$ 833,605</u>	<u>\$ 913,434</u>	<u>\$ 823,148</u>	<u>\$ 770,213</u>	<u>\$ 722,907</u>	<u>\$ 746,929</u>	<u>\$ 621,404</u>	<u>\$ 654,788</u>	<u>\$ 643,136</u>	<u>\$ 803,634</u>

City of Cassville, Missouri
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$ 2,316,483	\$ 2,288,480	\$ 2,249,553	\$ 1,885,330	\$ 1,686,250	\$ 1,700,661	\$ 1,273,600	\$ 1,259,951	\$ 1,290,336	\$ 1,311,068
Intergovernmental	131,847	130,359	127,996	124,290	118,856	107,865	110,673	110,570	107,132	111,612
Licenses & permits	13,144	11,289	16,196	8,733	16,653	9,820	17,173	12,005	11,783	12,067
Fines & forfeitures	51,298	74,320	74,687	72,498	93,489	110,489	87,936	104,474	135,910	122,235
Service Charges	228,195	226,262	240,109	238,922	223,813	222,323	219,769	219,182	210,632	193,212
Interest	35,389	11,906	6,683	7,353	7,752	9,205	8,147	12,775	28,679	50,404
Rents	20,880	15,860	18,537	16,460	28,750	15,260	15,060	13,635	19,110	20,380
Grants	138,986	428,729	101,743	58,349	123,353	232,731	256,764	154,088	188,035	244,785
Contributions	50,000	-	-	250	250	5,187	1,620	-	-	-
Miscellaneous	3,411	931	745	7,634	14,731	7,723	24,913	1,077	6,780	2,734
Total Revenues	2,989,633	3,188,136	2,836,249	2,419,819	2,313,897	2,421,264	2,015,655	1,887,757	1,998,397	2,068,497
EXPENDITURES										
Current:										
General government	326,451	219,560	183,908	181,504	196,504	223,146	182,534	166,291	141,045	164,989
Public safety	749,965	719,655	691,645	608,981	619,072	618,665	601,173	625,768	631,684	684,404
Streets	253,081	192,045	195,672	139,150	107,286	105,383	146,010	112,350	79,218	67,455
Sanitation	211,960	212,902	207,561	203,304	202,921	209,161	207,073	198,222	195,892	176,319
Parks & Recreation & Storm Water	364,617	278,046	242,216	167,607	181,532	183,426	185,154	180,944	181,550	178,793
Building Inspections	17,256	18,271	14,844	9,007	31,144	10,887	14,437	9,360	19,143	19,783
Airport	26,442	31,640	47,018	59,120	54,703	32,772	27,987	22,055	17,756	18,076
Economic Development	163,664	59,179	63,293	53,450	42,364	53,121	96,632	62,225	201,137	31,581
Capital Outlay	534,901	924,208	324,113	192,049	129,629	234,494	260,616	331,466	187,778	542,013
Debt Service										
Principal	-	-	355,000	255,000	240,000	225,000	210,000	190,000	175,000	165,000
Interest and Fees	-	-	13,392	26,843	37,518	46,034	54,177	56,865	63,815	70,010
Total Expenditures	2,648,337	2,655,506	2,338,662	1,896,015	1,842,673	1,942,089	1,985,793	1,955,546	1,894,018	2,118,423
OTHER FINANCING SOURCES (USES)										
Reimbursement to developer per agreement	-	-	-	-	(67,573)	(115,653)	(82,209)	(107,716)	(119,268)	(118,205)
Sales of assets	-	-	-	-	-	-	-	-	-	7,500
Transfers In	-	255,415	60,493	91,327	87,422	227,390	285,828	250,568	-	-
Transfers Out	(301,665)	(547,340)	(346,820)	(395,569)	(375,193)	(448,176)	(285,828)	(154,556)	-	-
Insurance Claims	-	2,541	7,405							
Transfer in Fee in Lieu of Taxes	69,919	68,061	66,629	65,218	24,090	75,300	41,032	39,870	40,328	41,538
Total Other Financing Sources (Uses)	(231,746)	(221,323)	(212,293)	(239,024)	(331,254)	(261,139)	(41,177)	28,166	(78,940)	(69,167)
NET CHANGES IN FUND BALANCES	\$ 109,550	\$ 311,307	\$ 285,294	\$ 284,780	\$ 139,970	\$ 218,036	\$ (11,315)	\$ (39,623)	\$ 25,439	\$ (119,093)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	16.23%	14.60%	14.31%	14.15%	13.75%	13.63%	12.61%	13.47%

City of Cassville, Missouri
Tax Revenue By Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Surtax</u>	<u>FILO</u>	<u>Total</u>
2017	\$ 2,270,764	\$ 41,961	\$ 3,758	\$ 69,919	\$ 2,386,402
2016	2,233,770	51,285	3,425	68,061	2,356,541
2015	2,196,728	49,241	3,584	66,629	2,316,182
2014	1,827,640	54,377	3,313	65,218	1,950,548
2013	1,631,668	51,296	3,286	24,090	1,710,340
2012	1,651,097	46,306	3,258	75,300	1,775,961
2011	1,588,556	58,456	3,174	41,032	1,691,218
2010	1,597,104	58,769	3,104	39,870	1,698,847
2009	1,633,402	62,187	3,065	40,328	1,738,982
2008	1,669,170	56,186	3,013	41,538	1,769,907

City of Cassville, Missouri
Sales Tax Revenue By Type
Last Ten Fiscal Years

Fiscal Year	Direct Sales Tax Rate	One-cent General	Half-cent Capital Improvement	Half-cent Parks & Sormwater	3/8-Cent Transportation	Total
2017	2.375%	\$ 956,238	\$ 478,118	\$ 478,095	\$ 358,313	\$ 2,270,764
2016	2.375%	940,647	470,324	470,324	352,475	2,233,770
2015	2.375%	934,874	465,645	465,645	334,148	2,200,312
2014	2.375%	¹ 875,788	437,895	437,884	76,073	1,827,640
2013	2%	815,835	407,917	407,916	-	1,631,668
2012	2%	825,550	412,775	412,772	-	1,651,097
2011	2%	807,980	376,586	403,990	-	1,588,556
2010	2%	798,052	399,026	400,026	-	1,597,104
2009	2%	816,765	408,318	408,319	-	1,633,402
2008	2%	834,602	417,301	417,267	-	1,669,170

¹ Transportation Sales Tax went into effect in October of 2014; therefore revenue was generated for only 1 quarter of the year

	Overlapping Rates
2017	Barry County
	General Revenue 0.500%
	Roads 0.500%
	Emergency 911 0.250%
	Law Enforcement 0.250%
	Ambulance 0.500%
	Total 2.000%

City of Cassville, Missouri
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

City of Cassville						Barry County						Total Direct and Overlapping
Fiscal Year	General	Parks and Stormwater	Capital Improvement	Transportation	Total	General	Roads	Law	911	Ambulance	Total	
2017	1.00%	0.50%	0.50%	0.375%	2.375%	0.50%	0.50%	0.25%	0.25%	0.50%	2.00%	4.375%
2016	1.00%	0.50%	0.50%	0.375%	2.375%	0.50%	0.50%	0.25%	0.25%	0.50%	2.00%	4.375%
2015	1.00%	0.50%	0.50%	0.375%	2.375%	0.50%	0.50%	0.25%	0.25%	0.50%	2.00%	4.375%
2014	1.00%	0.50%	0.50%	0.375%	2.375%	0.50%	0.50%	0.25%	0.25%		1.50%	3.875%
2013	1.00%	0.50%	0.50%	-	2.00%	0.50%	0.50%	0.25%	0.25%		1.50%	3.50%
2012	1.00%	0.50%	0.50%	-	2.00%	0.50%	0.50%	0.25%	0.125%		1.375%	3.375%
2011	1.00%	0.50%	0.50%	-	2.00%	0.50%	0.50%	0.25%	-		1.25%	3.25%
2010	1.00%	0.50%	0.50%	-	2.00%	0.50%	0.50%	0.25%	-		1.25%	3.25%
2009	1.00%	0.50%	0.50%	-	2.00%	0.50%	0.50%	0.25%	-		1.25%	3.25%
2008	1.00%	0.50%	0.50%	-	2.00%	0.50%	0.50%	0.25%	-		1.25%	3.25%

City of Cassville, Missouri
Sales Tax Receipts by Month
Total and Percent of Total
Last Ten Fiscal Years

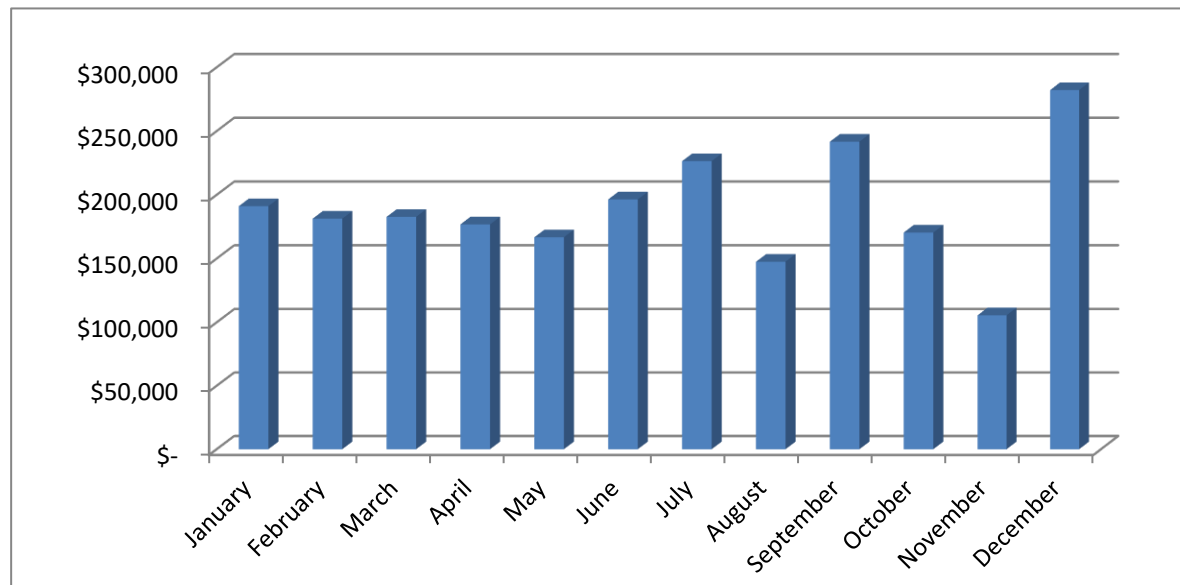
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Inc/Dec over prior year
2017	\$ 191,104	\$ 181,317	\$ 182,717	\$ 176,819	\$ 166,714	\$ 196,406	\$ 226,399	\$ 147,527	\$ 241,681	\$ 170,420	\$ 105,529	\$ 282,152	\$ 2,268,787	3%
2016	179,629	163,147	201,792	174,478	143,817	231,996	197,255	153,947	235,308	187,887	135,449	199,418	2,204,125	1%
2015	184,511	153,630	170,060	159,272	157,741	192,584	270,263	161,983	214,781	170,127	143,510	213,630	2,192,092	25% **
2014	117,042	148,598	123,183	137,341	144,403	142,500	182,679	120,210	169,388	146,829	130,300	192,666	1,755,138	7%
2013	133,344	133,459	122,471	136,081	113,062	151,130	147,617	112,018	174,359	124,155	124,968	160,167	1,632,831	0%
2012	132,537	121,168	144,422	132,954	109,748	167,424	149,848	106,083	175,180	127,297	122,013	149,324	1,637,998	1%
2011	131,447	128,684	104,908	142,608	108,213	143,229	146,692	114,583	204,701	130,260	112,282	154,780	1,622,386	2%
2010	132,347	130,202	129,682	129,904	103,101	155,765	155,453	111,352	169,385	129,232	104,938	144,744	1,596,104	-2%
2009	138,635	130,464	140,945	129,413	122,291	145,868	146,883	121,116	174,243	136,701	113,069	133,774	1,633,402	-2%
2008	123,410	150,480	135,047	130,033	121,157	147,744	161,148	121,163	186,101	139,391	119,221	134,273	1,669,169	2%

	Percentage of Total												TOTAL
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
2017	8%	8%	8%	8%	7%	9%	10%	7%	11%	8%	5%	12%	100%
2016	8%	7%	9%	8%	7%	11%	9%	7%	11%	9%	6%	9%	100%
2015	8%	7%	8%	7%	7%	9%	12%	7%	10%	8%	7%	10%	100%
2014	7%	8%	7%	8%	8%	8%	10%	7%	10%	8%	7%	11%	100%
2013	8%	8%	8%	8%	7%	9%	9%	7%	11%	8%	8%	10%	100%
2012	8%	7%	9%	8%	7%	10%	9%	6%	11%	8%	7%	9%	100%
2011	8%	8%	6%	9%	7%	9%	9%	7%	13%	8%	7%	10%	100%
2010	8%	8%	8%	8%	6%	10%	10%	7%	11%	8%	7%	9%	100%
2009	8%	8%	9%	8%	7%	9%	9%	7%	11%	8%	7%	8%	100%
2008	7%	9%	8%	8%	7%	9%	10%	7%	11%	8%	7%	8%	100%

** Transportation sales tax was passed in 2014 and effective in Oct. 2014.

The City of Cassville relies solely on sales tax revenue for the general and special revenue funds. The City of Cassville DOES NOT levy a property tax. Therefore, tourism and retail businesses are vital to the revenue stream of the City. By assessing sales tax receipt patterns throughout the year, a trend analysis can be done to determine when peak months for sales tax collection occur.

City of Cassville, Missouri
Sales Tax Revenue receipts by Month
for the year ended
December 31, 2017



City of Cassville, Missouri
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Certificates of		Capital Leases	Revenue Bonds	Neighborhood Improvement District Bonds	Certificates of Participation	Total Outstanding Debt	Percentage of		Debt Per Capita	
	Leases	Participation						Personal Income (1)	Population(2)		
	Governmental		Business-Type								
2017	\$	-	\$	-	\$ 1,797,700	\$ 168,160	\$ 575,861	\$ 2,541,721	3.85%	3,266	\$ 778
2016		-		-	2,020,000	185,061	758,399	2,963,460	4.50%	3,266	907
2015		-		19,781	2,225,000	201,631	936,422	3,382,834	4.80%	3,267	1,035
2014		355,000		38,997	2,425,000	217,876	1,110,042	4,146,915	5.90%	3,287	1,262
2013		610,000		57,675	2,620,000	233,802	1,180,000	4,701,477	6.81%	3,276	1,435
2012		850,000			2,810,000	249,416	1,180,000	5,089,416	7.51%	3,268	1,557
2011		1,075,000			2,992,500	264,724	1,180,000	5,512,224	8.26%	3,267	1,687
2010		1,285,000			3,175,000	279,732	1,180,000	5,919,732	8.97%	3,281	1,804
2009		1,475,000			2,785,000	294,445		4,554,445	7.07%	3,255	1,399
2008		1,650,000			2,950,000	308,870		4,908,870	7.68%	3,286	1,494

(1) Personal income is disclosed on page 80

(2) US Census Bureau

City of Cassville, Missouri
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended December 31	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Net Bonded Debt per Capita
2017	-	-	-	-
2016	-	-	-	-
2015	-	-	-	-
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-

City of Cassville, Missouri
Direct and Overlapping Governmental Activities Debt
December 31, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Cassville R-IV School	\$ 11,790,000	23%	\$ 2,723,668
Barry County	-	0%	-
Subtotal, overlapping debt			2,723,668
City of Cassville direct debt	-	0%	-
Total direct and overlapping debt			\$ 2,723,668

Note: Overlapping governments are those that coincide, in part or in total, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Cassville. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the property tax payers should be taken into account. At the present time, the City of Cassville does NOT assess a tax levy against property owners, but the overall debt burden should be considered should the opportunity arise in the future to do so.

However, this does not imply that every tax payer is a resident and responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using assessed property values. The applicable percentage is estimated by dividing the City's assessed valuation by the applicable governmental unit's total assessed valuation.

City of Cassville, Missouri
Legal Debt Margin Information
December 31, 2017

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Valuation	\$ 41,193,291
Constitutional Debt Limit (20% of assessed valuation)*	8,238,658
Total bonded debt	-
Total amount of debt applicable to debt limits	-
Legal debt Margin	<u><u>\$ 8,238,658</u></u>

	Last Ten Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Value	\$ 41,193,291	\$39,994,357	\$39,234,115	39,333,682	38,993,061	37,954,772	40,656,257	37,674,287	38,608,748	38,480,585
Debt Limit	8,238,658	7,998,871	7,846,823	7,866,736	7,798,612	7,590,954	8,131,251	7,534,857	7,721,750	7,696,117
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	8,238,658	7,998,871	7,846,823	7,866,736	7,798,612	7,590,954	8,131,251	7,534,857	7,721,750	7,696,117
Total net debt applicable to the limit as a percentage of debt Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Section 95.115 of the 1978 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Section 95.120 of the 1978 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Sections 95.125 and 95.130 of the 1978 Missouri Revised Statutes provide that any city may become indebted not exceeding in the aggregate, an additional 10 percent for the purposes of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary or storm sewer system, and an additional 10 percent for purchasing or construction of waterworks, electric or other light palnts, provided the total general obligation indebtedness of the city does not exceed 20 percent of the assessed valuation.

City of Cassville, Missouri
Pledged Revenue Coverage
Last Ten Fiscal Years

Sanitary Sewer/Sales Tax Revenue Bond Coverage (1)									
Fiscal Year	Sewer Gross Revenues (2)	Capital Improvement Sales Tax Revenues	Gross	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			
						Principal	Interest	Total	Coverage
2017	\$ 767,442	\$	478,118	\$ 608,939	\$ 636,621	*** \$ 808,801	\$ 42,746	\$ 851,547	0.748
2016	781,542		470,324	523,983	727,883	221,570	75,639	297,209	2.449
2015	766,316		465,645	576,194	655,767	216,245	81,220	297,465	2.205
2014	737,246		437,895	490,186	684,955	210,926	86,475	297,401	2.303
2013	701,740		407,917	460,206	649,451	205,614	91,521	297,135	2.186
2012	721,599		412,775	524,274	610,100	200,308	96,123	296,431	2.058
2011	504,996		376,586	566,736	314,846	195,008	100,594	295,602	1.065
2010	399,687		399,026	550,912	247,801	189,713	63,738	253,451	0.978
2009	410,217		408,318	598,186	220,348	179,425	74,568	253,993	0.868
2008	407,234		417,301	444,837	379,698	178,130	80,718	258,848	1.467

*** \$565,000 was paid in principal through a refunding sales tax revenue bond. The new debt issue was \$569,600. \$16,900 was paid in principal to this new issue.

(1) Revenue bonds and their related interest are payable from the revenues derived from the operation of the enterprise owned by the City, and from the revenues generated from the Capital Improvement Sales Tax.
The taxing power of the City is not pledged to secure payment of the bonds and interest.

(2) Gross revenues consist of service charges and related utility-based fees and penalties

(3) Excludes depreciation and non operating expenses

City of Cassville, Missouri
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (1)	Per Capita Income (2)	Personal Income	Public School Enrollment (3)	Unemployment Rate (4)
2017	3328	37	\$ 19,835	\$ 66,010,880	1906	3%
2016	3266	40	20,173	65,885,018	1834	4%
2015	3267	40	21,565	70,452,855	1848	4%
2014	3287	49.8	21,382	70,282,634	1806	6%
2013	3276	50.1	21,062	68,999,112	1803	6%
2012	3268	44.2	20,744	67,791,392	1800	6%
2011	3267	42.5	20,424	66,725,208	1800	8%
2010	3281	36.4	20,104	65,961,224	1890	8%
2009	3255	35.3	19,784	64,396,920	1898	8%
2008	3286	34.2	19,464	63,958,704	2000	5%

Sources: (1) Data USA
(2) Sperlings
(3) Missouri Dept. of Education
(4) Homefacts.com

City of Cassville, Missouri
Principal Employers
Current and Nine Years ago

Employer	2017	2008
	Range of Employees	Range of Employees
1 Regal Beloit (FASCO Motors)	300 - 400	500-700
2 Cassville R-IV School District	150 - 250	150 - 250
3 Mercy Health Center	125 - 200	50-100
3 Walmart	100 - 249	100-249
3 Justin Boot	100 - 249	250-400
3 Arning Canopy Systems	51 - 200	50-100
4 Able 2	50 - 75	100-249
5 Barry Electric Co-op	30 - 40	30 - 40
6 City of Cassville	25 - 35	25 - 35
3 McDonald's	20 - 49	20 - 49

Source:

- 1 Human Resources, Regal Beloit
- 2 MO Dept. of Elementary & Secondary Education
- 3 Manta
- 4 Human Resources, Able2
- 5 Human Resources, Barry Electric Co-op
- 6 City Departmental Records

City of Cassville, Missouri
Employees by Function
Last Ten Fiscal Years

Function	<u>All Employees - Full and Part Time as of December 31</u>									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government	13	11	11	9	9	11	11	11	12	11
Public Safety										
Police	13	13	11	11	11	11	11	10	10	10
Court	1	1	1	1	1	1	1	1	2	2
Public Works										
Streets	2	2	3	1	1	1	1	1	1	1
Airport	1	1	1	1	1	1	1	1	1	1
Parks	2	1	1	1	1	1	1	1	1	1
Utility										
Water	4	4	4	5	5	5	5	5	5	4
Sewer	4	5	5	5	5	5	4	5	5	4
Total	40	38	37	34	34	36	35	35	37	34

Source: City Departmental Records

City of Cassville, Missouri
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Number of Licenses/permits issued (liquor, fireworks, etc.)	15	28	18	20	21	25	19	9	16	9
Number of building permits issued	114	33	37	42	41	33	58	18	10	*
Public Safety										
Police										
Traffic Citations	376	358	486	274	294	380	427	455	805	808
Court										
Ordinance Violations	344	215	346	402	563	649	479	328	453	326
Public Works										
Number of Airport Hangars Rented	6	5	5	5	5	2	4	4	4	4
Utility										
Water loss	37.60%	28.72%	23.15%	40.47%	40.16%	39.81%	39.94%	43.81%	33.32%	29.50%
Avg. daily well production (gal)	491,896	478,444	456,438	474,474	451,584	477,128	503,614	524,367	481,356	575,701
Number of metered accounts	1588	1791	1788	1812	1822	1816	1819	1868	1637	1639
WWTP average daily flow (gal)	757,467	592,986	978,082	619,825	669,975	532,825	597,126	809,310	923,641	*

* Data not available

Source: City Departmental records

City of Cassville, Missouri
Capital Asset Statistics by Function
Last Ten Fiscal Years

		Fiscal Year									
Function		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government											
	Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety											
	Number of Police Cars	7	7	7	7	7	6	5	4	3	3
Public Works											
	Miles of streets	80.2	80.2	80.2	80.2	80.2	80.2	80.2	80.2	80.2	80.2
	Number of street lights	71	71	71	71	71	71	71	71	71	71
	Number of Airport Hangars	9	9	9	9	9	9	9	9	9	9
Utility											
	Miles of water mains	43.8	43.8	43.8	43.8	43.8	43.8	43.8	40.5	35.9	35.7
	Miles of sanitary sewers	30.5	30.5	30.5	30.5	30.5	30.4	30.2	29.2	24.3	23.7
	Wastewater treatment Capacity (MGD)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
	Number of water wells	6	6	6	6	6	6	6	6	6	6
Parks											
	Number of Parks	2	2	2	2	2	2	2	2	2	2
	Park acreage	47	47	47	47	47	47	47	47	47	47
	Number of baseball/softball fields	9	9	9	9	9	9	9	9	9	9

Source: City Departmental records