

City of Cassville, Missouri



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2018

CITY OF CASSVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Prepared by:
Jennifer Evans
City Clerk/Finance Officer

City of Cassville, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGES
Letter of Transmittal	2-6
Certificate of Achievement	7
Organizational Chart	8
Principal Officials	9
 FINANCIAL SECTION	
Independent Auditor's Report	11-12
Management's Discussion and Analysis	13-22
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Governmental Funds Balance Sheet to the Government Wide Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds To the Statement of Activities	29
Statement of Net Position – Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Notes to Financial Statements	33-59
Required Supplementary Information	
Notes to Budgetary Comparison Information	60
Budgetary Comparison Schedules – Major Funds	
General Fund	61
Parks & Storm Water Fund	62
Streets Fund	63
Schedule of Changes in Net Pension Liability and Related Ratios	64
Schedule of Pension Plan Contributions	65
Other Supplementary Information	
Budgetary Comparison Schedules – Capital Project Fund and	

Non-major Funds	66
STATISTICAL SECTION	
Financial Trends	
Net Position by Component	68
Changes in Net Position	69
Fund Balances of Governmental Funds	70
Changes in Fund Balances of Governmental Funds	71
Tax Revenues by Source, Governmental Funds	72
Revenue Capacity	
Information about Sales Tax Revenue by Type	73
Information about Sales Tax Rates	74
Information about Sales Tax Receipts	75-76
Debt Capacity	
Ratios of Outstanding Debt by Type	77
Ratios of General Bonded Debt Outstanding	78
Direct and Overlapping Governmental Activities Debt	79
Legal Debt Margin Information	80
Pledged-Revenue Coverage	81
Demographic and Economic Information	
Demographic and Economic Statistics	82
Principal Employers	83
Operating Information	
Full-Time Equivalent Employees by Function	84
Operating Indicators by Function	85
Capital Asset Statistics by Function	86

INTRODUCTORY SECTION



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

www.cityofcassville.com

May 13, 2019

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, 2018. 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, 2018, 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 3.2% with the average unemployment rate for 2018 being 3.525%. Future job growth over the next 10 years is expected to rise by 33.5%. 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 and diversify the economy.

The City does not collect 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 and creates an opportunity to capitalize on tourism. 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, \$4 million for improvements to the waterworks system and \$1.68 million in grant funding from the USDA for improvements to the waterworks system. This project began in 2018 with engineering studies and is set to begin construction in the fall of 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. In 2018, the City positioned itself to add a fulltime Economic Development Director beginning in 2019. This position will focus on business retention and expansion then business attraction to help grow the economy of the City. 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. In 2017, the City 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 project was completed in 2018 and has proven to be a valuable tool in helping the City to understand the impact of potential flooding creating a means by which development can be effectively planned. 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, 2017. This was the second 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

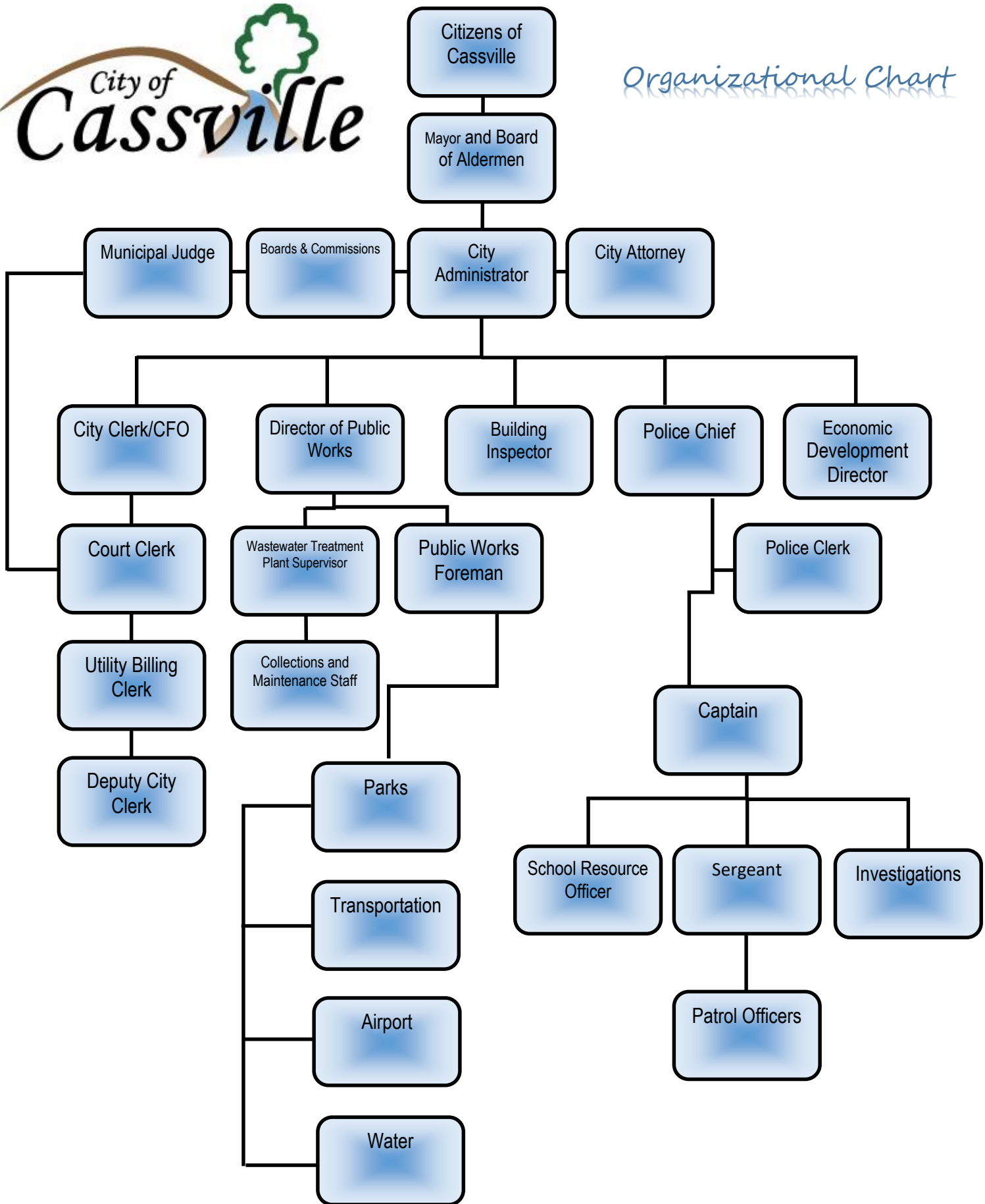
December 31, 2017

Christopher P. Morill

Executive Director/CEO



Organizational Chart



City of Cassville, Missouri
Principal Officials As Of December 31, 2018

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

Economic Development

Ron Reed

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 2018, 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 22, 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 26, 2019

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, 2018. Please read it in conjunction with the City's financial statements, which begin on page 24.

Financial Highlights

- * The assets and deferred outflows of resources of the City of Cassville exceeded its liabilities at the close of the most recent fiscal year by \$ 15,752,169 (net position). Of this amount, \$ 4,181,229 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- * As of December 31, 2018, governmental activities and business-type activities had net positions of \$ 8,308,362 and \$ 7,443,807, respectively.
- * At the end of the current fiscal year, the City of Cassville's governmental funds reported combined ending fund balances of \$ 3,287,788, an increase of \$ 485,176 in comparison with the prior year. Approximately 60.76% or \$ 1,997,941 is available for discretionary spending by the City of Cassville. The remaining fund balance is either restricted by outside parties or not in spendable form.
- * The unassigned fund balance for the General Fund, \$ 1,997,941, is 138.8% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- * The City of Cassville's long-term debt obligations increased by \$ 135,953, or 5.35% as compared to fiscal year 2017.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City of Cassville's basic financial statements. The City of Cassville's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

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

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

Unaudited

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

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 of Cassville include general government, public safety, transportation, sanitation, culture and recreation. The business-type activities include the Water and Sewer systems.

The government-wide financial statements can be found on pages 24 and 25 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cassville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cassville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The City of Cassville maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street fund which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Cassville adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Unaudited

Proprietary funds. The City of Cassville maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Cassville uses enterprises funds to account for its Water and Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations which are considered to be major funds of the City of Cassville.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 33-59 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Cassville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 60-65 of this report.

The budget to actual of nonmajor governmental fund and capital project fund is presented immediately following the required supplementary information on pensions. The schedules can be found on page 66 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 \$ 15,752,169, at the close of the most recent fiscal year.

Unaudited

City of Cassville
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current Assets and other assets	\$ 3,396,745	\$ 2,912,584	\$ 2,645,380	\$ 2,014,265	\$ 6,042,125	\$ 4,926,849
Capital Assets	5,484,561	5,320,273	8,058,085	8,004,460	13,542,646	13,324,733
Total Assets	8,881,306	8,232,857	10,703,465	10,018,725	19,584,771	18,251,582
Deferred Outflows of Resources						
Deferred pension related	109,915	99,301	82,038	48,490	191,953	147,791
Total Deferred Outflows	109,915	99,301	82,038	48,490	191,953	147,791
Current Liabilities	108,957	140,803	780,373	661,299	889,330	802,102
Long-term Debt	504,510	564,155	2,524,873	2,436,246	3,029,383	3,000,401
Total Liabilities	613,467	704,958	3,305,246	3,097,545	3,918,713	3,802,503
Deferred Inflows						
Deferred pension related	69,392	33,983	36,450	20,569	105,842	54,552
Total Deferred Inflows	69,392	33,983	36,450	20,569	105,842	54,552
Net Position:						
Invested in						
capital assets-net	5,484,561	5,320,273	5,733,395	5,846,590	11,217,956	11,166,863
Restricted	-	-	352,984	383,851	352,984	383,851
Unrestricted	2,823,801	2,272,944	1,357,428	718,660	4,181,229	2,991,604
Total net position	\$ 8,308,362	\$ 7,593,217	\$ 7,443,807	\$ 6,949,101	\$ 15,752,169	\$ 14,542,318

By far, the largest portion of the City of Cassville's net position (71.21%) 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's 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.

An additional portion of the City of Cassville's net position (2.24%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 4,181,229 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 \$ 1,209,851 or a difference of (\$ 703,230) from the prior year's improvement.

Unaudited

City of Cassville
Condensed Statement of Changes in Net Position

	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Revenues:				
Program Revenues:				
Charges for services	\$ 338,450	\$ 313,517	\$ 1,577,701	\$ 1,466,701
Operating grants and contributions	101,227	160,035	-	19,936
Capital grants and contributions	113,289	28,951	-	-
General Revenues:				
Taxes	2,451,294	2,448,330	-	-
Interest	75,436	35,389	10,112	3,423
Other	7,270	3,411	-	-
Total Revenue	<u>3,086,966</u>	<u>2,989,633</u>	<u>1,587,813</u>	<u>1,490,060</u>
Expenses:				
Administration	273,016	404,824	-	-
Public Safety	906,523	800,963	-	-
Building inspection	22,208	17,953	-	-
Airport	77,092	72,850	-	-
Economic development	117,049	169,358	-	-
Sanitation	221,455	211,960	-	-
Parks and recreation	371,602	401,077	-	-
Storm water	16,939	116,810	-	-
Streets	395,535	412,557	-	-
Water	-	-	558,937	525,203
Sewer	-	-	794,374	839,517
Total Expense	<u>2,401,419</u>	<u>2,608,352</u>	<u>1,353,311</u>	<u>1,364,720</u>
Other sources and (uses)				
Transfers	(260,204)	(231,746)	260,204	231,746
Sale of capital assets	<u>289,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	715,145	149,535	494,706	357,086
Net Position, beginning	<u>7,593,217</u>	<u>7,443,682</u>	<u>6,949,101</u>	<u>6,592,015</u>
Net Position, ending	<u>\$ 8,308,362</u>	<u>\$ 7,593,217</u>	<u>\$ 7,443,807</u>	<u>\$ 6,949,101</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$ 715,145 from the prior fiscal year for an ending balance of \$ 8,308,362. The basic change was due to the sale of land netting a gain of \$ 289,802, decrease in administration cost of \$ 131,808 along with increase in revenue of \$ 97,333 and storm decrease in expenditures of \$ 99,871.

Unaudited

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 \$ 7,443,807 or a \$ 494,706 increase. The increase was \$ 137,620 as compared to the prior year which was attributable to an increase in sales of \$ 111,000 with a decrease in operating expenses.

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.

Some significant items are presented below for comparison and analysis.

	Percent of Total	2018	2017	Change	
				Amount	%
Revenues					
Surtax	0.12%	\$ 3,551	\$ 3,758	\$ (207)	-5.51%
Franchise taxes	1.46%	44,998	41,961	3,037	7.24%
Sales taxes	73.57%	2,270,997	2,270,764	233	0.01%
Missouri motor fuel taxes	4.27%	131,748	131,847	(99)	-0.08%
Licenses & permits	0.28%	8,661	13,144	(4,483)	-34.11%
Charge for services	7.59%	234,246	228,195	6,051	2.65%
Fines & forfeits	2.25%	69,506	51,298	18,208	35.49%
Interest	2.44%	75,436	35,389	40,047	113.16%
Rents	0.84%	26,037	20,880	5,157	24.70%
Contributions	0.00%	-	50,000	(50,000)	-
Grants	6.95%	214,516	138,986	75,530	54.34%
Miscellaneous	0.24%	7,270	3,411	3,859	113.13%
Total	100.00%	3,086,966	2,989,633	97,333	3.26%
Expenditures:					
General government	9.76%	256,920	326,451	(69,531)	-21.30%
Police and courts	31.49%	828,702	749,965	78,737	10.50%
Building inspection	0.88%	23,224	17,256	5,968	34.59%
Streets	9.73%	256,052	253,081	2,971	1.17%
Economic development	4.57%	120,195	163,664	(43,469)	-26.56%
Parks and recreation	9.82%	258,409	248,904	9,505	3.82%
Sanitation	8.42%	221,455	211,960	9,495	4.48%
Airport	1.28%	33,744	26,442	7,302	27.62%
Storm water	0.64%	16,939	115,713	(98,774)	-85.36%
Capital outlay	23.40%	615,748	534,901	80,847	15.11%
Total	100.00%	2,631,388	2,648,337	(16,949)	-0.64%

Unaudited

In the General Fund, revenue decreased by \$ 135,841 due to transfers to the Street and Capital Project Funds. Revenues and expenditures were relative consistent with revenue showing an increase of \$ 142,808 offset by expenditures mainly in the Police department increasing \$ 95,308.

For the Park/Storm Water Fund, revenue increased \$ 25,838 which was due to a grant received of \$ 30,000 and expenditures were down \$ 59,668 which was the net change between storm water expenditures and capital improvements.

The Street Fund had both expenditures in excess of revenue for both years but still showed an improvement of \$ 62,317 less deficit attributed to decrease in current year of capital expenditures.

Capital Project Fund showed a decrease of \$ 130,520 as compared to the prior year which was the results of more capital expenditures for 2018.

Business-type Activities

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

	2018	2017	Change	
			Amount	%
Waterworks				
Revenue	\$ 768,651	\$ 699,259	\$ 69,392	9.92%
Expense net of Depreciation	401,885	394,502	7,383	1.87%
Operating Income	221,857	190,859	30,998	16.24%
Sewer				
Revenue	809,050	767,442	41,608	5.42%
Expense net of Depreciation	529,601	640,990	(111,389)	-17.38%
Operating Income (Loss)	80,699	(42,283)	122,982	-290.85%

The Water and Sewer Funds remained consistent with the prior year showing in 2017 a net position of \$ 6,949,101 compared to 2018 of \$ 7,443,807 with a change in net position of \$ 494,706 as compared to the prior year of \$ 357,086. 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. Overall, most original budgeted revenue estimates were not amended, with one exception being in grants. A project for a fuel facility at the airport, 90% of which is funded through a grant, did not get underway until the 4th quarter of 2018, thus pushing the majority of the project into 2019; therefore, the budgeted grant revenues for that project were adjusted accordingly.

Unaudited

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	\$ 923,363	\$ 923,363	\$ 956,314	\$ 32,951
Interest	31,065	31,065	75,264	44,199
Grants	477,698	171,122	181,392	10,270

Sales tax revenue was approximately 3.55% higher than budgeted and an increase in interest income was higher than originally anticipated.

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

CITY OF CASSVILLE'S CAPITAL ASSETS

(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 309,041	\$ 309,041	\$ 100,506	\$ 100,506	\$ 409,547	\$ 409,547
Construction in progress	80,812	-	51,356	-	132,168	-
Buildings and plants	2,550,387	2,637,640	4,382,646	4,489,874	6,933,033	7,127,514
Infrastructure	1,903,776	1,728,733	3,142,280	3,262,667	5,046,056	4,991,400
Equipment	444,408	450,295	354,910	110,703	799,318	560,998
Vehicles	196,137	194,923	26,387	40,710	222,524	235,633
	<u>\$ 5,484,561</u>	<u>\$ 5,320,632</u>	<u>\$ 8,058,085</u>	<u>\$ 8,004,460</u>	<u>\$ 13,542,646</u>	<u>\$ 13,325,092</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 44-45, of the notes to the financial statements of this report.

Unaudited

CITY OF CASSVILLE'S OUTSTANDING DEBT

At year-end, the City had \$ 2,677,674 in outstanding notes as compared to the prior year of \$ 2,541,721.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue Bonds	\$ -	\$ -	\$ 2,031,121	\$ 1,965,860	\$ 2,031,121	\$ 1,965,860
COP's	-	-	646,553	575,861	646,553	575,861
TOTALS	\$ -	\$ -	\$ 2,677,674	\$ 2,541,721	\$ 2,677,674	\$ 2,541,721

Additional information on the City's long-term debt can be found in Note D, on pages 46-50, of the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's 2019 annual budget for all funds estimates total expenditures of \$ 6,389,565, including capital expenditures of \$ 1,187,951.

The City continues to fund activities to meet the ongoing needs as identified in a strategic plan formulated by the Board of Aldermen in 2017. The three major areas of concentration are on infrastructure, tourism and economic development.

To that end, the 2019 budget includes the following highlights:

\$ 100,000 from the parks and storm water fund has been budgeted for creek debris removal. This is an ongoing effort to mitigate flooding in the City which has a negative impact on businesses and residents around the creeks that run through Cassville.

The City's 2019 budget reflects a street maintenance plan, with \$ 90,900 being set aside for resurfacing and repair projects.

A parks improvement plan is planned for 2019 with \$42,000 being budgeted for improvements to the Aquatic Center including bath house renovations and chlorinator system replacement.

A major project at the airport is continuing in installing a new fuel facility. A grant has been obtained from the Missouri Department of Transportation's Aviation Division. This project began in 2018 and is set to be complete in 2019. \$ 450,490 has been budgeted for this project. The City's share will be 10% or \$ 45,000. This facility will open up more opportunities for airplanes to fly into Cassville's airport.

A new, full time position of Economic Development Director has been added. \$ 81,409 has been appropriated for this position.

Unaudited

Over the past few years, the City has concentrated on building up its reserves which has afforded it the ability to use those unrestricted funds to supplement capital projects. The 2019 budget reflects the use of these funds in the amount of \$ 25,300 from the general fund for street projects, \$ 7,002 from water to augment capital projects in the water fund and \$ 17,902 from sewer reserves to fund more capital in the sewer fund.

In 2019, sales tax revenue is projected to be \$ 2,230,398 which is 1.7% over the prior year budgeted amount. This figure represents 1.82% less than actual tax received in 2018. 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 6 years has positioned the City to qualify for USDA loan funding for a major rehabilitation and repair project for the sewer collection system. In 2019, 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 2019 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, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,684,589	\$ 1,819,304	\$ 4,503,893
Investments	228,347	-	228,347
Receivables-			
Sales taxes	379,367	-	379,367
Franchise tax	17,956	-	17,956
Utilities, net	19,174	118,515	137,689
Motor fuel taxes	21,365	-	21,365
Prepaid items	45,947	58,784	104,731
Restricted cash and cash equivalents-			
Debt reserves	-	648,777	648,777
Capital assets:			
Land	309,041	100,506	409,547
Construction in progress	80,812	51,356	132,168
Other capital assets, net of accumulated depreciation	5,094,708	7,906,223	13,000,931
Total Assets	8,881,306	10,703,465	19,584,771
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	109,915	82,038	191,953
LIABILITIES			
Accounts payable	33,759	19,070	52,829
Accrued wages	45,460	16,983	62,443
Accrued payroll taxes and benefits	13,917	4,181	18,098
Accrued interest	-	34,469	34,469
Accrued pension-lagers	15,821	-	15,821
Customer deposits	-	128,260	128,260
Noncurrent liabilities:			
Due within one year	-	577,410	577,410
Due in more than one year:			
Certificates of participation	-	371,527	371,527
Revenue bonds	-	1,728,737	1,728,737
Compensated absences	46,235	13,889	60,124
Net pension liability	458,275	410,720	868,995
Total Liabilities	613,467	3,305,246	3,918,713
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	69,392	36,450	105,842
NET POSITION			
Net investment in capital assets	5,484,561	5,733,395	11,217,956
Restricted-			
Debt reserves	-	352,984	352,984
Unrestricted	2,823,801	1,357,428	4,181,229
Total Net Position	\$ 8,308,362	\$ 7,443,807	\$ 15,752,169

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

CITY OF CASSVILLE, MISSOURI
STATEMENT OF ACTIVITIES-
FOR THE YEAR ENDED DECEMBER 31, 2018

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	\$ 273,016	\$ 8,661	\$ 131	\$ -	\$ (264,224)	\$ -	\$ (264,224)
Public safety- Police	867,755	69,506	97,972	13,434	(686,843)	-	(686,843)
Courts	38,768	-	-	-	(38,768)	-	(38,768)
Streets	395,535	-	2,567	-	(392,968)	-	(392,968)
Sanitation	221,455	234,246	-	-	12,791	-	12,791
Parks and recreation	371,602	9,000	557	30,000	(332,045)	-	(332,045)
Storm water	16,939	-	-	-	(16,939)	-	(16,939)
Building inspections	22,208	-	-	69,855	47,647	-	47,647
Airport	77,092	17,037	-	-	(60,055)	-	(60,055)
Economic development	117,049	-	-	-	(117,049)	-	(117,049)
Total governmental activities	<u>2,401,419</u>	<u>338,450</u>	<u>101,227</u>	<u>113,289</u>	<u>(1,848,453)</u>	<u>-</u>	<u>(1,848,453)</u>
Business-type activities:							
Water	558,937	768,651	-	-	-	209,714	209,714
Sewer	794,374	809,050	-	-	-	14,676	14,676
Total business-type activities	<u>1,353,311</u>	<u>1,577,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,390</u>	<u>224,390</u>
Total government	<u>\$ 3,754,730</u>	<u>\$ 1,916,151</u>	<u>\$ 101,227</u>	<u>\$ 113,289</u>	<u>(1,848,453)</u>	<u>224,390</u>	<u>(1,624,063)</u>
General Revenues							
Taxes:							
Surtax					3,551	-	3,551
Franchise taxes					44,998	-	44,998
Sales taxes					2,270,997	-	2,270,997
Missouri motor fuel taxes					131,748	-	131,748
Interest on investments					75,436	10,112	85,548
Miscellaneous					7,270	-	7,270
Fee in Lieu of Taxes					72,766	(72,766)	-
Transfers					(332,970)	332,970	-
Sale of assets					289,802	-	289,802
Total general revenues, transfers, and sale of assets					<u>2,563,598</u>	<u>270,316</u>	<u>2,833,914</u>
Change in net position					715,145	494,706	1,209,851
Net position beginning					<u>7,593,217</u>	<u>6,949,101</u>	<u>14,542,318</u>
Net position ending					<u>\$ 8,308,362</u>	<u>\$ 7,443,807</u>	<u>\$ 15,752,169</u>

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

CITY OF CASSVILLE, MISSOURI

BALANCE SHEET- GOVERNMENTAL FUNDS DECEMBER 31, 2018

	General Fund	Park/Storm Water Fund	Street Fund	Capital Project Fund	Nonmajor Fund Economic Development Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,788,932	\$ 287,235	\$ 166,747	\$ 173,891	\$ 267,784	\$ 2,684,589
Investments	101,536	-	-	-	126,811	228,347
Receivables						
Sales tax	159,733	79,867	59,900	79,867	-	379,367
Franchise taxes	17,956	-	-	-	-	17,956
Refuse fees, net	19,174	-	-	-	-	19,174
Motor fuel taxes	-	-	21,365	-	-	21,365
Prepaid items	32,035	6,457	7,455	-	-	45,947
TOTAL ASSETS	\$ 2,119,366	\$ 373,559	\$ 255,467	\$ 253,758	\$ 394,595	\$ 3,396,745
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 25,732	\$ 1,957	\$ 5,501	\$ -	\$ 569	\$ 33,759
Accrued wages	35,883	3,465	3,765	-	2,347	45,460
Accrued payroll taxes and benefits	11,954	851	932	-	180	13,917
Accrued pension-lagers	15,821	-	-	-	-	15,821
Total Liabilities	89,390	6,273	10,198	-	3,096	108,957
FUND BALANCES						
Fund Balances -						
Nonspendable	32,035	6,457	7,455	-	-	45,947
Restricted-						
Park/Storm Water	-	360,829	-	-	-	360,829
Streets	-	-	237,814	-	-	237,814
Capital Improvements	-	-	-	253,758	-	253,758
Economic Development	-	-	-	-	391,499	391,499
Unassigned	1,997,941	-	-	-	-	1,997,941
Total Fund Balances	2,029,976	367,286	245,269	253,758	391,499	3,287,788
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,119,366	\$ 373,559	\$ 255,467	\$ 253,758	\$ 394,595	\$ 3,396,745

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, 2018

Total Fund Balances-Governmental Funds	\$ 3,287,788
--	--------------

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	389,853	
Depreciable assets	<u>5,094,708</u>	5,484,561

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	(458,275)	
Deferred outflows - pension related	109,915	
Deferred inflows - pension related	(69,392)	
Compensated absences	<u>(46,235)</u>	<u>(463,987)</u>

Net position of governmental activities	<u><u>\$ 8,308,362</u></u>
---	----------------------------

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, 2018

	General Fund	Park/Storm Water Fund	Street Fund	Capital Project Fund	Nonmajor Fund Economic Development Fund	Total Governmental Funds
REVENUES						
Taxes:						
Surtax	\$ 3,551	\$ -	\$ -	\$ -	\$ -	\$ 3,551
Franchise taxes	44,998	-	-	-	-	44,998
Sales taxes	956,314	478,109	358,415	478,159	-	2,270,997
Intergovernmental:						
Missouri motor fuel taxes	-	-	131,748	-	-	131,748
Licenses & permits	8,661	-	-	-	-	8,661
Fines & forfeitures	69,506	-	-	-	-	69,506
Service charges:						
Refuse fees	234,246	-	-	-	-	234,246
Interest	75,264	-	-	-	172	75,436
Rents	26,037	-	-	-	-	26,037
Grants	181,392	30,557	2,567	-	-	214,516
Miscellaneous	7,123	47	100	-	-	7,270
Total Revenues	<u>1,607,092</u>	<u>508,713</u>	<u>492,830</u>	<u>478,159</u>	<u>172</u>	<u>3,086,966</u>
EXPENDITURES						
Current:						
General government	256,920	-	-	-	-	256,920
Public safety- Police	789,573	-	-	-	-	789,573
Courts	39,129	-	-	-	-	39,129
Streets	-	-	256,052	-	-	256,052
Sanitation	221,455	-	-	-	-	221,455
Parks and recreation	-	258,409	-	-	-	258,409
Storm water	-	16,939	-	-	-	16,939
Building inspections	23,224	-	-	-	-	23,224
Airport	33,744	-	-	-	-	33,744
Economic development	64,600	-	-	-	55,595	120,195
Capital outlay	10,389	88,569	250,481	266,309	-	615,748
Total Expenditures	<u>1,439,034</u>	<u>363,917</u>	<u>506,533</u>	<u>266,309</u>	<u>55,595</u>	<u>2,631,388</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	168,058	144,796	(13,703)	211,850	(55,423)	455,578
OTHER FINANCING SOURCES (USES)						
Transfers out	(179,855)	-	(19,514)	(313,456)	-	(512,825)
Transfers in	-	-	75,000	104,855	-	179,855
Sale of capital assets	-	3,150	-	-	286,652	289,802
Transfer in- Fee in Lieu of Taxes	72,766	-	-	-	-	72,766
NET CHANGES IN FUND BALANCES	60,969	147,946	41,783	3,249	231,229	485,176
FUND BALANCES - BEGINNING	<u>1,969,007</u>	<u>219,340</u>	<u>203,486</u>	<u>250,509</u>	<u>160,270</u>	<u>2,802,612</u>
FUND BALANCES - ENDING	<u>\$ 2,029,976</u>	<u>\$ 367,286</u>	<u>\$ 245,269</u>	<u>\$ 253,758</u>	<u>\$ 391,499</u>	<u>\$ 3,287,788</u>

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, 2018

Net change in fund balances--total governmental funds	\$ 485,176
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	615,748
Current year's depreciation	(451,458)
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	(8,386)
Change in pension expense	74,065
	<hr/>
Change in net position of governmental activities	<u><u>\$ 715,145</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, 2018

	Business-type Activities		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 658,927	\$ 1,160,377	\$ 1,819,304
Utility Receivables, net	53,901	64,614	118,515
Due from Water Fund	-	91,169	91,169
Prepaid items	12,186	46,598	58,784
Total Current Assets	<u>725,014</u>	<u>1,362,758</u>	<u>2,087,772</u>
Noncurrent Assets:			
Restricted cash and cash equivalents			
Debt reserves	-	648,777	648,777
Capital assets:			
Land	35,471	65,035	100,506
Construction in progress	19,810	31,546	51,356
Other capital assets, net of accumulated depreciation	<u>2,437,773</u>	<u>5,468,450</u>	<u>7,906,223</u>
Total Noncurrent Assets	<u>2,493,054</u>	<u>6,213,808</u>	<u>8,706,862</u>
TOTAL ASSETS	<u>3,218,068</u>	<u>7,576,566</u>	<u>10,794,634</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>31,883</u>	<u>50,155</u>	<u>82,038</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	11,476	7,594	19,070
Accrued wages	6,559	10,424	16,983
Accrued payroll taxes and benefits	1,617	2,564	4,181
Accrued interest	4,081	30,388	34,469
Due to Sewer Fund	91,169	-	91,169
Customer deposits	64,130	64,130	128,260
Current portion of long-term debt	<u>191,914</u>	<u>385,496</u>	<u>577,410</u>
Total Current Liabilities	<u>370,946</u>	<u>500,596</u>	<u>871,542</u>
Noncurrent Liabilities:			
Certificate of participation	196,780	174,747	371,527
Revenue bonds	-	1,728,737	1,728,737
Compensated absences	5,920	7,969	13,889
Net pension liability	<u>159,619</u>	<u>251,101</u>	<u>410,720</u>
TOTAL LIABILITIES	<u>733,265</u>	<u>2,663,150</u>	<u>3,396,415</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>14,166</u>	<u>22,284</u>	<u>36,450</u>
NET POSITION			
Net investment in capital assets	2,104,360	3,629,035	5,733,395
Restricted-			
Debt reserves	-	352,984	352,984
Unrestricted	<u>398,160</u>	<u>959,268</u>	<u>1,357,428</u>
TOTAL NET POSITION	<u>\$ 2,502,520</u>	<u>\$ 4,941,287</u>	<u>\$ 7,443,807</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, 2018

	Business-type Activities		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
OPERATING REVENUES:			
Charges for services	\$ 756,755	\$ 795,115	\$ 1,551,870
Tap fees	5,210	586	5,796
Miscellaneous	6,686	13,349	20,035
Total Operating Revenues	<u>768,651</u>	<u>809,050</u>	<u>1,577,701</u>
OPERATING EXPENSES:			
Chemicals	1,312	20,437	21,749
Credit card fees	4,536	4,536	9,072
Depreciation	144,909	198,750	343,659
Dues and subscriptions	632	2,220	2,852
Group insurance	22,828	31,687	54,515
Insurance -Liability	16,508	27,899	44,407
-Workers compensation	19,312	12,797	32,109
Lab expense	-	8,836	8,836
Miscellaneous	2,286	1,299	3,585
Office supplies and postage	4,021	4,123	8,144
Payroll taxes	10,473	15,718	26,191
Professional fees	-	959	959
Repairs & maintenance	32,452	40,557	73,009
Retirement benefits	50,647	44,805	95,452
Salaries	136,823	197,323	334,146
Supplies	4,464	6,642	11,106
Telephone	1,833	2,499	4,332
Travel and training	990	767	1,757
Uniforms	2,408	3,544	5,952
Utilities	77,005	94,071	171,076
Vehicle expense	13,355	8,882	22,237
Total Operating Expenses	<u>546,794</u>	<u>728,351</u>	<u>1,275,145</u>
OPERATING INCOME	<u>221,857</u>	<u>80,699</u>	<u>302,556</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest income	-	10,112	10,112
Interest expense	(12,143)	(66,023)	(78,166)
Total Non-operating Revenues (Expenses)	<u>(12,143)</u>	<u>(55,911)</u>	<u>(68,054)</u>
INCOME BEFORE TRANSFERS	209,714	24,788	234,502
Transfer out-Fee in lieu of taxes	(35,837)	(36,929)	(72,766)
Transfers out	-	(78,861)	(78,861)
Transfer in	<u>98,375</u>	<u>313,456</u>	<u>411,831</u>
CHANGE IN NET POSITION	272,252	222,454	494,706
TOTAL NET POSITION - BEGINNING	<u>2,230,268</u>	<u>4,718,833</u>	<u>6,949,101</u>
TOTAL NET POSITION - ENDING	<u>\$ 2,502,520</u>	<u>\$ 4,941,287</u>	<u>\$ 7,443,807</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, 2018

	Business-type Activities		Total Enterprise Funds
	Water Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 767,794	\$ 805,243	\$ 1,573,037
Payments to suppliers	(179,271)	(273,005)	(452,276)
Payments to employees	(189,714)	(278,338)	(468,052)
Net Cash Provided by Operating Activities	398,809	253,900	652,709
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Fee in lieu of taxes paid to General Fund	(35,837)	(36,929)	(72,766)
Increase in interfund loans	91,169	-	91,169
(Decrease) in interfund loans	-	(91,169)	(91,169)
Net Cash Provided by (Used for) Noncapital Financing Activities	55,332	(128,098)	(72,766)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfer in	98,375	313,456	411,831
Transfer (out)	-	(78,861)	(78,861)
Capital improvements	(273,299)	(123,986)	(397,285)
New debt issue	-	607,859	607,859
Principal paid	(187,167)	(284,739)	(471,906)
Interest paid	(14,108)	(57,141)	(71,249)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(376,199)	376,588	389
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	-	10,112	10,112
Net Cash Provided by Investing Activities	-	10,112	10,112
NET CASH INCREASE FOR THE YEAR	77,942	512,502	590,444
CASH AT BEGINNING OF YEAR	580,985	1,296,652	1,877,637
CASH AT END OF YEAR	\$ 658,927	\$ 1,809,154	\$ 2,468,081
SUMMARY OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 658,927	\$ 1,160,377	\$ 1,819,304
Restricted cash and cash equivalents	-	648,777	648,777
Total Cash and Cash Equivalents	\$ 658,927	\$ 1,809,154	\$ 2,468,081
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 221,857	\$ 80,699	\$ 302,556
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation expense	144,909	198,750	343,659
(Increase) Decrease in Accounts Receivable	(4,499)	(7,449)	(11,948)
(Increase) Decrease in Prepaid Items	2,275	(30,998)	(28,723)
Increase (Decrease) in amounts related to pensions	29,221	11,099	40,320
Increase (Decrease) in Accounts Payable	(432)	(1,939)	(2,371)
Increase (Decrease) in Wages and benefits	1,836	96	1,932
Increase (Decrease) in Customer deposits	3,642	3,642	7,284
Net Cash Provided by Operating Activities	\$ 398,809	\$ 253,900	\$ 652,709

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

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018

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, 2018

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 are 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, 2018

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, 2018

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, 2018:

Business-type Activities:	<u>Cash Balances</u>	<u>Required Debt Reserves</u>
Water and Sewer Fund		
Bond reserves	\$ 309,177	\$ 307,300
Bond principal and interest	<u>339,600</u>	<u>45,684</u>
	<u>\$ 648,777</u>	<u>\$ 352,984</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 \$ 18,656 for water, \$ 25,932 for sewer and \$ 6,283 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/expense 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 an expenditure/expense when consumed rather than when purchased.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018, the City did not have any projects that interest was capitalized and interest expense for the year was \$ 78,166.

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, 2018

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, 2018, 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, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds

As of December 31, 2018, fund balances of the governmental funds are classified as follows:

Nonspendable-This classification includes amounts that cannot be spent because they are in a nonspendable form or are 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-This classification includes the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories and include all deficit amounts in all other governmental funds.

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, 2018

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 (\$ 956,314), a ½ cent Park/Storm Water (\$ 478,109), a ½ cent Capital Improvement sales tax (\$ 478,159) and a 3/8 cent Transportation sales tax (\$ 358,415). 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 2018 was \$ 313,456.

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, 2018

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 \$ 782,966 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 \$ 4,077,416. The City did not have any general obligation bonds outstanding as of December 31, 2018.

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, 2018 the City's investments were in certificates of deposits.

As of December 31, 2018, 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, 2018

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, 2018

NOTE C – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2018 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 308,682	\$ 359	\$ -	\$ 309,041
Construction in progress	-	80,812	-	80,812
Total Capital assets not being depreciated	<u>\$ 308,682</u>	<u>\$ 81,171</u>	<u>\$ -</u>	<u>\$ 389,853</u>
Capital assets being depreciated:				
Building & Aqua Park	\$ 4,399,772	\$ 27,808	\$ -	\$ 4,427,580
Infrastructure	2,364,006	286,919	-	2,650,925
Equipment	873,515	153,144	39,740	986,919
Vehicles	500,371	66,706	24,968	542,109
Total capital assets being depreciated	<u>8,137,664</u>	<u>534,577</u>	<u>64,708</u>	<u>8,607,533</u>
Less: Accumulated depreciation for:				
Buildings & Aqua Park	1,762,132	115,061	-	1,877,193
Infrastructure	553,902	193,247	-	747,149
Equipment	504,593	77,658	39,740	542,511
Vehicles	305,448	65,492	24,968	345,972
Total accumulated depreciation	<u>3,126,075</u>	<u>451,458</u>	<u>64,708</u>	<u>3,512,825</u>
Total capital assets being depreciated, net	<u>\$ 5,011,589</u>			<u>\$ 5,094,708</u>
Governmental activities capital assets, net	<u>\$ 5,320,271</u>			<u>\$ 5,484,561</u>

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

Governmental activities:

General government	\$ 40,159
Police and court	73,146
Streets	162,884
Parks and recreation	130,527
Economic development	100
Airport	44,642
	<u>\$ 451,458</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE C – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 100,506	\$ -	\$ -	\$ 100,506
Construction in progress	-	51,356	-	51,356
Total capital assets not being depreciated	<u>\$ 100,506</u>	<u>\$ 51,356</u>	<u>\$ -</u>	<u>\$ 151,862</u>
Capital assets being depreciated:				
Buildings	\$ 1,468,247	\$ 53,710	\$ -	\$ 1,521,957
Plant	6,106,042	13,051	-	6,119,093
Equipment	379,062	279,168	-	658,230
Vehicles	315,044	-	-	315,044
Infrastructure	4,959,458	-	-	4,959,458
Total capital assets being depreciated	<u>13,227,853</u>	<u>345,929</u>	<u>-</u>	<u>13,573,782</u>
Less accumulated depreciation for:				
Buildings	460,900	34,881	-	495,781
Plant	2,632,016	130,607	-	2,762,623
Equipment	249,360	53,960	-	303,320
Vehicles	274,334	14,323	-	288,657
Infrastructure	1,707,290	109,888	-	1,817,178
Total accumulated depreciation	<u>5,323,900</u>	<u>343,659</u>	<u>-</u>	<u>5,667,559</u>
Total capital assets being depreciated, net	<u>\$ 7,903,953</u>			<u>\$ 7,906,223</u>
Business-type activities capital assets, net	<u>\$ 8,004,459</u>			<u>\$ 8,058,085</u>

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

Business-type activities:	
Water	\$ 144,909
Sewer	<u>198,750</u>
	<u>\$ 343,659</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE D – LONG-TERM DEBT

Governmental Activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 37,851	41,744	\$ 33,360	\$ 46,235	\$ -

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, 2018 as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds	\$ 1,965,860	\$ 350,000	\$ 284,739	\$ 2,031,121	\$ 302,384
COP	575,861	257,859	187,167	646,553	275,026
Total debt payable	2,541,721	607,859	471,906	2,677,674	577,410
Compensated absences	13,232	20,487	19,830	13,889	-
Total Business-type					
Activities long-term debt	\$ 2,554,953	\$ 628,346	\$ 491,736	\$ 2,691,563	\$ 577,410
Long term debt payable within one year				\$ 577,410	
Long term debt payable in more than one year					
Certifications of participation				371,527	
Revenue Bonds				1,728,737	
				<u>\$ 2,677,674</u>	

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE D – LONG-TERM DEBT (Continued)

The Proprietary Funds long-term debt as of December 31, 2018 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. \$ 100,000

\$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. 925,000

\$ 318,000, Neighborhood Improvement District
Bonds Series 2006A, for the Sherwood Forest
Project, due in annual installments at 1.5%. 150,921

\$ 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, 2025.

This refunding resulted in a Net Present Value savings of
\$76,240.78 or 13.49% as well as a total savings of
\$182,910 over the life of the debt. 505,200

\$350,000, Combined Waterworks and Sewerage
System Revenue Bonds, Series 2018 were issued July 9,
2018 for the purpose of engineering an expansion of
collection system. Payments are annual principal and
interest at 4.24% with final payment July 1, 2038 350,000

\$ 2,031,121

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE D – LONG-TERM DEBT (Continued)

\$ 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. \$ 388,694

\$ 257,859, Municipal Lease Purchase for the purpose
of purchasing equipment. Lease was issued May 25, 2018
Payments of principal and interest are annual due May 25
each year totaling \$ 91,827.79 at 3.38% interest rate.
Final payment is due May 25, 2021. Equipment purchased
is for Water, Sewer, and Street Fund. Street fund will transfer
44% of payment coming due for its share of the indebtedness. 257,859
\$ 646,553

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 2018 those accounts earned \$ 34,866 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.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE D – LONG-TERM DEBT (Continued)

The annual requirements to amortize bonded debt as of December 31, 2018 follows:

Year Ending December 31,	Principal	Interest	Totals
2019	\$ 302,384	\$ 74,061	\$ 376,445
2020	309,836	60,961	370,797
2021	266,794	48,684	315,478
2022	273,760	37,306	311,066
2023	281,133	25,622	306,755
2024-2028	386,214	63,885	450,099
2029-2033	94,600	37,041	131,641
2034-2038	116,400	15,217	131,617
	<u>\$ 2,031,121</u>	<u>\$ 362,777</u>	<u>\$ 2,393,898</u>

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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
2019	\$ 292,328
2020	292,327
2021	91,827
Total minimum lease payment	676,482
Less: amount representing interest	(29,929)
Present value of minimum lease payments	<u>\$ 646,553</u>

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

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 \$ 19,514 and the Sewer Fund transferred \$ 78,861 for a total of \$ 98,375 to the Water Fund for share of payment on long-term debt.

The Capital Improvement Fund transferred to the Sewer Fund \$ 313,456 to pay bond principal and interest capital improvement sales tax revenue bond.

The General Fund transferred \$ 179,855 consisting of \$ 75,000 to the Street Fund and \$ 104,855 to the Capital Project Fund for the purpose of improvements to the Airport.

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, 2018

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>2018 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, 2018

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>27</u>
Total	<u><u>39</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 17.0% General and 8.5% Police of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial assumptions

The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% 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, 2018

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 2018. 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	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets	23.50%	3.42%

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, 2018

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 7/1/2017 Liability (Asset)	\$ 2,095,724	\$ (1,185,856)	\$ 909,868
Changes for the year:			
Service Cost	97,153	-	97,153
Interest	150,451	-	150,451
Difference between expected and actual experience	60,957	-	60,957
Changes in assumptions	-	-	-
Contribution - employer	-	(137,592)	(137,592)
Contribution - employee	-	(40,831)	(40,831)
Net investment income	-	(152,868)	152,868
Benefit payments, including refunds	(138,969)	138,969	-
Administrative expense	-	3,415	3,415
Other changes	-	(21,558)	(21,558)
Net changes	169,592	(210,465)	264,863
Balances at 6/30/2018 Liability (Asset)	\$ 2,265,316	\$ (1,396,321)	\$ 868,995

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%
\$ 1,207,654	\$ 868,995	\$ 591,054

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018 the employer recognized pension expense of \$ 113,484. 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	\$ 66,470	\$ (26,405)
Differences in assumptions	50,252	(13,560)
Excess(deficit) in investment returns	-	(65,877)
Contributions subsequent to the measurement date*	75,231	-
Total	<u>\$ 191,953</u>	<u>\$ (105,842)</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, 2019.

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

Year ended:	
2019	\$ 12,878
2020	5,393
2021	(8,637)
2022	(4,996)
2023	9,254
Thereafter	(3,012)
Total	<u>\$ 10,880</u>

Payable to the Pension Plan

At December 31, 2018, the City of Cassville reported a payable of \$ 15,821 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2018.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 – PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements and proprietary funds financial statements. As of December 31, 2018, the amount of defeased debt outstanding amounted to \$ 565,000.

NOTE K – SALE OF ASSETS

For the current year the City sold approximately 9.94 acres of land for which they had zero basis in the property resulting in a gain of \$ 286,652.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE L – CONSTRUCTION IN PROGRESS

Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of December 31, 2018 is as follows:

Project	Cost of Project	Construction in Progress	Remaining Cost to Complete
Governmental Activities			
Aviation Fuel Facility	\$ 450,490	\$ 77,723	\$ 372,767
Stormwater Line Relocations	40,000	3,089	36,911
	<u>490,490</u>	<u>80,812</u>	<u>409,678</u>
Business-type Activities			
Sewer Improvements	4,000,000	31,546	3,968,454
Water System Improvements	5,620,000	19,810	5,600,190
	<u>9,620,000</u>	<u>51,356</u>	<u>9,568,644</u>
Total Proprietary Fund	<u>\$ 10,110,490</u>	<u>\$ 132,168</u>	<u>\$ 9,978,322</u>

Sewer Improvements is being funded by a \$ 4,000,000 loan from Rural Development that has been approved but not issued as of year-end. The Water System Improvements will be financed by a \$ 3,936,000 Rural Development Loan and a \$ 1,684,000 Rural Development Grant both of which have been approved but not issued as of the end of the year.

NOTE M – 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, 2018:

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, 2018.

GASB Statement No. 85, *Omnibus 2018 Activities*, issued March 2018, will be effective for the City beginning after June 15, 2018. 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]).

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE M – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2018, will be effective for the City beginning after June 15, 2018. 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.

The City did not have any changes to report for the year ending December 31, 2018 upon adopting GASB 75, 85 and 86.

The Statements which might impact the City are as follows:

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 2018, 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. 87, *Leases*, issued June 2018, 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.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the City for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

CITY OF CASSVILLE, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE M – FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, issued June 2018, will be effective for the City for reporting periods beginning after December 15, 2019. The primary objective of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, issued August 2018, will be effective for the City for reporting periods beginning after December 15, 2018. The primary objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organizations should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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, 2018

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, 2018, 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, 2018

General Fund				
REVENUES	Budget		Actual	Variance with Final Budget
	Original	Final		
Taxes:				
Surtax	\$ 3,758	\$ 3,758	\$ 3,551	\$ (207)
Franchise taxes	43,600	43,600	44,998	1,398
Sales taxes	923,363	923,363	956,314	32,951
Licenses & permits	8,500	8,500	8,661	161
Fines & forfeitures	62,450	62,450	69,506	7,056
Charges:				
Refuse fees	226,000	226,000	234,246	8,246
Interest	31,065	31,065	75,264	44,199
Rents	18,000	26,000	26,037	37
Grants	477,698	171,122	181,392	10,270
Miscellaneous	2,850	2,850	7,123	4,273
Total Revenues	<u>1,797,284</u>	<u>1,498,708</u>	<u>1,607,092</u>	<u>108,384</u>
EXPENDITURES				
Current:				
General government	328,471	341,219	256,920	84,299
Public safety- Police	822,906	823,333	789,573	33,760
Courts	38,528	41,373	39,129	2,244
Sanitation	226,000	226,000	221,455	4,545
Building inspections	26,428	27,528	23,224	4,304
Airport	48,625	39,650	33,744	5,906
Economic development	-	-	64,600	(64,600)
Capital outlay	-	-	10,389	(10,389)
Total Expenditures	<u>1,490,958</u>	<u>1,499,103</u>	<u>1,439,034</u>	<u>60,069</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	306,326	(395)	168,058	168,453
OTHER SOURCES (USES)				
Transfer (out)	(376,576)	(179,855)	(179,855)	-
Fee in lieu of taxes	<u>70,250</u>	<u>70,250</u>	<u>72,766</u>	<u>2,516</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ (110,000)</u>	60,969	<u>\$ 170,969</u>
FUND BALANCES - BEGINNING			<u>1,969,007</u>	
FUND BALANCES - ENDING			<u>\$ 2,029,976</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, 2018

	Park/Storm Water Fund			
	Budget			Variance with
REVENUES	Original	Final	Actual	Final Budget
Sales taxes	\$ 461,700	\$ 461,700	\$ 478,109	\$ 16,409
Grants	400	30,400	30,557	157
Miscellaneous	-	-	47	47
Total Revenues	462,100	492,100	508,713	16,613
EXPENDITURES				
Current:				
Parks and recreation	306,750	306,750	258,409	48,341
Storm water	100,000	100,000	16,939	83,061
Capital outlay	55,350	85,350	88,569	(3,219)
Total Expenditures	462,100	492,100	363,917	128,183
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	-	-	144,796	144,796
OTHER SOURCES				
Sale of assets	-	-	3,150	3,150
NET CHANGE IN FUND BALANCE	\$ -	\$ -	147,946	\$ 147,946
FUND BALANCES - BEGINNING			219,340	
FUND BALANCES - ENDING			\$ 367,286	

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, 2018

	Street Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales tax	\$ 346,274	\$ 346,274	\$ 358,415	\$ 12,141
Missouri motor fuel taxes	127,800	127,800	131,748	3,948
Grants	2,300	2,300	2,567	267
Miscellaneous	1,200	1,200	100	(1,100)
Total Revenues	<u>477,574</u>	<u>477,574</u>	<u>492,830</u>	<u>15,256</u>
EXPENDITURES				
Current expense	290,174	286,260	256,052	30,208
Capital outlay	187,400	246,800	250,481	(3,681)
Total Expenditures	<u>477,574</u>	<u>533,060</u>	<u>506,533</u>	<u>26,527</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	-	(55,486)	(13,703)	41,783
OTHER SOURCES (USES)				
Transfers in	-	75,000	75,000	-
Transfers (out)	-	(19,514)	(19,514)	-
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	41,783	<u>\$ 41,783</u>
FUND BALANCES - BEGINNING			<u>203,486</u>	
FUND BALANCES - ENDING			<u>\$ 245,269</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.

	2018	2017	2016	2015
Total Pension Liability				
Service costs	\$ 97,153	\$ 90,683	\$ 86,720	\$ 83,197
Interest on Total Pension Liability	150,451	139,675	121,155	110,055
Difference between expected and actual experience	60,957	(3,527)	920	(15,813)
Changes in Assumptions	-	(21,062)	98,837	-
Benefit payments, including refunds	(138,969)	(26,359)	(38,959)	(13,628)
Net change in total pension liability	169,592	179,410	268,673	163,811
Total Pension Liability-beginning	2,095,724	1,916,314	1,647,641	1,483,830
Total Pension Liability-ending	<u>\$ 2,265,316</u>	<u>\$ 2,095,724</u>	<u>\$ 1,916,314</u>	<u>\$ 1,647,641</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 137,592	\$ 122,180	\$ 111,305	\$ 110,278
Contributions - employee	40,831	38,175	35,360	34,646
Net investment income	152,868	148,702	(568)	13,544
Benefits payments, including refunds	(138,969)	(26,359)	(38,959)	(13,628)
Pension Plan Administrative Expense	(3,415)	(2,951)	(2,862)	(3,170)
Other (Net Transfer)	21,558	(5,917)	(250)	19,259
Net change in plan fiduciary net position	210,465	273,830	104,026	160,929
Plan Fiduciary Net Position-beginning	1,185,856	912,026	808,000	647,071
Plan Fiduciary Net Position-ending	<u>\$ 1,396,321</u>	<u>\$ 1,185,856</u>	<u>\$ 912,026</u>	<u>\$ 808,000</u>
Net Pension Liability	<u>\$ 868,995</u>	<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	61.64%	56.58%	47.59%	49.04%
Covered payroll	\$ 1,028,884	\$ 932,841	\$ 865,806	\$ 863,141
Net Pension liability as a percentage of covered payroll	84.46%	97.54%	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 NINE PRESENTED)
FOR THE YEARS ENDED DECEMBER 31

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered 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%
2018	153,073	147,229	5,844	1,082,772	13.60%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2018

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 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 12 to 23 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	<p>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.</p> <p>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.</p>

Other information: None

City began participation in the Lagers retirement system in 2010, therefore, only nine 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, 2018

Economic Development Fund				
	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 685	\$ 685	\$ 172	\$ (513)
Total Revenues	685	685	172	(513)
EXPENDITURES				
Current:				
Economic development	33,552	76,862	55,595	21,267
Total Expenditures	33,552	76,862	55,595	21,267
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(32,867)	(76,177)	(55,423)	20,754
OTHER SOURCES				
Sale of assets	-	286,652	286,652	-
NET CHANGE IN FUND BALANCE	\$ (32,867)	\$ 210,475	231,229	\$ 20,754
FUND BALANCES - BEGINNING			160,270	
FUND BALANCES - ENDING			\$ 391,499	

Capital Project Fund				
	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales tax	\$ 461,700	\$ 461,700	\$ 478,159	\$ 16,459
Total Revenues	461,700	461,700	478,159	16,459
EXPENDITURES				
Capital outlay	584,820	270,475	266,309	4,166
Total Expenditures	584,820	270,475	266,309	4,166
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(123,120)	191,225	211,850	(20,625)
OTHER SOURCES (USES)				
Transfer in	376,576	104,855	104,855	-
Transfer(out)	(313,456)	(313,456)	(313,456)	-
NET CHANGE IN FUND BALANCE	\$ (60,000)	\$ (17,376)	3,249	\$ (20,625)
FUND BALANCES - BEGINNING			250,509	
FUND BALANCES - ENDING			\$ 253,758	

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 68-72

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, sales taxes. Pages 73-76

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 77-81

Demographic and Economic Information

This information will help the reader understand the environment within which the government's financial activities take place. Pages 82-83

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 84-86

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in Capital Assets	\$ 5,484,561	\$ 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
Restricted	0	0	0	0	0	195,517	200,000	200,000	200,000	620,344
Unrestricted	2,823,801	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
Total Governmental activities net position	<u>\$ 8,308,362</u>	<u>\$ 7,593,217</u>	<u>\$ 7,443,682</u>	<u>\$ 6,528,104</u>	<u>\$ 6,167,004</u>	<u>\$ 5,651,677</u>	<u>\$ 5,391,587</u>	<u>\$ 4,971,063</u>	<u>\$ 4,424,001</u>	<u>\$4,129,877</u>
Business-type Activities										
Net investment in Capital Assets	\$ 5,733,395	\$ 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
Restricted	352,984	383,851	351,097	351,097	347,597	416,787	771,720	863,391	1,374,994	286,980
Unrestricted	1,357,428	1,101,871	966,466	833,295	1,095,675	854,304	525,149	368,626	1,437,860	803,302
Total business-type activities net position	<u>\$ 7,443,807</u>	<u>\$ 6,949,101</u>	<u>\$ 6,592,015</u>	<u>\$ 6,271,989</u>	<u>\$ 6,387,783</u>	<u>\$ 6,162,276</u>	<u>\$ 5,937,791</u>	<u>\$ 5,907,347</u>	<u>\$ 5,841,358</u>	<u>\$5,616,129</u>
Primary government										
Net investment in Capital Assets	\$ 11,217,956	\$ 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
Restricted	352,984	383,851	351,097	351,097	347,597	612,304	971,720	1,063,391	1,574,994	907,324
Unrestricted	4,181,229	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
Total primary government net position	<u>\$ 15,752,169</u>	<u>\$ 14,542,318</u>	<u>\$ 14,035,697</u>	<u>\$ 12,800,093</u>	<u>\$ 12,554,787</u>	<u>\$ 11,813,953</u>	<u>\$ 11,329,378</u>	<u>\$ 10,878,410</u>	<u>\$ 10,265,359</u>	<u>\$9,746,006</u>

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

		FISCAL YEAR									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses											
Governmental Activities:											
	General government	\$ 273,016	\$ 404,824	\$ 246,898	\$ 207,809	\$ 206,922	\$ 230,278	\$ 251,402	\$ 210,164	\$ 192,234	\$ 166,750
	Public Safety	906,523	800,963	783,258	717,816	663,937	694,192	665,512	637,991	665,331	672,642
	Streets	395,535	412,557	254,121	243,827	164,711	130,290	127,189	167,646	132,589	95,113
	Sanitation	221,455	211,960	212,902	207,561	203,304	202,921	209,161	212,455	198,222	195,892
	Parks and Recreation and Storm Water	388,541	517,887	401,545	346,472	251,711	271,235	266,699	273,663	270,632	269,007
	Building Inspections	22,208	17,953	18,460	14,772	9,007	31,144	10,887	14,437	9,360	22,003
	Airport	77,092	72,850	74,266	74,634	88,540	85,947	57,582	46,949	33,732	32,061
	Economic Development	117,049	169,358	59,786	63,421	55,945	44,941	55,945	99,457	62,834	201,137
	Interest	-	-	-	11,061	21,391	31,605	56,266	53,501	56,865	63,815
Total Governmental Activities		2,401,419	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
Business-Type Activities											
	Water	558,937	525,203	581,713	556,672	642,053	548,837	527,507	506,371	462,578	372,542
	Sewer	794,374	839,517	807,837	892,325	802,231	824,816	895,605	883,073	887,835	926,070
Total Business-Type Activities		1,353,311	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
Total Expenses		\$ 3,754,730	\$ 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
Program Revenues											
Governmental Activities											
Charges for services:											
	General government	\$ 8,661	\$ 26,399	\$ 20,973	\$ 16,565	\$ 21,866	\$ 16,167	\$ 25,080	\$33,253	\$25,240	\$30,893
	Public Safety	69,506	51,298	74,320	74,687	72,498	93,489	110,489	87,936	104,474	135,910
	Streets	-	1,200	1,385	1,200	797	-	-	600	400	-
	Sanitation	234,246	228,195	219,531	223,130	216,415	210,789	207,743	209,462	202,958	200,751
	Parks and recreation	9,000	-	-	-	0	200	-	-	-	-
	Building Inspections	-	6,425	4,791	7,991	2,530	9,286	-	-	-	-
	Airport	17,037	-	6,731	25,939	22,507	32,749	14,580	10,307	16,224	9,881
	Economic Development	-	-	-	17	0	25	-	-	-	-
	Operating Grants and Contributions	101,227	160,035	170,310	101,743	51,588	117,413	86,818	95,082	57,309	143,073
	Capital Grants and Contributions	113,289	28,951	258,419	-	7,011	6,190	151,100	161,682	96,779	44,962
Total Governmental Activities		552,966	502,503	756,460	451,272	395,212	486,308	595,810	598,322	503,384	565,470
Business-Type Activities											
Charges for services:											
	Water	768,651	699,259	698,915	673,902	649,071	614,582	625,557	463,771	473,799	461,007
	Sewer	809,050	767,442	781,602	766,316	737,246	701,740	721,599	504,996	416,834	403,037
	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		1,577,701	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
Total Primary Government Program Revenue		\$ 2,130,667	\$ 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
Net (Expense) Revenue											
Governmental Activities		\$ (1,848,453)	\$ (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)
Business-Type Activities		224,390	121,917	94,967	27,221	(39,967)	(57,331)	(65,956)	(286,042)	(49,559)	(434,568)
Total Net Expense		\$ (1,624,063)	\$ (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)
General Revenues											
Governmental Activities											
Taxes:											
	Property taxes for general purposes	\$ 3,551	\$ 3,758	\$ 3,425	\$ 3,584	\$ 3,313	\$ 3,286	\$ 3,258	\$ 3,174	\$ 3,104	\$ 16,861
	Franchise taxes	44,998	41,961	51,285	49,241	54,377	51,296	46,306	58,456	58,769	62,187
	Sales taxes	2,270,997	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
	Missouri motor fuel taxes	131,748	131,847	130,359	127,996	124,290	118,856	107,865	110,673	110,570	107,132
	Miscellaneous	7,270	3,411	931	745	7,634	14,731	7,723	24,913	1,077	6,780
	Interest on investments	75,436	35,389	11,906	6,683	7,353	7,752	9,205	8,147	12,775	28,679
	Fee in Lieu of Taxes	72,766	69,919	68,062	66,629	65,218	24,090	75,300	41,032	39,870	40,328
	Transfers	(332,970)	(301,665)	(291,925)	(286,327)	(304,242)	(287,771)	(220,786)	(376,586)	(303,014)	(422,114)
	Sale of Assets	289,802	-	-	-	-	-	-	-	-	-
	Insurance Claims	-	-	2,541	7,405	-	-	-	-	-	-
	Reimbursement to Developer per agreement	-	-	-	-	0	(67,573)	(115,653)	(82,209)	(107,716)	(119,268)
Total Governmental Activities		2,563,598	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
Business-Type Activities											
	Interest on investments	10,112	3,423	1,196	30,048	719	51,922	55,023	30,890	65,502	72,783
	Fee in Lieu of Taxes	(72,766)	(69,919)	(68,062)	(66,629)	(65,218)	(24,090)	(75,300)	(41,032)	(39,870)	(40,328)
	Transfers	332,970	301,665	291,925	286,327	304,242	287,771	220,786	376,586	303,014	422,114
	Miscellaneous	-	-	-	-	25,731	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)
Total Business-Type Activities		270,316	235,169	225,059	264,606	265,474	281,816	142,683	325,340	274,788	394,935
Total General Revenues Primary Governmen		\$ 2,833,914	\$ 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
Changes in Net Position											
Governmental Activities		715,145	149,535	915,578	736,583	515,327	260,090	459,482	258,215	294,124	201,037
Business-Type Activities		494,706	357,086	320,026	291,827	225,507	224,485	76,727	39,298	225,229	(39,633)
Total Change in Net Position		\$ 1,209,851	\$ 506,621	\$ 1,235,604	\$ 1,028,410	\$ 740,834	\$ 484,575	\$ 536,209	\$ 297,513	\$ 519,353	\$ 161,404

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

		FISCAL YEAR									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund											
Nonspendable		32,035	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
Committed		-	-	-	-	-	-	-	-	-	-
Assigned		-	-	-	-	-	-	-	-	-	100,000
Unassigned		1,997,941	1,939,143	1,723,560	1,497,693	1,292,518	1,057,554	899,440	817,094	557,098	500,866
Total General Fund		<u>\$ 2,029,976</u>	<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>
All Other Governmental Funds											
Nonspendable		13,912	11,198	9,638	6,689	5,773	4,649	3,850	9,453	7,522	-
Restricted		1,243,900	822,407	903,796	816,459	640,469	321,437	333,754	200,000	200,000	200,000
Committed		-	-	-	-	-	-	-	-	-	-
Assigned		-	-	-	-	123,971	396,821	409,325	411,951	447,266	443,136
Total All Other Governmental Funds		<u>\$ 1,257,812</u>	<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>

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes	\$ 2,319,546	\$ 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
Intergovernmental	131,748	131,847	130,359	127,996	124,290	118,856	107,865	110,673	110,570	107,132
Licenses & permits	8,661	13,144	11,289	16,196	8,733	16,653	9,820	17,173	12,005	11,783
Fines & forfeitures	69,506	51,298	74,320	74,687	72,498	93,489	110,489	87,936	104,474	135,910
Service Charges	234,246	228,195	226,262	240,109	238,922	223,813	222,323	219,769	219,182	210,632
Interest	75,436	35,389	11,906	6,683	7,353	7,752	9,205	8,147	12,775	28,679
Rents	26,037	20,880	15,860	18,537	16,460	28,750	15,260	15,060	13,635	19,110
Grants	214,516	138,986	428,729	101,743	58,349	123,353	232,731	256,764	154,088	188,035
Contributions	-	50,000	-	-	250	250	5,187	1,620	-	-
Miscellaneous	7,270	3,411	931	745	7,634	14,731	7,723	24,913	1,077	6,780
Total Revenues	3,086,966	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
EXPENDITURES										
Current:										
General government	256,920	326,451	219,560	183,908	181,504	196,504	223,146	182,534	166,291	141,045
Public safety	828,702	749,965	719,655	691,645	608,981	619,072	618,665	601,173	625,768	631,684
Streets	256,052	253,081	192,045	195,672	139,150	107,286	105,383	146,010	112,350	79,218
Sanitation	221,455	211,960	212,902	207,561	203,304	202,921	209,161	207,073	198,222	195,892
Parks & Recreation & Storm Water	275,348	364,617	278,046	242,216	167,607	181,532	183,426	185,154	180,944	181,550
Building Inspections	23,224	17,256	18,271	14,844	9,007	31,144	10,887	14,437	9,360	19,143
Airport	33,744	26,442	31,640	47,018	59,120	54,703	32,772	27,987	22,055	17,756
Economic Development	120,195	163,664	59,179	63,293	53,450	42,364	53,121	96,632	62,225	201,137
Capital Outlay	615,748	534,901	924,208	324,113	192,049	129,629	234,494	260,616	331,466	187,778
Debt Service										
Principal	-	-	-	355,000	255,000	240,000	225,000	210,000	190,000	175,000
Interest and Fees	-	-	-	13,392	26,843	37,518	46,034	54,177	56,865	63,815
Total Expenditures	2,631,388	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
OTHER FINANCING SOURCES (USES)										
Reimbursement to developer per agreement	-	-	-	-	-	(67,573)	(115,653)	(82,209)	(107,716)	(119,268)
Sales of assets	289,802	-	-	-	-	-	-	-	-	-
Transfers In	179,855	-	255,415	60,493	91,327	87,422	227,390	285,828	250,568	-
Transfers Out	(512,825)	(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	72,766	69,919	68,061	66,629	65,218	24,090	75,300	41,032	39,870	40,328
Total Other Financing Sources (Uses)	29,598	(231,746)	(221,323)	(212,293)	(239,024)	(331,254)	(261,139)	(41,177)	28,166	(78,940)
NET CHANGES IN FUND BALANCES	\$ 485,176	\$ 109,550	\$ 311,307	\$ 285,294	\$ 284,780	\$ 139,970	\$ 218,036	\$ (11,315)	\$ (39,623)	\$ 25,439
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	16.23%	14.60%	14.31%	14.15%	13.75%	13.63%	12.61%

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>
2018	\$ 2,270,997	\$ 44,998	\$ 3,551	\$ 72,766	\$ 2,392,312
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

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
2018	2.375%	\$ 956,314	\$ 478,159	\$ 478,109	\$ 358,415	\$ 2,270,997
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

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

	Overlapping Rates
2018	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
		Parks and	Capital									Direct and
Fiscal Year	General	Stormwater	Improvement	Transportation	Total	General	Roads	Law	911 Ambulance	Total		Overlapping
2018	1.00%	0.50%	0.50%	0.375%	2.375%	0.50%	0.50%	0.25%	0.25%	0.50%	2.00%	4.375%
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%

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
2018	\$ 163,990	\$ 209,788	\$ 178,683	\$ 166,821	\$ 161,941	\$ 210,913	\$ 221,694	\$ 171,702	\$ 240,009	\$ 174,414	\$ 176,264	\$ 189,189	\$ 2,265,408	-0.149%
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%

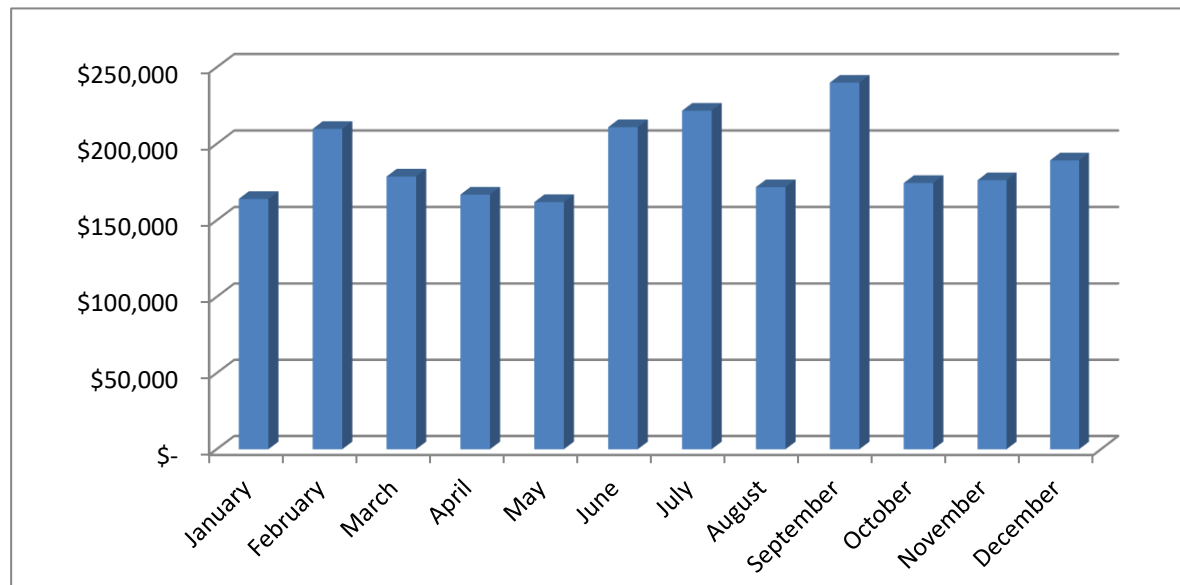
Receipts are shown based on the month received, and not the month they were earned

	Percentage of Total												TOTAL
	January	February	March	April	May	June	July	August	September	October	November	December	
2018	7%	9%	8%	7%	7%	9%	10%	8%	11%	8%	8%	8%	100%
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%

** 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, 2018



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								
2018	\$	-	\$	-	\$ 1,880,200	\$ 150,921	\$ 646,553	\$ 2,677,674	3.86%	3,284	\$ 815
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

(1) Personal income is disclosed on page 82

(2) Data USA

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, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Cassville R-IV School	\$ 12,918,694	23%	\$ 2,954,047
Barry County	-	0%	-
Subtotal, overlapping debt			2,954,047
City of Cassville direct debt	-	0%	-
Total direct and overlapping debt			\$ 2,954,047

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, 2018

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Valuation	\$ 40,774,156
Constitutional Debt Limit (20% of assessed valuation)*	8,154,831
Total bonded debt	-
Total amount of debt applicable to debt limits	-
Legal debt Margin	<u><u>\$ 8,154,831</u></u>

	Last Ten Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Value	\$ 40,774,156	\$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
Debt Limit	8,154,831	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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	8,154,831	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
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
2018	809,050		478,159	529,601	757,608	284,739	57,141	341,880	2.216
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

*** \$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)
2018	3284	36.8	\$ 21,148	\$ 69,450,032	1873	3.2%
2017	3328	37	19,835	66,010,880	1906	3.0%
2016	3266	40	20,173	65,885,018	1834	4.0%
2015	3267	40	21,565	70,452,855	1848	4.0%
2014	3287	49.8	21,382	70,282,634	1806	5.6%
2013	3276	50.1	21,062	68,999,112	1803	5.8%
2012	3268	44.2	20,744	67,791,392	1800	6.3%
2011	3267	42.5	20,424	66,725,208	1800	7.9%
2010	3281	36.4	20,104	65,961,224	1890	8.4%
2009	3255	35.3	19,784	64,396,920	1898	8.4%

(1) Data USA

(2) Sperlings

(3) Missouri Dept. of Education

(4) Homefacts.com

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

<u>Employer</u>	2018	2009
	<u>Range of Employees</u>	<u>Range of Employees</u>
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

		All Employees - Full and Part Time as of December 31									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function											
General Government		13	13	11	11	9	9	11	11	11	12
Public Safety											
Police		13	13	13	11	11	11	11	11	10	10
Court		1	1	1	1	1	1	1	1	1	2
Public Works											
Streets		2	2	2	3	1	1	1	1	1	1
Airport		1	1	1	1	1	1	1	1	1	1
Parks		2	2	1	1	1	1	1	1	1	1
Utility											
Water		4	4	4	4	5	5	5	5	5	5
Sewer		4	4	5	5	5	5	5	4	5	5
Total		40	40	38	37	34	34	36	35	35	37

Source: City Departmental Records

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

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Number of Licenses/permits issued (liquor, fireworks, etc.)	14	15	28	18	20	21	25	19	9	16
Number of building permits issued	53	114	33	37	42	41	33	58	18	10
Public Safety										
Police										
Traffic Citations	693	376	358	486	274	294	380	427	455	805
Court										
Ordinance Violations	395	344	215	346	402	563	649	479	328	453
Public Works										
Number of Airport Hangars Rented	10	6	5	5	5	5	2	4	4	4
Utility										
Water loss	33.50%	37.60%	28.72%	23.15%	40.47%	40.16%	39.81%	39.94%	43.81%	33.32%
Avg. daily well production (gal)	468,357	491,896	478,444	456,438	474,474	451,584	477,128	503,614	524,367	481,356
Number of metered accounts	1651	1588	1791	1788	1812	1822	1816	1819	1868	1637
WWTP average daily flow (gal)	523,741	757,467	592,986	978,082	619,825	669,975	532,825	597,126	809,310	923,641

Source: City Departmental records

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

		Fiscal Year									
Function		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government											
	Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety											
	Number of Police Cars	9	7	7	7	7	7	6	5	4	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 fire hydrants	331	331	331	330	328	328	327	325	325	325
	Number of Airport Hangars	18	9	9	9	9	9	9	9	9	9
Utility											
	Miles of water mains	47.7	43.8	43.8	43.8	43.8	43.8	43.8	43.8	40.5	35.9
	Miles of sanitary sewers	32.8	30.5	30.5	30.5	30.5	30.5	30.4	30.2	29.2	24.3
	Wastewater treatment Capacity (MGD)	1.1	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	72.3	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