

CITY OF WEST PLAINS, MISSOURI

BASIC FINANCIAL STATEMENTS

Year Ended March 31, 2017

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

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, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

We have previously audited the City's 2016 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund information in our report dated August 30, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and pension information 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.

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Plains, Missouri's basic financial statements. The Other Financial Information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*, and is not a required part of the basic financial statements.

The Other Financial Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2017, on our consideration of the City of West Plains, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
August 18, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017

The management's discussion and analysis of the City of West Plains' financial performance provides an overview of the City's financial activities for the fiscal year ended March 31, 2017. Please read it in conjunction with the City's financial statements, which begin on page 16.

Financial Highlights

- The net position of the City's governmental activities decreased by \$130,077 as a result of current year activities. The net position of the City's business activities increased by \$1,816,971 for the year.
- The assets of the City exceeded its liabilities as of March 31, 2017, by \$100.8 million (net position). Of this amount \$23.5 million was unrestricted and may be used to meet future obligations of the City.
- Total long-term liabilities of the City decreased by \$934,849.
- The City received a grant of approximately \$557,000 for the construction of a new parking lot and other improvements at the airport. Other grants received by the City helped fund the renovation of the former scales building in a joint partnership with MSU-West Plains and West Plains R-7 School District.
- Transportation tax funds were used to build a new connection at Burke Avenue, and the complete reconstruction of Kay Drive. Numerous other repairs and overlays were performed throughout the year as well.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position – the difference between assets and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental Activities – Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.
- Business-Type Activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility services are provided here.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. However, the City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

- Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statement.
- Proprietary Funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

NET POSITION

The following table presents the condensed Statement of Net Position for the City as of March 31, 2017 and 2016:

	Governmental Activities	Business-Type Activities	Total March 31, 2017	Total March 31, 2016
Current and other assets	\$ 11,204,207	\$ 21,321,448	\$ 32,525,655	\$ 34,544,881
Capital assets	38,944,159	44,363,887	83,308,046	82,586,327
TOTAL ASSETS	50,148,366	65,685,335	115,833,701	117,131,208
Deferred pension outflows	2,629,596	1,504,087	4,133,683	1,841,921
Deferred charge on debt refunding	-	244,014	244,014	284,626
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,629,596	1,748,101	4,377,697	2,126,547
Other liabilities	1,584,241	3,023,431	4,607,672	4,569,932
Long-term liabilities	6,432,628	8,018,789	14,451,417	15,386,266
TOTAL LIABILITIES	8,016,869	11,042,220	19,059,089	19,956,198
Deferred pension inflows	212,728	170,095	382,823	218,965
Net position				
Net investment in capital assets	32,244,381	36,426,520	68,670,901	66,176,475
Restricted	6,947,221	1,611,571	8,558,792	8,312,732
Unrestricted	5,356,763	18,183,030	23,539,793	24,593,385
TOTAL NET POSITION	\$ 44,548,365	\$ 56,221,121	\$ 100,769,486	\$ 99,082,592

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017

Total net position of the City increased by \$1,686,894 for the year due to current year activity. Total liabilities for the City decreased by \$897,109. Restricted net position of the City totaled \$8.6 million as of March 31, 2017. This amount represents monies that are restricted for debt service as well as for various projects within the City.

CHANGES IN NET POSITION

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u> <u>March 31, 2017</u>	<u>Total</u> <u>March 31, 2016</u>
REVENUES				
Program Revenues				
Charges for services	\$ 1,530,812	\$ 21,784,280	\$ 23,315,092	\$ 23,013,076
Operating grants and contributions	436,312	-	436,312	419,209
Capital grants and contributions	1,180,414	-	1,180,414	1,518,463
General Revenues				
Sales taxes	6,464,195	-	6,464,195	6,616,634
Ad valorem taxes	793,924	-	793,924	779,522
Motor vehicle and gas taxes	478,209	-	478,209	469,379
Other taxes	174,303	-	174,303	179,707
Franchise taxes	2,049,583	-	2,049,583	2,016,414
Interest	49,785	132,168	181,953	131,743
Other revenue	61,372	26,135	87,507	26,690
TOTAL REVENUES	13,218,909	21,942,583	35,161,492	35,170,837

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017**

	Governmental Activities	Business-Type Activities	Total March 31, 2017	Total March 31, 2016
EXPENSES				
Administrative	846,188	-	846,188	990,331
Safety	18,224	-	18,224	17,473
Information technology	85,936	-	85,936	37,323
Engineering	352,528	-	352,528	295,892
Building official	114,939	-	114,939	75,420
City attorney	99,724	-	99,724	83,583
Court	128,525	-	128,525	146,309
Police	2,095,904	-	2,095,904	1,837,930
Animal control	71,049	-	71,049	72,017
Emergency management	90,910	-	90,910	40,795
Fire	1,108,058	-	1,108,058	851,620
Airport	410,033	-	410,033	434,430
Street	3,259,596	-	3,259,596	2,962,019
Cemetery	109,962	-	109,962	114,875
Construction	159,293	-	159,293	165,891
Shop	108,782	-	108,782	88,099
Health	25,074	-	25,074	24,000
City hall complex	273,519	-	273,519	271,742
City beautification	6,304	-	6,304	3,628
Economic development	196,096	-	196,096	280,846
Tourist development	150,289	-	150,289	183,129
Parks and recreation	886,215	-	886,215	773,060
Golf	382,403	-	382,403	369,592
Transit	209,691	-	209,691	187,734
Library	676,485	-	676,485	661,909
Civic center	1,036,897	-	1,036,897	927,183
Galloway park department	19,073	-	19,073	12,981
Senior citizens	20,182	-	20,182	21,250
GOCAT project	940	-	940	-
Other	337,260	-	337,260	315,333
Debt service	68,907	-	68,907	123,840
Water	-	1,768,033	1,768,033	1,704,929
Sewer	-	1,458,004	1,458,004	1,479,630
Electric	-	14,572,591	14,572,591	14,827,361
Refuse	-	2,262,069	2,262,069	2,183,654
Storm water engineering	-	56,999	56,999	59,617
Fiber	-	7,916	7,916	-
TOTAL EXPENSES	13,348,986	20,125,612	33,474,598	32,625,425
INCREASE (DECREASE) IN NET POSITION	\$ (130,077)	\$ 1,816,971	\$ 1,686,894	\$ 2,545,412

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017**

Governmental Activities

Governmental activities decreased the net position of the City by \$130,077. Tax revenues for the City were \$9,960,214, which represents 75% of the funding of these activities. Program revenues for the functions totaled \$3,147,538 or only 24% of the funding. The following table shows the cost of the City's ten largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**NET COST OF THE CITY OF WEST PLAINS' TEN LARGEST
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services	Net Cost of Services
Administration	\$ 846,188	\$ 746,080
Police	2,095,904	1,437,829
Fire	1,108,058	1,075,486
Airport	410,033	(352,298)
Street	3,259,596	3,258,847
Golf	382,403	154,107
Parks and Recreation	886,215	626,391
Library	676,485	612,937
Civic Center	1,036,897	715,495
Other Governmental Activities	2,647,207	1,926,574
	\$ 13,348,986	\$ 10,201,448

Business-Type Activities

Business-type activities increased the City's net position by \$1,816,971. This is up from the increase received in the prior year from the City's business-type activities. The increase in the prior year was \$1,150,233.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of March 31, 2017, were \$10,442,956. The General Fund decreased by \$1,766,427. The Tax Increment Financing #1 Fund increased \$39, Tax Increment Financing #2 Fund did not change, and Tax Increment Financing #3 Fund increased by \$112,716.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017**

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

The original budget is prepared and approved prior to the beginning of the fiscal year. The budget is reviewed and amended each year at the mid-year mark and as necessary. Department heads recommend changes to budgeted expenditures as administration evaluates the revenue sources for necessary amendments. This information is reviewed by the City Administrator as to the effect the changes will have on expected cash flow. The amended budget is prepared and presented to Council for approval by ordinance in September at a public meeting.

The original General Fund revenue budget of \$12,857,170 was decreased by \$160,908 for a total budget of \$12,696,262.

General Fund expenses were amended by \$102,163, from \$15,254,762 to \$15,356,925. The administrative department budget was decreased by \$43,964. The budgeted expenses also increased by the following: \$61,431 for the street department, \$61,298 for parks and recreation, \$29,742 for the fire department, and \$47,140 for the city hall complex.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$38.9 million (net of accumulated depreciation) as of March 31, 2017. This represents a \$1,148,349 net increase from the prior year due primarily to current year additions being greater than current year depreciation. Capital assets for business-type activities were \$44.4 million as of March 31, 2017. This represents a \$426,630 decrease from the prior year due primarily to current year depreciation being greater than current year additions.

Debt Administration

Total debt of the governmental activities as of March 31, 2017, was \$7.1 million, which is down \$750,813 from the prior year. The net decrease is due to the annual debt service payments.

Total debt of the business-type activities as of March 31, 2017, was \$8.4 million, a decrease of \$1,051,446 from the prior year. This is primarily due to principal payments on the City's revenue bonds and certificates of participation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF WEST PLAINS, MISSOURI
March 31, 2017

Economic Factors and Next Year's Budget

The largest consideration for the governmental-type activities budget is given to anticipated sales tax revenue. FY17 sales tax revenue was originally budgeted to flat with the prior year, but was adjusted to -1% at budget amendment. For FY18, sales tax was budgeted evenly with the amended budget from FY17. Approximately \$1.5 million has been budgeted for street improvements which include funds for initial work toward a railroad overpass. Voters approved the extension of the City's Transportation Sales Tax in August, 2016. Upgrades to the City's computer network are planned for FY18. Other improvements to the City Hall complex are also planned. It is always City Council's goal to provide services efficiently and equitably while keeping the City in a strong financial position.

For business-type activities, the city is continuing to place a large effort toward meeting the internet needs of the area. The first phase of the City's Fiber deployment plan was completed in FY17 which was installing a Fiber optic cable ring around the city. Phase 2 of the plan includes a pilot project testing different technologies for deploying internet is included in FY18. Several large pieces of equipment that can be shared by multiple utility departments are also planned to be purchased. The city will continue to review the service capacities of all our facilities to in order to meet growing demand.

In late April 2017, the City experienced a major flood that damaged numerous facilities and parks. The event was declared a federal disaster and we are working with our insurance, FEMA, and other state agencies for assistance in repairing the damage as well as any steps we could take to mitigate any future disasters.

Contacting the City's Financial Management

For additional information or questions, please contact any of the following officers at:

City of West Plains
1910 Holiday Lane, PO Box 710
West Plains, Missouri 65775
(417) 256-7176
finance@westplains.net

Tom Stehn, City Administrator
Allen Brinkman, Finance Director

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION
March 31, 2017

	Primary Government			Component Units					
	Governmental Activities	Business-Type Activities	Total	West Plains	South 160	63 ByPass	Southern Hills	Ozark Hills	Ramseur Farm
				Public Library Foundation	Community Improvement District	Community Improvement District	Community Improvement District	Community Improvement District	Community Improvement District
ASSETS									
Current									
Cash and cash equivalents - unrestricted	\$ 2,265,563	\$ 15,622,787	\$ 17,888,350	\$ 7,098	\$ 266,026	\$ 99,079	\$ 203,364	\$ -	\$ -
Investments - unrestricted	-	-	-	364,222	-	-	-	-	-
Taxes receivable	1,004,814	-	1,004,814	-	-	-	-	-	-
Utilities receivable, net	-	1,811,605	1,811,605	-	-	-	-	-	-
Other accounts receivable	258,505	260,486	518,991	-	823	-	-	-	-
Court fines receivable, net	81,019	-	81,019	-	-	-	-	-	-
Intergovernmental receivable	106,517	-	106,517	-	-	-	-	-	-
Internal balances	41,123	(41,123)	-	-	-	-	-	-	-
Inventory	78,502	1,460,134	1,538,636	-	-	-	-	-	-
Prepaid expenses	116,409	50,778	167,187	-	-	-	-	-	-
Noncurrent									
Restricted cash and cash equivalents	6,671,343	1,468,743	8,140,086	-	-	-	-	-	-
Restricted investments	495,500	688,038	1,183,538	-	-	-	-	-	-
MODAG receivable	84,912	-	84,912	-	-	-	-	-	-
Capital Assets:									
Non-depreciable	6,299,956	294,896	6,594,852	-	-	-	-	-	-
Depreciable, net	32,644,203	44,068,991	76,713,194	-	2,860,244	214,081	5,265,610	-	-
TOTAL ASSETS	50,148,366	65,685,335	115,833,701	371,320	3,127,093	313,160	5,468,974	-	-
DEFERRED OUTFLOWS OF RESOURCES									
Deferred pension outflows	2,629,596	1,504,087	4,133,683	-	-	-	-	-	-
Deferred charge on debt refunding	-	244,014	244,014	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,629,596	1,748,101	4,377,697	-	-	-	-	-	-

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION (continued)
March 31, 2017

	Primary Government			Component Units					
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Southern Hills Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
LIABILITIES									
Current									
Accounts payable	542,391	1,283,895	1,826,286	-	1,999	5,130	34,678	8,046	27,508
Accrued expenses	60,155	59,327	119,482	-	-	-	-	-	-
Accrued interest payable	19,460	44,999	64,459	-	-	-	-	-	-
Court bonds payable	4,706	-	4,706	-	-	-	-	-	-
Deposits payable	17,617	545,210	562,827	-	-	-	-	-	-
Other payables	34,893	-	34,893	-	-	-	-	-	-
Current maturities of long-term debt	905,019	1,090,000	1,995,019	-	-	-	2,327,584	-	-
	<u>1,584,241</u>	<u>3,023,431</u>	<u>4,607,672</u>	<u>-</u>	<u>1,999</u>	<u>5,130</u>	<u>2,362,262</u>	<u>8,046</u>	<u>27,508</u>
Noncurrent									
Compensated absences payable	255,543	178,602	434,145	-	-	-	-	-	-
Net pension liability	196,335	748,806	945,141	-	-	-	-	-	-
Certificates of participation payable	5,794,759	2,245,469	8,040,228	-	-	-	-	-	-
Lease purchases payable	185,991	-	185,991	-	-	-	-	-	-
Revenue bonds payable	-	4,845,912	4,845,912	-	-	-	-	-	-
Bond anticipation notes payable	-	-	-	-	2,146,208	-	-	-	-
	<u>6,432,628</u>	<u>8,018,789</u>	<u>14,451,417</u>	<u>-</u>	<u>2,146,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>8,016,869</u>	<u>11,042,220</u>	<u>19,059,089</u>	<u>-</u>	<u>2,148,207</u>	<u>5,130</u>	<u>2,362,262</u>	<u>8,046</u>	<u>27,508</u>
DEFERRED INFLOW OF RESOURCES									
Deferred pension inflows	212,728	170,095	382,823	-	-	-	-	-	-
NET POSITION									
Net investment in capital assets	32,244,381	36,426,520	68,670,901	-	714,036	214,081	2,289,468	-	-
Restricted	6,947,221	1,611,571	8,558,792	-	-	-	-	-	-
Unrestricted	5,356,763	18,183,030	23,539,793	371,320	264,850	93,949	817,244	(8,046)	(27,508)
TOTAL NET POSITION	<u>\$ 44,548,365</u>	<u>\$ 56,221,121</u>	<u>\$ 100,769,486</u>	<u>\$ 371,320</u>	<u>\$ 978,886</u>	<u>\$ 308,030</u>	<u>\$ 3,106,712</u>	<u>\$ (8,046)</u>	<u>\$ (27,508)</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF ACTIVITIES
Year Ended March 31, 2017

Functions/Programs	Net (Expenses), Revenues and Changes in Net Position												
	Program Revenues			Primary Government			Component Units						
	Expenses	Charges	Operating	Capital	Governmental	Business-Type	Total	West Plains	South 160	63 ByPass	Southern Hills	Ozark Hills	Ramseur Farm
		for	Grants and	Grants and				Public	Community	Community	Community	Community	Community
	Services	Contributions	Contributions	Activities	Activities		Library	Improvement	Improvement	Improvement	Improvement	Improvement	
							Foundation	District	District	District	District	District	
Primary Government													
Governmental activities													
Administrative	\$ (846,188)	\$ 100,108	\$ -	\$ -	\$ (746,080)	\$ -	\$ (746,080)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Safety	(18,224)	-	-	-	(18,224)	-	(18,224)	-	-	-	-	-	-
Information technology	(85,936)	-	-	-	(85,936)	-	(85,936)	-	-	-	-	-	-
Engineering	(352,528)	-	-	-	(352,528)	-	(352,528)	-	-	-	-	-	-
Building official	(114,939)	30,061	-	-	(84,878)	-	(84,878)	-	-	-	-	-	-
City attorney	(99,724)	-	-	-	(99,724)	-	(99,724)	-	-	-	-	-	-
Court	(128,525)	-	-	-	(128,525)	-	(128,525)	-	-	-	-	-	-
Police	(2,095,904)	305,819	352,256	-	(1,437,829)	-	(1,437,829)	-	-	-	-	-	-
Animal control	(71,049)	1,230	955	-	(68,864)	-	(68,864)	-	-	-	-	-	-
Emergency management	(90,910)	-	24,114	-	(66,796)	-	(66,796)	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	(1,108,058)	575	31,997	-	(1,075,486)	-	(1,075,486)	-	-	-	-	-	-
Airport	(410,033)	186,145	-	576,186	352,298	-	352,298	-	-	-	-	-	-
Street	(3,259,596)	749	-	-	(3,258,847)	-	(3,258,847)	-	-	-	-	-	-
Cemetery	(109,962)	25,900	1	-	(84,061)	-	(84,061)	-	-	-	-	-	-
Construction	(159,293)	-	-	-	(159,293)	-	(159,293)	-	-	-	-	-	-
Shop	(108,782)	-	-	-	(108,782)	-	(108,782)	-	-	-	-	-	-
Health	(25,074)	429	5,045	-	(19,600)	-	(19,600)	-	-	-	-	-	-
City hall complex	(273,519)	-	-	-	(273,519)	-	(273,519)	-	-	-	-	-	-
City beautification	(6,304)	-	-	-	(6,304)	-	(6,304)	-	-	-	-	-	-
Economic development	(196,096)	-	-	-	(196,096)	-	(196,096)	-	-	-	-	-	-
Tourist development	(150,289)	4,010	4,754	-	(141,525)	-	(141,525)	-	-	-	-	-	-
Parks and recreation	(886,215)	253,683	300	5,841	(626,391)	-	(626,391)	-	-	-	-	-	-
Golf	(382,403)	228,296	-	-	(154,107)	-	(154,107)	-	-	-	-	-	-
Transit	(209,691)	30,896	-	77,211	(101,584)	-	(101,584)	-	-	-	-	-	-
Library	(676,485)	41,334	14,655	7,559	(612,937)	-	(612,937)	-	-	-	-	-	-
Civic center	(1,036,897)	321,402	-	-	(715,495)	-	(715,495)	-	-	-	-	-	-
Galloway park department	(19,073)	175	2,235	-	(16,663)	-	(16,663)	-	-	-	-	-	-
Senior citizens	(20,182)	-	-	-	(20,182)	-	(20,182)	-	-	-	-	-	-
GOCAT project	(940)	-	-	513,617	512,677	-	512,677	-	-	-	-	-	-
Other	(337,260)	-	-	-	(337,260)	-	(337,260)	-	-	-	-	-	-
Debt service	(68,907)	-	-	-	(68,907)	-	(68,907)	-	-	-	-	-	-
TOTAL GOVERNMENTAL													
ACTIVITIES	(13,348,986)	1,530,812	436,312	1,180,414	(10,201,448)	-	(10,201,448)	-	-	-	-	-	-

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF ACTIVITIES (continued)
Year Ended March 31, 2017

Functions/Programs	Net (Expenses), Revenues and Changes in Net Position												
	Program Revenues				Primary Government			Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	South 160 Community Improvement District	63 ByPass Community Improvement District	Southern Hills Community Improvement District	Ozark Hills Community Improvement District	Ramseur Farm Community Improvement District
Primary Government													
Business-Type Activities													
Water	(1,768,033)	2,124,776	-	-	-	356,743	356,743	-	-	-	-	-	-
Sewer	(1,458,004)	1,795,661	-	-	-	337,657	337,657	-	-	-	-	-	-
Electric	(14,572,591)	15,520,599	-	-	-	948,008	948,008	-	-	-	-	-	-
Refuse	(2,262,069)	2,339,244	-	-	-	77,175	77,175	-	-	-	-	-	-
Storm water engineering	(56,999)	-	-	-	-	(56,999)	(56,999)	-	-	-	-	-	-
Fiber	(7,916)	4,000	-	-	-	(3,916)	(3,916)	-	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>(20,125,612)</u>	<u>21,784,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,658,668</u>	<u>1,658,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ (33,474,598)</u>	<u>\$ 23,315,092</u>	<u>\$ 436,312</u>	<u>\$ 1,180,414</u>	<u>(10,201,448)</u>	<u>1,658,668</u>	<u>(8,542,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units													
West Plains Public Library Foundation	\$ (7,532)	\$ -	\$ 7,913	\$ -				381	-	-	-	-	-
South 160 Community Improvement District	(176,541)	-	-	-				-	(176,541)	-	-	-	-
63 ByPass Community Improvement District	(6,690)	-	-	-				-	-	(6,690)	-	-	-
Southern Hills Community Improvement District	(214,360)	-	-	-				-	-	-	(214,360)	-	-
Ozark Hills Community Improvement District	(442)	-	-	-				-	-	-	-	(442)	-
Ramseur Farm Community Improvement District	(27,508)	-	-	-				-	-	-	-	-	(27,508)
TOTAL COMPONENT UNITS	<u>\$ (433,073)</u>	<u>\$ -</u>	<u>\$ 7,913</u>	<u>\$ -</u>				<u>381</u>	<u>(176,541)</u>	<u>(6,690)</u>	<u>(214,360)</u>	<u>(442)</u>	<u>(27,508)</u>
General Revenues:													
Sales taxes					6,464,195	-	6,464,195	-	367,818	26,377	551,919	-	-
Ad valorem taxes					793,924	-	793,924	-	-	-	-	-	-
Motor vehicle and gas taxes					478,209	-	478,209	-	-	-	-	-	-
Other taxes					174,303	-	174,303	-	-	-	-	-	-
Franchise taxes					2,049,583	-	2,049,583	-	-	-	-	-	-
Interest					49,785	132,168	181,953	4,758	-	-	-	-	-
Other revenue					61,372	26,135	87,507	1,450	-	-	-	-	-
Unrealized gain					-	-	-	16,548	-	-	-	-	-
Total General Revenues					<u>10,071,371</u>	<u>158,303</u>	<u>10,229,674</u>	<u>22,756</u>	<u>367,818</u>	<u>26,377</u>	<u>551,919</u>	<u>-</u>	<u>-</u>
Changes in Net Position					<u>(130,077)</u>	<u>1,816,971</u>	<u>1,686,894</u>	<u>23,137</u>	<u>191,277</u>	<u>19,687</u>	<u>337,559</u>	<u>(442)</u>	<u>(27,508)</u>
Net Position, Beginning of year					<u>44,678,442</u>	<u>54,404,150</u>	<u>99,082,592</u>	<u>348,183</u>	<u>787,609</u>	<u>288,343</u>	<u>2,769,153</u>	<u>(7,604)</u>	<u>-</u>
Net Position, End of year					<u>\$ 44,548,365</u>	<u>\$ 56,221,121</u>	<u>\$ 100,769,486</u>	<u>\$ 371,320</u>	<u>\$ 978,886</u>	<u>\$ 308,030</u>	<u>\$ 3,106,712</u>	<u>\$ (8,046)</u>	<u>\$ (27,508)</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS
March 31, 2017

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,265,563	\$ -	\$ -	\$ -	\$ 2,265,563
Taxes receivable	1,004,814	-	-	-	1,004,814
Other accounts receivable	258,505	-	-	-	258,505
Court fines receivable, net	81,019	-	-	-	81,019
Intergovernmental receivable	106,517	-	-	-	106,517
Due from other funds	39,589	1,772	-	-	41,361
Inventory	78,502	-	-	-	78,502
Prepaid expenses	116,409	-	-	-	116,409
MODAG receivable	84,912	-	-	-	84,912
Restricted cash and cash equivalents	6,249,237	1,742	-	420,364	6,671,343
Restricted investments	495,500	-	-	-	495,500
TOTAL ASSETS	\$ 10,780,567	\$ 3,514	\$ -	\$ 420,364	\$ 11,204,445
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 542,391	\$ -	\$ -	\$ -	\$ 542,391
Accrued expenses	60,155	-	-	-	60,155
Court bonds payable	4,706	-	-	-	4,706
Due to other funds	-	-	-	238	238
Deposits payable	17,617	-	-	-	17,617
Other payables	34,893	-	-	-	34,893
TOTAL LIABILITIES	659,762	-	-	238	660,000
Deferred Inflow of Resources					
Deferred revenue	101,489	-	-	-	101,489
Fund Balances					
Nonspendable-not in spendable form:					
Inventory	78,502	-	-	-	78,502
Prepaid Items	116,409	-	-	-	116,409
Restricted for:					
Economic development	196,001	-	-	-	196,001
Parks and recreation	819	-	-	-	819
Fire	1,184	-	-	-	1,184
Streets	2,688,889	-	-	-	2,688,889
Cemetery perpetual care	126,785	-	-	-	126,785
Library	10,000	-	-	-	10,000
Capital improvements	3,002,204	-	-	-	3,002,204
Debt service	497,699	3,514	-	420,126	921,339
Assigned for:					
Capital improvements	500,000	-	-	-	500,000
Unassigned	2,800,824	-	-	-	2,800,824
TOTAL FUND BALANCES	10,019,316	3,514	-	420,126	10,442,956
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,780,567	\$ 3,514	\$ -	\$ 420,364	\$ 11,204,445

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
NET POSITION
March 31, 2017

Fund balance - total governmental funds	\$ 10,442,956
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	110,266,527
Less accumulated depreciation	<u>(71,322,368)</u>
	38,944,159
The net pension liability and deferred inflows and outflows are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	(196,335)
Deferred outflows due to pensions	2,629,596
Deferred inflows due to pensions	<u>(212,728)</u>
	2,220,533
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(19,460)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(7,141,312)
Adjustment of unavailable revenue	<u>101,489</u>
Net position of governmental activities	<u><u>\$ 44,548,365</u></u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL
FUNDS
Year Ended March 31, 2017

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 9,510,239	\$ 34,488	\$ 302,071	\$ 113,417	\$ 9,960,215
Licenses and permits	82,363	-	-	-	82,363
Intergovernmental revenues	1,586,769	-	-	-	1,586,769
Charges for services	1,438,059	-	-	-	1,438,059
Miscellaneous	141,074	39	-	-	141,113
TOTAL REVENUES	12,758,504	34,527	302,071	113,417	13,208,519
EXPENDITURES					
Current					
Administrative	842,728	-	-	-	842,728
Safety	17,253	-	-	-	17,253
Information technology	84,138	-	-	-	84,138
Engineering	337,738	-	-	-	337,738
Building official	109,909	-	-	-	109,909
City attorney	99,724	-	-	-	99,724
Court	125,056	-	-	-	125,056
Police	1,912,773	-	-	-	1,912,773
Animal control	54,915	-	-	-	54,915
Emergency management	37,514	-	-	-	37,514
Fire	2,373,430	-	-	-	2,373,430
Airport	917,372	-	-	-	917,372
Street	2,430,249	-	-	-	2,430,249
Cemetery	112,489	-	-	-	112,489
Construction	154,023	-	-	-	154,023
Shop	95,330	-	-	-	95,330
Health	25,074	-	-	-	25,074
City hall complex	217,456	-	-	-	217,456
City beautification	6,304	-	-	-	6,304
Economic development	193,396	-	-	-	193,396
Tourist development	179,494	-	-	-	179,494
Parks and recreation	855,697	-	-	-	855,697
Golf	445,886	-	-	-	445,886
Transit	160,878	-	-	-	160,878
Library	612,096	-	-	-	612,096
Civic center	715,550	-	-	-	715,550
Galloway park department	19,073	-	-	-	19,073
Senior citizens	20,182	-	-	-	20,182
GOCAT project	546,857	-	-	-	546,857
Other	-	34,488	302,071	701	337,260
Debt Service					
Principal and interest	929,790	-	-	-	929,790
TOTAL EXPENDITURES	14,632,374	34,488	302,071	701	14,969,634

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL
FUNDS (continued)
Year Ended March 31, 2017

	General Fund	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Tax Increment Financing #3 Fund	Total Governmental Funds
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(1,873,870)	39	-	112,716	(1,761,115)
OTHER FINANCING SOURCES					
Lease purchase proceeds	107,443	-	-	-	107,443
TOTAL OTHER FINANCING SOURCES	107,443	-	-	-	107,443
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(1,766,427)	39	-	112,716	(1,653,672)
FUND BALANCE, April 1	11,785,743	3,475	-	307,410	12,096,628
FUND BALANCE, March 31	<u>\$ 10,019,316</u>	<u>\$ 3,514</u>	<u>\$ -</u>	<u>\$ 420,126</u>	<u>\$ 10,442,956</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended March 31, 2017

Net change in fund balances - total governmental funds \$ (1,653,672)

Amounts reported for governmental activities in the statement
 of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense. The following is the detail of the amount by which capital outlay exceeded depreciation for the year.

Capital outlay	4,088,765
Depreciation	<u>(2,940,416)</u>
	1,148,349

Some revenues reported in the governmental funds represent current financial resources and were recognized in the statement of activities when earned. 10,390

The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the statement of activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net affect of these differences.

Capital lease proceeds	(107,443)
Repayment of principal on COPs and leases	859,133
Accrued interest payable	<u>1,750</u>
	753,440

Some expenditures reported in the governmental funds represent the use of current financial resources and were recognized in the statement of activities when incurred.

Change in compensated absences	(877)
Change in pension related costs	<u>(387,707)</u>
	<u>(388,584)</u>
Change in net position of governmental activities	<u><u>\$ (130,077)</u></u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF NET POSITION – ENTERPRISE FUND
March 31, 2017

	Utility Fund	
	March 31,	
	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 15,622,787	\$ 14,006,158
Utilities receivable, net	1,811,605	1,984,677
Other accounts receivable	260,486	466,905
Inventory	1,460,134	1,420,583
Prepaid expenses	50,778	45,919
TOTAL CURRENT ASSETS	19,205,790	17,924,242
Restricted Assets		
Cash and cash equivalents	1,468,743	1,491,692
Investments	688,038	680,768
Property, Plant and Equipment	78,372,861	76,899,766
Less accumulated depreciation	(34,008,974)	(32,109,249)
TOTAL PROPERTY, PLANT AND EQUIPMENT	44,363,887	44,790,517
Net Pension Asset	-	167,570
TOTAL ASSETS	65,726,458	65,054,789
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	1,504,087	713,771
Deferred charge on debt refunding	244,014	284,626
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,748,101	998,397
LIABILITIES		
Current Liabilities		
Accounts payable	1,283,895	1,500,767
Accrued expenses	59,327	53,275
Accrued interest payable	44,999	50,822
Due to other funds	41,123	19,279
Meter deposits payable	545,210	531,755
Current maturities of long-term debt	1,090,000	1,060,000
TOTAL CURRENT LIABILITIES	3,064,554	3,215,898
Long-Term Liabilities		
Revenue bonds payable	4,845,912	5,910,000
Certificates of participation payable	2,245,469	2,280,586
Net pension liability	748,806	-
Compensated absences payable	178,602	160,843
TOTAL LONG-TERM LIABILITIES	8,018,789	8,351,429
TOTAL LIABILITIES	11,083,343	11,567,327
DEFERRED INFLOW OF RESOURCES		
Deferred pension inflows	170,095	81,709
NET POSITION		
Net investment in capital assets	36,426,520	35,824,557
Restricted	1,611,571	1,641,211
Unrestricted	18,183,030	16,938,382
TOTAL NET POSITION	\$ 56,221,121	\$ 54,404,150

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
Year Ended March 31, 2017

	Year Ended March 31,	
	2017	2016
OPERATING REVENUES		
Charges for services		
Electric	\$ 15,520,599	\$ 15,125,746
Water	2,124,776	2,109,882
Sewer	1,795,661	1,816,021
Refuse	2,339,244	2,252,927
Fiber	4,000	-
TOTAL OPERATING REVENUES	21,784,280	21,304,576
OPERATING EXPENSES		
Electric		
Wages and benefits	765,492	744,348
Franchise fees	1,517,622	1,479,450
Engineering	4,187	17,819
Purchased power	9,725,216	9,975,351
Utilities	8,592	6,638
Other operating expenses	726,420	731,298
Depreciation	930,967	941,768
Water		
Wages and benefits	405,135	393,248
Engineering	90,161	7,466
Utilities	164,368	155,405
Other operating expenses	246,341	279,546
Depreciation	518,144	511,306
Sewer		
Wages and benefits	459,775	454,394
Utilities	105,077	96,107
Other operating expenses	127,126	158,893
Depreciation	422,142	412,278
Refuse		
Wages and benefits	935,703	899,498
Landfill service	661,220	618,120
Refuse utilities	9,275	10,383
Other operating expenses	330,482	351,107
Depreciation	239,418	215,057
Engineering		
Wages and benefits	148,713	145,090
Other operating expenses	113	248
Shop		
Wages and benefits	70,562	49,270

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
(continued)
Year Ended March 31, 2017

	Year Ended March 31,	
	2017	2016
Storm Water Engineering		
Other operating expenses	-	294
Depreciation	5,415	5,629
Fiber		
Utilities	2,904	-
Other operating expenses	5,012	-
Information Technology		
Wages and benefits	44,158	29,679
Administration and Warehouse		
Wages and benefits	640,389	651,528
Insurance	198,974	186,818
Utilities	56,827	61,721
Other operating expenses	239,626	271,639
Depreciation	5,065	5,102
TOTAL OPERATING EXPENSES	<u>19,810,621</u>	<u>19,866,498</u>
OPERATING INCOME	1,973,659	1,438,078
NONOPERATING REVENUES (EXPENSES)		
Interest income	132,168	95,553
Other revenue	971	5,295
Interest expense	(314,991)	(344,666)
Gain (loss) on inventory	25,164	(44,027)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(156,688)</u>	<u>(287,845)</u>
NET INCOME	1,816,971	1,150,233
NET POSITION, April 1	<u>54,404,150</u>	<u>53,253,917</u>
NET POSITION, March 31	<u>\$ 56,221,121</u>	<u>\$ 54,404,150</u>

See accompanying notes.

CITY OF WEST PLAINS, MISSOURI
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
Year Ended March 31, 2017

	Utility Fund	
	Year Ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 22,177,226	\$ 20,982,505
Cash paid to suppliers	(14,455,661)	(14,682,488)
Cash paid to employees	(3,231,670)	(3,256,833)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,489,895	3,043,184
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of loans from other funds	21,844	29,051
Proceeds from operating grants	971	5,295
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	22,815	34,346
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(1,694,521)	(1,695,951)
Payment of principal on long-term debt	(1,069,205)	(1,039,207)
Payment of interest expense	(280,202)	(309,668)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,043,928)	(3,044,826)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	132,168	95,553
Purchase of investments	(7,270)	(4,562)
NET CASH PROVIDED BY INVESTING ACTIVITIES	124,898	90,991
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,593,680	123,695
CASH AND CASH EQUIVALENTS, Beginning of year	15,497,850	15,374,155
CASH AND CASH EQUIVALENTS, End of year	17,091,530	15,497,850
LESS RESTRICTED CASH AND CASH EQUIVALENTS	1,468,743	1,491,692
UNRESTRICTED CASH AND CASH EQUIVALENTS	\$ 15,622,787	\$ 14,006,158
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,973,659	\$ 1,438,078
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,121,151	2,091,140
(Increase) decrease in:		
Receivables	379,491	(320,646)
Inventory	(14,387)	44,305
Prepaid expenses	(4,859)	1,576
Net pension asset	916,376	545,789
Deferred pension outflows	(790,316)	(447,106)
Increase (decrease) in:		
Accounts payable	(216,872)	(320,066)
Compensated absences payable	17,759	17,935
Accrued expenses	6,052	(88,105)
Meter deposits payable	13,455	(1,425)
Deferred pension inflows	88,386	81,709
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 4,489,895	\$ 3,043,184

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City operates under a Council/City Administrator form of government. The City provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public improvements, planning, and general administrative services. Other services include water, sewer, electric, and refuse operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. In accordance with GASB Section 1600.131 (Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting), the proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, except those pronouncements that conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the more significant policies.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Component Units

West Plains Public Library Foundation

The West Plains Public Library Foundation, which is governed by an appointed Board of Directors, provides support for the West Plains Public Library. The West Plains Public Library Foundation is included in the financial statements of the City as a component unit due to its financial relationship with the City.

South 160 Community Improvement District

Approved in 2005, the South 160 Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the South 160 District. The formation of the District allows for the authorization of an additional 1% sales tax to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective October 2006. This District is an overlay for a Tax Increment Financing area.

63 By-Pass Community Improvement District

Approved in 2006, the 63 By-Pass Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the 63 By-Pass District. The formation of the District allows for the authorization of an additional 1% sales tax to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective July 2007. This District is an overlay for a Tax Increment Financing area.

Southern Hills Community Improvement District

Approved in 2008, the Southern Hills Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Southern Hills Community District. The formation of the District allows for the authorization of an additional ½% sales tax to make public improvements that will benefit the District and the City as a whole. This ½% sales tax was approved by the voters within the District and became effective in October 2009.

Ozark Hills Community Improvement District

Approved March 14, 2014, the Ozark Hills Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Ozark Hills District. The formation of the District allows for the authorization of an additional sales tax of up to 1% to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective in October 2014.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ramseur Farm

Approved September 19, 2016, the Ramseur Farm Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Ramseur Farms District. The formation of the District allows for the authorization of an additional sales tax of up to 1% to make public improvements that will benefit the District and the City as a whole.

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Tax Increment Financing #1 Fund: The Tax Increment Financing #1 Fund is used to account for resources restricted for debt service.

Tax Increment Financing #2 Fund: The Tax Increment Financing #2 Fund is used to account for resources restricted for debt service.

Tax Increment Financing #3 Fund: The Tax Increment Financing #3 Fund is used to account for resources restricted for debt service.

The City reports the following major proprietary fund:

Utility Fund: The Utility Fund accounts for the activities and capital improvements of the City's water, sewer, electric and sanitation operations.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least five years. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Electric plant	20 - 40 years
Water and sewer systems	20 - 100 years
Structures and improvements	15 - 35 years
Machinery and equipment	5 - 15 years
Infrastructure	5 - 50 years
Vehicles	5 - 7 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Pooled Cash And Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1 – Inputs using quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs using significant other observable inputs including quoted prices for similar assets or liabilities

Level 3 – Inputs are significant unobservable inputs

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the average cost method. Inventory usage is recognized on the consumption method.

Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after March 31 of that year.

Compensated Absences

Employees earn vacation time based on the number of year's service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interest Capitalization

Interest expense that relates to the cost of acquiring or constructing fixed assets in the Enterprise Funds is capitalized. Interest expense incurred in connection with construction of capital assets has been reduced by interest earned on the investment of funds borrowed for construction in accordance with GASB Accounting Standards Codification Topic No. 1400-120-137 – *Capitalization of Interest Cost*. There was no interest capitalized during the current fiscal year.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance – This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Council removes the specified use by taking the same type of action imposing the commitment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned fund balance – This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City’s taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has two items that qualify for reporting in this category, deferred amounts relating to employer contributions to the retirement plan and deferred charge on debt refunding.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has one item that qualifies for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

For purposes of measuring the net pension asset/liability, deferred outflow of resources and deferred inflow 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 reported at fair value.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended March 31, 2016, from which such partial information was derived.

New Pronouncements

For the year ended March 31, 2017, the City implemented two new GASB Statements:

GASB Statement No. 77 – Tax Abatement Disclosures. The primary objective of this statement is to disclose the nature and magnitude of tax abatements and to make these transactions more transparent to the public.

GASB Statement No. 72 – Fair Value Measurement and Application. The primary objective of this statement is to address accounting and financial reporting issues relating to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures.

The adoption of these Statements had no impact on the City's financial statements, but did result in expanded note disclosures.

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2017, all bank balances on deposit are entirely insured or collateralized.

The City of West Plains maintains a cash pool that is available for use by all government funds.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE C – INVESTMENTS

Primary Government

The City categorizes its investments within the fair value hierarchy as discussed in Note A. As of March 31, 2017, the City had the following recurring fair value measurements:

Investment Type	Maturity Dates	Not Subject to Fair Value	Fair Value Level 1	Total
Certificates of Deposit	9/18/2017	\$ 587,931	\$ -	\$ 587,931
Certificates of Deposit	6/20/2017 - 6/20/2021	-	495,500	495,500
U.S. Treasury Notes (SLGS)	7/1/2020	-	485	485
Guaranteed Investment Contracts	1/1/2019 - 7/1/2021	-	99,622	99,622
		\$ 587,931	\$ 595,607	\$ 1,183,538

Certificates of Deposit

Certificates of deposit with financial institutions are classified as investments but are considered deposits for custodial risk determination and are not subject to fair value measurement. State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2017, all certificates of deposit are entirely insured or collateralized with securities.

Guaranteed Investment Contracts

The City has Guaranteed Investment Contracts on deposit with United Missouri Bank. These deposits are held in a trust account for the 1996B Wastewater System Revenue Bonds principal and interest accounts. The City's funds are invested under the State Revolving Fund Program and are required to be collateralized in the amount of 100% of the value of the investment.

U.S. Treasury Notes (SLGS)

City investments in U.S. Treasury Notes (SLGS) are from the 1996B bond issue. These investments are held in an irrevocable trust account with United Missouri Bank. The funds are invested in accordance with Section 165.051 of the Missouri Revised Statutes.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE C – INVESTMENTS (continued)

West Plains Public Library Foundation

The West Plains Public Library Foundation has \$364,222 invested with the Community Foundation of the Ozarks’ pooled investment fund. Fair market value approximates cost as the foundation has a pro-rata share of the fund.

NOTE D – RESTRICTED ASSETS

Cash and investments and net position/fund balance have been restricted in the following funds and activities as follows:

	<u>Restricted Cash and Investments</u>	<u>Restricted Fund Balance</u>
General Fund		
Cemetery perpetual care	\$ 126,785	\$ 126,785
Transportation tax	2,458,398	2,688,889
Capital improvement tax	1,686,586	1,686,586
Capital projects	500,000	-
Economic development	111,089	196,001
Galloway park donations	819	819
Fire alarms	1,184	1,184
Library	10,000	10,000
Police seized funds	14,236	-
Court bonds	4,706	-
Deposits held	17,617	-
2012 COP reserves	497,699	497,699
2015 COP proceeds	1,315,618	1,315,618
	<u>\$ 6,744,737</u>	<u>\$ 6,523,581</u>
Special Revenue Funds		
Reserved/restricted for debt service	<u>\$ 422,106</u>	<u>\$ 423,640</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE D – RESTRICTED ASSETS (continued)

	Restricted Cash and Investments	Restricted Net Position
Enterprise Fund		
2011 bond reserves	\$ 1,207,904	\$ 1,207,904
1996 bond reserves	110,970	110,970
2014 bond reserves	50,496	50,496
2010 COP reserves	212,154	212,154
Service deposits	545,210	-
Landfill closure	30,047	30,047
	<u>\$ 2,156,781</u>	<u>\$ 1,611,571</u>

NOTE E – ACCOUNTS RECEIVABLE

Utilities receivable is presented net of an allowance for doubtful accounts as follows:

	Gross Receivable	Allowance	Net Receivable
UTILITIES RECEIVABLE			
Enterprise Fund	<u>\$ 3,070,284</u>	<u>\$ 1,258,679</u>	<u>\$ 1,811,605</u>

Court fines receivable is presented net of an allowance for doubtful accounts as follows:

	Gross Receivable	Allowance	Net Receivable
COURT FINES RECEIVABLE			
General Fund	<u>\$ 139,770</u>	<u>\$ 58,751</u>	<u>\$ 81,019</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE F – ASSESSED VALUATION, TAX LEVY, AND LEGAL DEBT MARGIN

The assessed valuation of the tangible property and the tax levy per \$100 assessed valuation of that property were as follows:

	<u>2016</u>
Assessed Valuation	
Real estate	\$ 119,436,440
Personal property	<u>35,010,611</u>
TOTAL	<u>\$ 154,447,051</u>
	<u>2016</u>
Tax Rate Per \$100 of Assessed Valuation	
General	\$.3163
Library	<u>.2000</u>
	<u>\$.5163</u>

The legal debt margin at March 31, 2017, was computed as follows:

	<u>General Obligation Bonds</u>		
	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
Constitutional Debt Limit	\$ 15,444,705	\$ 15,444,705	\$ 30,889,410
General Obligation Bonds Payable	<u>-</u>	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 15,444,705</u>	<u>\$ 15,444,705</u>	<u>\$ 30,889,410</u>

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights-of-way, construction, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE G – MODAG RECEIVABLE

Receivables due from MODAG awarded to the City in prior years consisted of:

	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Total Due</u>
West Plains Industrial Development Corporation	3%	\$ 7,500	\$ 44,605
West Plains Industrial Development Corporation	5%	19,319	40,307
			<u>\$ 84,912</u>

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES

Long-term liabilities in the Enterprise Fund consists of 1996B Sewerage System Revenue Bonds, 2011 Sewerage System Refunding Revenue Bonds, 2014 Waterworks System Refunding Revenue Bonds, 2010 Certificates of Participation, and compensated absences.

1996B Wastewater System Revenue Bonds

In December 1996, the City entered into an agreement with the Missouri Leveraged State Water Pollution Control Revolving Fund Program to sell \$2,587,000 in Wastewater System Revenue Bonds, Series 1996B. The bonds bear interest at 4.05% to 6.0%. The interest paid is offset by an interest subsidy from the state of Missouri's 50% bond reserves, which earn interest at 1.30%. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance.

The annual debt service requirements to amortize the principal on the 1996B revenue bonds outstanding at March 31, 2017, are listed in the following table:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Administrative Fee</u>	<u>Total</u>
2018	<u>\$ 200,000</u>	<u>\$ 10,500</u>	<u>\$ 1,428</u>	<u>\$ 211,928</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES (continued)

2011 Sewerage System Refunding Revenue Bonds

On September 6, 2011, the City issued \$6,260,000 in Sewerage System Refunding Revenue Bonds, Series 2011. The bonds bear interest at 2.50% to 3.65%. Interest payments are due semi-annually on July 1 and January 1 of each year with annual principal payments due July 1 of each year. Bonds are callable on July 1, 2020, and at any time thereafter, under various provisions of the bond terms.

The annual debt service requirements to amortize the principal on the 2011 revenue bonds outstanding at March 31, 2017, are as follows:

Year Ending March 31,	Principal	Interest	Total
2018	\$ 420,000	\$ 129,737	\$ 549,737
2019	430,000	119,113	549,113
2020	435,000	107,865	542,865
2021	450,000	95,242	545,242
2022	465,000	81,053	546,053
2023	480,000	65,452	545,452
2024	495,000	48,630	543,630
2025	1,095,000	19,984	1,114,984
	<u>\$ 4,270,000</u>	<u>\$ 667,076</u>	<u>\$ 4,937,076</u>

2014 Waterworks System Refunding Revenue Bonds

On January 6, 2014, the City issued \$3,230,000 in Series 2014 Waterworks System Refunding Revenue Bonds for the purpose of an advance refunding of the Series 2006 Waterworks System Refunding Revenue Bonds. The bonds bear interest at 2.0% to 2.20%. The bonds mature on March 1 of each year with interest payments due March 1 and September 1 of each year, with full maturity on March 1, 2020.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES (continued)

The annual debt service requirements to amortize the principal on the Series 2014 bonds outstanding as of March 31, 2017, are as follows:

Year Ending March 31,	Principal	Interest	Total
2018	\$ 470,000	\$ 29,780	\$ 499,780
2019	480,000	20,380	500,380
2020	490,000	10,780	500,780
	<u>\$ 1,440,000</u>	<u>\$ 60,940</u>	<u>\$ 1,500,940</u>

On March 1, 2010, the City issued \$2,210,000 in Certificates of Participation. The Certificates of Participation bear interest from 5.30% to 6.65%. Interest payments are due semi-annually on March 1 and September 15 of each year. The City will receive an interest subsidy from the US Treasury semi-annually to offset the cost of interest. The City is required to file specific forms with the IRS no later than 45 days before each interest payment is due in order to receive the interest subsidy. The Certificates of Participation outstanding at March 31, 2017, are due as follows:

Year Ending March 31,	Principal	Interest	Interest Subsidy	Total
2018	\$ -	\$ 134,085	\$ (60,338)	\$ 73,747
2019	-	134,085	(60,339)	73,746
2020	-	134,085	(60,339)	73,746
2021	140,000	134,085	(60,339)	213,746
2022	200,000	126,665	(56,999)	269,666
2023	205,000	115,765	(52,094)	268,671
2024	215,000	104,285	(46,928)	272,357
2025	220,000	91,922	(41,365)	270,557
2026	230,000	78,942	(35,524)	273,418
2027	235,000	64,682	(29,107)	270,575
2028	245,000	49,878	(22,445)	272,433
2029	255,000	34,198	(15,389)	273,809
2030	265,000	17,623	(7,930)	274,693
	<u>\$ 2,210,000</u>	<u>\$ 1,220,300</u>	<u>\$ (549,136)</u>	<u>\$ 2,881,164</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE H – LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES (continued)

A summary of the changes in long-term liabilities – business-type activities for the year ended March 31, 2017, is as follows:

	Balance March 31, 2016	Additions	Retirements	Balance March 31, 2017	Amount due within one year
Revenue Bonds					
Series 1996B	\$ 390,000	\$ -	\$ 190,000	\$ 200,000	\$ 200,000
Series 2011	4,680,000	-	410,000	4,270,000	420,000
Series 2014	1,900,000	-	460,000	1,440,000	470,000
Premium	32,389	-	6,477	25,912	-
	<u>7,002,389</u>	<u>-</u>	<u>1,066,477</u>	<u>5,935,912</u>	<u>1,090,000</u>
Certificates of Participation					
Series 2010	2,210,000	-	-	2,210,000	-
Premium	38,197	-	2,728	35,469	-
	<u>2,248,197</u>	<u>-</u>	<u>2,728</u>	<u>2,245,469</u>	<u>-</u>
Compensated Absences	160,843	17,759	-	178,602	-
TOTAL	<u><u>\$ 9,411,429</u></u>	<u><u>\$ 17,759</u></u>	<u><u>\$ 1,069,205</u></u>	<u><u>\$ 8,359,983</u></u>	<u><u>\$ 1,090,000</u></u>

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

Long-term liabilities for governmental activities at March 31, 2017, consists of 2012 and 2015 Certificates of Participation, six capital leases, and compensated absences.

2012 Certificates of Participation

On August 18, 2012, the City issued \$4,955,000 in Series 2012 Certificates of Participation to refund the Series 2006 Certificates of Participation and to finance various projects within the City. The certificates bear interest at various rates ranging from 1.75% to 2.90% with principal payments due July 15 and interest payments due January 15 and July 15 each year.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES (continued)

The annual debt service requirements to amortize principal on the 2012 Certificates of Participation outstanding at March 31, 2017, are listed in the following table:

Year Ended March 31,	Principal	Interest	Total
2018	\$ 360,000	\$ 67,998	\$ 427,998
2019	365,000	61,654	426,654
2020	370,000	54,760	424,760
2021	375,000	46,935	421,935
2022	390,000	38,130	428,130
2023	395,000	28,315	423,315
2024	400,000	17,680	417,680
2025	420,000	6,090	426,090
	<u>\$ 3,075,000</u>	<u>\$ 321,562</u>	<u>\$ 3,396,562</u>

2015 Certificates of Participation

On March 1, 2015, the City issued \$3,920,000 in Series 2015 Certificates of Participation to finance various projects within the City. The certificates bear interest at various rates ranging from 2.00% to 2.55% with principal payments due July 15 and interest payments due January and July 15 each year.

The annual debt service requirements to amortize principal on the Series 2015 Certificates of Participation outstanding at March 31, 2017, are listed in the following table:

Year Ending March 31,	Principal	Interest	Total
2018	\$ 430,000	\$ 69,768	\$ 499,768
2019	440,000	61,068	501,068
2020	450,000	52,168	502,168
2021	465,000	43,018	508,018
2022	465,000	33,718	498,718
2023	480,000	23,788	503,788
2024	500,000	12,633	512,633
2025	265,000	3,379	268,379
	<u>\$ 3,495,000</u>	<u>\$ 299,540</u>	<u>\$ 3,794,540</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE I – LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES (continued)

Capital Lease Agreement – Equipment

On June 26, 2014, the City entered into a lease purchase agreement to finance the purchase of a tractor. The agreement requires yearly payments of \$7,446, which includes interest at 2.54%.

On August 7, 2014, the City entered into a lease purchase agreement to finance the purchase of three Ford F-series trucks. The agreement requires yearly payments of \$12,237, which includes interest at 2.54%.

On October 19, 2014, the City entered into a lease purchase agreement to finance the purchase of a backhoe. The agreement requires yearly payments of \$12,872, which includes interest at 2.54%.

On July 25, 2015, the City entered into a lease purchase agreement to finance the purchase of six police vehicles. The agreement requires yearly payments of \$52,012, which includes interest at 2.16%.

On May 25, 2016, the City entered into a lease purchase agreement to finance the purchase of golf equipment. The agreement requires yearly payments of \$11,210, which includes interest at 2.16%.

On August 29, 2016, the City entered into a lease purchase agreement to finance the purchase of three police vehicles. The agreement requires yearly payments of \$26,183, which includes interest at 2.16%.

The City's lease purchase agreements provide for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancellable capital leases in accordance with FASB Accounting Standards Codification Topic ASC-840-30-30 – *Accounting for Capital Leases*.

The following is a schedule of future lease payments under the lease (assuming noncancellation):

Year Ending March 31,	Case Backhoe	Kubota Tractor	Ford Trucks	Six Police Vehicles	Golf Equipment	Three Police Vehicles
2018	\$ 12,872	\$ 7,446	\$ 12,237	\$ 52,012	\$ 11,210	\$ 26,183
2019	12,872	7,446	12,237	52,012	11,210	26,183
2020	12,873	7,446	12,237	-	11,211	26,182
TOTAL MINIMUM LEASE PAYMENTS	38,617	22,338	36,711	104,024	33,631	78,548
LESS AMOUNT REPRESENTING INTEREST	(1,904)	(1,101)	(1,810)	(3,308)	(1,416)	(3,320)
PRINCIPAL BALANCE MARCH 31, 2017	<u>\$ 36,713</u>	<u>\$ 21,237</u>	<u>\$ 34,901</u>	<u>\$ 100,716</u>	<u>\$ 32,215</u>	<u>\$ 75,228</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE J – SUMMARY OF CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

A summary of the changes in long-term liabilities – governmental activities for the year ended March 31, 2017, is as follows:

	Balance March 31, 2016	Additions	Retirements	Balance March 31, 2017	Amount due within one year
Certificates of Participation					
Series 2012	\$ 3,425,000	\$ -	\$ 350,000	\$ 3,075,000	\$ 360,000
Series 2015	3,920,000	-	425,000	3,495,000	430,000
Premium on Series 2015	16,604	-	1,845	14,759	-
	<u>7,361,604</u>	<u>-</u>	<u>776,845</u>	<u>6,584,759</u>	<u>790,000</u>
Capital Lease Obligations					
Toro mower	4,124	-	4,124	-	-
Case backhoe	48,343	-	11,630	36,713	11,929
Kubota tractor	27,964	-	6,727	21,237	6,549
Ford trucks	45,957	-	11,056	34,901	11,691
Six police vehicles	149,467	-	48,751	100,716	49,815
Golf equipment	-	32,215	-	32,215	10,507
Three police vehicles	-	75,228	-	75,228	24,528
	<u>275,855</u>	<u>107,443</u>	<u>82,288</u>	<u>301,010</u>	<u>115,019</u>
Compensated absences payable	<u>254,666</u>	<u>877</u>	<u>-</u>	<u>255,543</u>	<u>-</u>
TOTAL	<u><u>\$ 7,892,125</u></u>	<u><u>\$ 108,320</u></u>	<u><u>\$ 859,133</u></u>	<u><u>\$ 7,141,312</u></u>	<u><u>\$ 905,019</u></u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE K – CAPITAL ASSETS

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

Primary Government

	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
Governmental Activities				
Non-Depreciable Capital Assets:				
Construction in progress	\$ 1,425,057	\$ 2,766,744	\$ 814,279	\$ 3,377,522
Land	2,906,901	15,533	-	2,922,434
Total Non-depreciable Capital Assets	<u>\$ 4,331,958</u>	<u>\$ 2,782,277</u>	<u>\$ 814,279</u>	<u>\$ 6,299,956</u>
Depreciable Capital Assets:				
Building and improvements	\$ 21,287,659	\$ 135,127	\$ -	\$ 21,422,786
Machinery and equipment	4,661,644	264,056	-	4,925,700
Vehicles	3,021,373	1,022,363	107,316	3,936,420
Infrastructure	72,746,373	490,109	-	73,236,482
Land improvements	128,755	316,428	-	445,183
Total Depreciable Capital Assets	101,845,804	<u>\$ 2,228,083</u>	<u>\$ 107,316</u>	103,966,571
Less Accumulated Depreciation	68,381,952	<u>\$ 3,047,732</u>	<u>\$ 107,316</u>	71,322,368
Total Depreciable Capital Assets, net	<u>\$ 33,463,852</u>			<u>\$ 32,644,203</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE K – CAPITAL ASSETS (continued)

Depreciation expense for governmental activities was charged to functions as follows:

Administration	\$ 7,403
Engineering	6,144
Police	60,683
Animal control	14,481
Emergency management	51,898
Fire	132,969
Airport	141,742
Street	1,837,202
Cemetery	7,051
Shop	18,637
City hall complex	109,467
Tourist development	4,529
Parks and recreation	241,525
Golf	14,293
Transit	44,117
Library	50,142
Civic center	305,449
	<u>\$ 3,047,732</u>

	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
Business-Type Activities				
Water				
Non-Depreciable Capital Assets:				
Land	\$ 166,752	\$ -	\$ -	\$ 166,752
Total Non-Depreciable Capital Assets	166,752	<u>\$ -</u>	<u>\$ -</u>	166,752
Depreciable Capital Assets:				
Buildings and improvements	102,044	\$ -	\$ -	102,044
Plant	19,204,034	499,563	-	19,703,597
Equipment	1,044,936	93,335	-	1,138,271
Transportation equipment	314,609	-	27,954	286,655
Total Depreciable Capital Assets	20,665,623	<u>\$ 592,898</u>	<u>\$ 27,954</u>	21,230,567
Less Accumulated Depreciation	8,383,972	<u>\$ 518,145</u>	<u>\$ 27,954</u>	8,874,163
Depreciable Capital Assets, net	12,281,651			12,356,404

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE K – CAPITAL ASSETS (continued)

	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
Electric				
Non-Depreciable Capital Assets:				
Land	76,662	\$ -	\$ -	76,662
Total Non-Depreciable Capital Assets	76,662	\$ -	\$ -	76,662
Depreciable Capital Assets:				
Buildings and improvements	244,241	\$ -	\$ -	244,241
Plant	24,781,639	151,958	-	24,933,597
Equipment	3,192,649	61,489	193,472	3,060,666
Transportation equipment	1,880,597	152,209	-	2,032,806
Total Depreciable Capital Assets	30,099,126	\$ 365,656	\$ 193,472	30,271,310
Less Accumulated Depreciation	14,352,378	\$ 931,678	\$ 193,472	15,090,584
Depreciable Capital Assets, net	15,746,748			15,180,726
Sewer				
Depreciable Capital Assets:				
Buildings and improvements	82,633	\$ -	\$ -	82,633
Plant	21,289,102	281,748	-	21,570,850
Equipment	961,339	27,865	-	989,204
Transportation equipment	294,338	45,054	-	339,392
Total Depreciable Capital Assets	22,627,412	\$ 354,667	\$ -	22,982,079
Less Accumulated Depreciation	7,405,606	\$ 427,558	\$ -	7,833,164
Depreciable Capital Assets, net	15,221,806			15,148,915
Administration				
Depreciable Capital Assets:				
Equipment	17,565	\$ -	\$ -	17,565
Total Depreciable Capital Assets	17,565	\$ -	\$ -	17,565
Less Accumulated Depreciation	13,212	\$ 4,353	\$ -	17,565
Depreciable Capital Assets, net	4,353			-

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE K – CAPITAL ASSETS (continued)

	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
Refuse				
Non-Depreciable Capital Assets:				
Land	15,000	\$ -	\$ -	15,000
Total Non-Depreciable Capital Assets	15,000	\$ -	\$ -	15,000
Depreciable Capital Assets:				
Buildings and improvements	262,045	\$ -	\$ -	262,045
Transfer station	540,911	-	-	540,911
Equipment	899,838	-	-	899,838
Transportation equipment	1,432,229	221,924	-	1,654,153
Total Depreciable Capital Assets	3,135,023	\$ 221,924	\$ -	3,356,947
Less Accumulated Depreciation	1,954,081	\$ 239,417	\$ -	2,193,498
Depreciable Capital Assets, net	1,180,942			1,163,449
Fiber				
Non-Depreciable Capital Assets:				
Construction in progress	96,603	\$ 36,482	\$ 96,603	36,482
Total Non-Depreciable Capital Assets	96,603	\$ 36,482	\$ 96,603	36,482
Depreciable Capital Assets:				
Equipment	-	\$ 219,497	\$ -	219,497
Total Depreciable Capital Assets	-	\$ 219,497	\$ -	219,497
Less Accumulated Depreciation	-	\$ -	\$ -	-
Depreciable Capital Assets, net	-			219,497
Total Capital Assets, net	\$ 44,790,517			\$ 44,363,887

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE K – CAPITAL ASSETS (continued)

Component Units

	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
South 160 Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 3,553,239	\$ 25,394	\$ -	\$ 3,578,633
Total Depreciable Capital Assets	3,553,239	\$ 25,394	\$ -	3,578,633
Less Accumulated Depreciation	647,324	\$ 71,065	\$ -	718,389
Depreciable Capital Assets, net	<u>\$ 2,905,915</u>			<u>\$ 2,860,244</u>
	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
63 ByPass Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 249,571	\$ -	\$ -	\$ 249,571
Total Depreciable Capital Assets	249,571	\$ -	\$ -	249,571
Less Accumulated Depreciation	30,498	\$ 4,992	\$ -	35,490
Depreciable Capital Assets, net	<u>\$ 219,073</u>			<u>\$ 214,081</u>
	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
Southern Hills Community				
Improvement District				
Depreciable Capital Assets:				
Infrastructure	\$ 4,892,272	\$ 752,694	\$ -	\$ 5,644,966
Total Depreciable Capital Assets	4,892,272	\$ 752,694	\$ -	5,644,966
Less Accumulated Depreciation	281,511	\$ 97,845	\$ -	379,356
Depreciable Capital Assets, net	<u>\$ 4,610,761</u>			<u>\$ 5,265,610</u>

NOTE L – EMPLOYEE PENSION PLAN

General Information about the Pension Plan

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

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

	<u>2016 Valuation</u>
Benefit Multiplier	1.60% for life, plus 0.40% to age 65
Final Average Salary	3 Years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2016, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries	93	19	18	130
Inactive, nonretired members	39	17	21	77
Active members	140	28	15	183
	<u>272</u>	<u>64</u>	<u>54</u>	<u>390</u>

NOTE L – EMPLOYEE PENSION PLAN (continued)

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. Employer contribution rates are 14.1% (General), 10.2% (Police), and 2.7% (Fire) of annual covered payroll.

Net Pension Liability/Asset. The employer's net pension liability/asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 29, 2016.

Actuarial Assumptions. The total pension liability in the February 29, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation for general and police 3.25% to 7.15% wage inflation for fire
Investment rate of return	7.25%, net of investment and administrative expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE L – EMPLOYEE PENSION PLAN (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

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.

Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
<i>General Division</i>			
Balances at beginning of year	\$ 20,112,468	\$ 20,428,637	\$ (316,169)
Changes for the year:			
Service cost	457,844	-	457,844
Interest	1,443,431	-	1,443,431
Difference between expected and actual experiences	(262,575)	-	(262,575)
Changes of assumptions	688,532	-	688,532
Contributions - employer	-	643,278	(643,278)
Net investment income	-	(58,611)	58,611
Benefits paid, including refunds	(871,224)	(871,224)	-
Administrative expenses	-	(22,545)	22,545
Other changes	-	(19,306)	19,306
Net changes	1,456,008	(328,408)	1,784,416
Balances at end of year	21,568,476	20,100,229	1,468,247

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE L – EMPLOYEE PENSION PLAN (continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
<i>Police Division</i>			
Balances at beginning of year	4,667,406	5,226,477	(559,071)
Changes for the year:			
Service cost	97,793	-	97,793
Interest	335,969	-	335,969
Difference between expected and actual experiences	132,994	-	132,994
Changes of assumptions	119,050		119,050
Contributions - employer	-	100,813	(100,813)
Net investment income	-	(13,403)	13,403
Benefits paid, including refunds	(165,687)	(165,687)	-
Administrative expenses	-	(4,711)	4,711
Other changes	-	(41,020)	41,020
Net changes	520,119	(124,008)	644,127
Balances at end of year	5,187,525	5,102,469	85,056
<i>Fire Division</i>			
Balances at beginning of year	2,713,851	3,623,527	(909,676)
Changes for the year:			
Service cost	57,538	-	57,538
Interest	194,693	-	194,693
Difference between expected and actual experiences	(22,964)	-	(22,964)
Changes of assumptions	113,473		113,473
Contributions - employer	-	17,959	(17,959)
Net investment income	-	(8,986)	8,986
Benefits paid, including refunds	(115,408)	(115,408)	-
Administrative expenses	-	(3,364)	3,364
Other changes	-	35,617	(35,617)
Net changes	227,332	(74,182)	301,514
Balances at end of year	2,941,183	3,549,345	(608,162)
Total Plan Balances at end of year	\$ 29,697,184	\$ 28,752,043	\$ 945,141

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE L – EMPLOYEE PENSION PLAN (continued)

The Net Pension Liability is allocated as follows:

	Net Pension Liability
Governmental Activities	\$ 196,335
Business-Type Activities	748,806
	<u>\$ 945,141</u>

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate. The following present the Net Pension (Asset) Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension (Asset) Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<i>General Division</i>			
Total pension liability	\$ 24,652,604	\$ 21,568,476	\$ 19,034,943
Fiduciary net position	20,100,229	20,100,229	20,100,229
Net Pension (Asset) Liability	4,552,375	1,468,247	(1,065,286)
<i>Police Division</i>			
Total pension liability	5,976,330	5,187,525	4,544,055
Fiduciary net position	5,102,469	5,102,469	5,102,469
Net Pension (Asset) Liability	873,861	85,056	(558,414)
<i>Fire Division</i>			
Total pension liability	3,356,358	2,941,183	2,600,151
Fiduciary net position	3,549,345	3,549,345	3,549,345
Net Pension (Asset) Liability	(192,987)	(608,162)	(949,194)
Total Net Pension (Asset) Liability	<u>\$ 5,233,249</u>	<u>\$ 945,141</u>	<u>\$ (2,572,894)</u>

CITY OF WEST PLAINS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE L – EMPLOYEE PENSION PLAN (continued)

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

For the year ended March 31, 2017, the employer recognized pension expense of \$1,039,253 in the general division, \$299,276 in the police division, and \$54,187 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>General Division</i>			
Differences in experiences	\$ -	\$ (333,520)	\$ (333,520)
Assumption changes	559,572	-	559,572
Differences in earnings	1,871,587	-	1,871,587
Contributions subsequent to the measurement date*	518,032	-	518,032
	<u>2,949,191</u>	<u>(333,520)</u>	<u>2,615,671</u>
<i>Police Division</i>			
Differences in experiences	119,612	-	119,612
Assumption changes	92,334	-	92,334
Differences in earnings	474,515	-	474,515
Contributions subsequent to the measurement date*	81,194	-	81,194
	<u>767,655</u>	<u>-</u>	<u>767,655</u>
<i>Fire Division</i>			
Differences in experiences	-	(49,303)	(49,303)
Assumption changes	72,437	-	72,437
Differences in earnings	329,917	-	329,917
Contributions subsequent to the measurement date*	14,483	-	14,483
	<u>416,837</u>	<u>(49,303)</u>	<u>367,534</u>
	<u>\$ 4,133,683</u>	<u>\$ (382,823)</u>	<u>\$ 3,750,860</u>

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE L – EMPLOYEE PENSION PLAN (continued)

The deferred inflow and outflow of resources are allocated as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Governmental Activities	\$ 2,629,596	\$ (212,728)	\$ 2,416,868
Business-Type Activities	1,504,087	(170,095)	1,333,992
	<u>\$ 4,133,683</u>	<u>\$ (382,823)</u>	<u>\$ 3,750,860</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending March 31, 2017.

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

Year Ending March 31,	Net Deferred Outflow of Resources			
	General	Police	Fire	Total
2018	\$ 1,085,626	\$ 275,957	\$ 109,076	\$ 1,470,659
2019	567,594	194,763	112,571	874,928
2020	567,596	193,460	92,013	853,069
2021	367,798	103,475	53,874	525,147
2022	27,057	-	-	27,057
Total	<u>\$ 2,615,671</u>	<u>\$ 767,655</u>	<u>\$ 367,534</u>	<u>\$ 3,750,860</u>

Payable to the Pension Plan

The City had \$92,646 of outstanding amounts of contributions to the pension plan required for the year ended March 31, 2017.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE M – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE N – INTERNAL BALANCES

Internal balances as of March 31, 2017, consisted of the following:

	General Fund	Tax Increment Financing #1 Funds	Tax Increment Financing #3 Funds	Utility Fund
Internal balances	<u>\$ 39,589</u>	<u>\$ 1,772</u>	<u>\$ (238)</u>	<u>\$ (41,123)</u>

During the course of its operations, the City has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of March 31, 2017, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

NOTE O – CONDUIT DEBT

On December 1, 2013, the City authorized the issuance of \$7,500,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds (Hoover Brothers Farms, Inc. Project), Series 2013. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligation beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The bonds are issued as the Project proceeds. At March 31, 2017, the amount issued and outstanding was \$2,012,127.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE P – CLAIMS AND ADJUSTMENTS

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of March 31, 2017, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

NOTE Q – DEBT REFUNDING LOSS

On January 6, 2014, the City issued \$3,230,000 in Series 2014 Waterworks System Refunding Revenue Bonds with interest rates ranging from 2.0% to 2.20%. The City issued the bonds to refund \$3,710,000 of outstanding Series 2006 Waterworks System Refunding Revenue Bonds with interest rates ranging from 4.0% to 4.45%.

The Series 2014 refunding assumed the deferred charge on the Series 2006 advance refunding of the Series 2000 Waterworks System Revenue Bonds. The previous refunding resulted in the recognition of a deferred charge on refunding in the Utility Fund of \$332,146. The amount of deferred charge assumed with the Series 2014 refunding on January 6, 2014, was \$160,538. The deferred charge is being amortized as an adjustment to interest expense over a period of six years.

On September 6, 2011, the City issued \$6,260,000 in Series 2011 Sewerage System Refunding Revenue Bonds with interest rates ranging from 2.50% to 3.65%. The City issued the bonds to refund \$5,955,000 of outstanding Series 2004 Sewerage System Revenue Bonds with interest rates ranging from 3.45% to 5.125%.

The advanced refunding resulted in the recognition of a deferred charge on refunding in the Utility Fund of \$258,556. The deferred charge is being amortized as an adjustment to interest expense over a period of 14 years.

A summary of the deferred charge on debt refunding is listed below:

	Balance March 31, 2016	Additions	Amortization	Balance March 31, 2017
Utility Fund	\$ 284,626	\$ -	\$ 40,612	\$ 244,014

NOTE R – LONG-TERM DEBT – SOUTH 160 COMMUNITY IMPROVEMENT DISTRICT

South 160 Community Improvement District

On December 12, 2009, the South 160 Community Improvement District issued a bond anticipation note in the amount of \$3,007,507 in order to accelerate the start of the District’s improvement projects. The note will be repaid from the proceeds of bonds the District will receive. The bond anticipation note was renewed for an additional five years, which will mature on December 25, 2018. Principal and interest payments are due monthly, with interest at 4.50% per annum.

Activity for the year ended March 31, 2017, is summarized below:

	Balance March 31, 2016	Additions	Retirements	Balance March 31, 2017
Bond Anticipation Notes	<u>\$ 2,279,281</u>	<u>\$ -</u>	<u>\$ 133,073</u>	<u>\$ 2,146,208</u>

NOTE S – SHORT-TERM DEBT

Southern Hills Community Improvement District

On July 1, 2010, the Southern Hills Community Improvement District issued a sales tax revenue note, not to exceed \$1,500,000, in order to pay a portion of the development project costs. The note will be repaid from net sales tax revenues the District will receive, and matures on April 10, 2016. Principal and interest payments are due monthly, with interest at 5.25% per annum.

Activity for the year ended March 31, 2017, is summarized below:

	Balance March 31, 2016	Additions	Retirements	Balance March 31, 2017
Tax Revenue Note	<u>\$ 1,971,474</u>	<u>\$ 722,694</u>	<u>\$ 366,584</u>	<u>\$ 2,327,584</u>

NOTE T – PLEDGED REVENUES

The City has pledged future water and sewer customer revenues to repay the Series 1996B, 2011 and 2014 revenue bonds issued to improve and expand the water and sewer system. The bonds are payable solely from customer net revenues and are payable through 2025. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal, interest and fees remaining to be paid on the bonds is \$6,649,944. Principal and interest paid for the current year and total customer net revenues were \$1,259,568 and \$2,140,536, respectively.

The City has pledged future sales tax revenues to repay the Series 2012 and 2015 Certificates of Participation issued for the purpose of refunding the Series 2006 COP and to finance various projects in the City. The lease purchase is payable solely from tax revenues of the City and is payable through 2025. The total principal and interest remaining to be paid on the lease is \$7,191,102.

The Southern Hills Community Improvement District has pledged future sales tax revenue to repay the sales tax revenue note issued on July 1, 2010. The lease is payable solely from net sales tax revenues of the District and is due no later than April 10, 2016. The total principal remaining to be paid on the lease is \$2,327,584 with interest payable at 5.25% per annum.

NOTE U – DEFERRED REVENUE

Revenue has not been realized for receivables not expected to be collected within sixty days of year-end but are expected to be collectible. Deferred revenue as of March 31, 2017, consists of the following:

Court fines	\$ 81,019
Other	20,470
	<u>\$ 101,489</u>

NOTE V – TAX INCREMENT FINANCING DISTRICTS AND COMMUNITY IMPROVEMENT DISTRICTS

TIF #1 is committed to repay the developer for public infrastructure improvements in the TIF #1 District. There is no debt on the City's part. However, the City is obligated to repay \$500,000 of public infrastructure improvements to the extent that taxes are collected within this District. The City is only obligated if taxes are collected, and through May 2017. As of March 31, 2017, the City has paid the developer \$285,192, leaving a remaining balance of \$214,808.

CITY OF WEST PLAINS, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE V – TAX INCREMENT FINANCING DISTRICTS AND COMMUNITY IMPROVEMENT
 DISTRICTS (continued)

TIF #2 and CID #1 overlay one another. TIF #2 taxes are collected along with sales taxes of CID #1 and are pledged to repay the Bond anticipation note, which was used for public improvements. The City is only obligated if taxes are collected, and through October 2028.

NOTE W – COMMITMENTS

As of March 31, 2017, the City had the following commitments:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Crawford, Murphy & Tilly	Howell Overpass Project	\$ 679,716
Gonzalez Companies	WWTP Improvements	71,484
Gentry Construction, Inc.	Fire Station #1 Additions	115,864
		<u>\$ 867,064</u>

NOTE X – SUBSEQUENT EVENTS

On April 20, 2017, the City entered into a contract with Pace Construction Company, LLC in the amount of \$153,660 for a pavement project.

On April 24, 2017, the City entered into a contract with Donelson Construction Company, LLC in the amount of \$304,754 for various street projects throughout the City.

On May 11, 2017, the City entered into a contract with John Adams Construction Co., Inc. in the amount of \$165,847 for a street curb and guttering project.

NOTE Y – TAX ABATEMENTS

The amount of foregone tax revenues for the year ending March 31, 2017, consisted of the following:

Tax Abatement Program	Type of Tax Abated	Amount of Taxes Abated
Tax Increment Financing Districts	Sales tax	\$ 367,381
Tax Increment Financing Districts	Property tax	82,595
Urban Redevelopment (Chapter 353)	Property tax	13,437
Chapter 100	Property tax	9,420
Enhanced Enterprise Zone	Property tax	3,884
		<u>\$ 476,717</u>

- The City has entered into three Tax Incremental Financing (TIF) Districts which are economic development tools which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. The purpose of the three TIF Districts is to remove blight, improve roads and traffic flow, and attract new retail development and restaurants.
- The City has entered into one agreement under the Urban Redevelopment Corporation Law, or Chapter 353, which is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo, the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. The purpose of the abatement is to tear down a blighted hotel and build a new hotel.

NOTE Y – TAX ABATEMENTS (continued)

- The City and Howell County have entered into one agreement under the Enhanced Enterprise Zones Program which is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer. The purpose of the abatement is to encourage job creation in blighted areas within the City.
- The City has entered into one agreement under the Chapter 100 Industrial Development Act which allows cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. The purpose of the abatement is to encourage job creation and maintain at least 250 employees on-site for 15 years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
Year Ended March 31, 2017

Missouri Local Government Employees Retirement System (LAGERS)

	June 30, 2016	June 30, 2015
	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 613,175	\$ 609,092
Interest on the total pension liability	1,974,093	1,896,741
Difference between expected and actual experience	(152,545)	(254,854)
Changes of assumptions	921,055	-
Benefit payments including refunds	<u>(1,152,319)</u>	<u>(1,218,617)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	2,203,459	1,032,362
TOTAL PENSION LIABILITY, BEGINNING	<u>27,493,725</u>	<u>26,461,363</u>
TOTAL PENSION LIABILITY, ENDING	29,697,184	27,493,725
PLAN FIDUCIARY NET POSITION		
Contributions - employer	762,050	805,190
Pension plan net investment income	(81,000)	569,364
Benefit payments, including refunds	(1,152,319)	(1,218,617)
Pension plan administrative expense	(30,620)	(33,181)
Other	<u>(24,709)</u>	<u>(390,217)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(526,598)	(267,461)
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>29,278,641</u>	<u>29,546,102</u>
PLAN FIDUCIARY NET POSITION, ENDING	<u>28,752,043</u>	<u>29,278,641</u>
EMPLOYER NET PENSION (ASSET) LIABILITY	<u>\$ 945,141</u>	<u>\$ (1,784,916)</u>
Plan fiduciary net position as a percentage of the total pension liability	96.82%	106.49%
Covered employee payroll	\$ 5,965,732	\$ 5,504,066
Employer's net pension (asset) liability as a percentage of covered employee payroll	15.84%	-32.43%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF WEST PLAINS, MISSOURI
 SCHEDULE OF CONTRIBUTIONS
 Year Ended March 31, 2017

Missouri Local Government Employees Retirement System (LAGERS)
Schedule of Contributions
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 790,499	\$ 781,831	\$ 837,386	\$ 853,049	\$ 884,583	\$ 853,244	\$ 855,379	\$ 633,329	\$ 707,559	\$ 634,267
Contributions in relation to the actuarially determined contribution	<u>790,501</u>	<u>781,831</u>	<u>837,386</u>	<u>853,050</u>	<u>811,750</u>	<u>757,941</u>	<u>696,716</u>	<u>629,137</u>	<u>690,791</u>	<u>629,256</u>
Contribution deficiency (excess)	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 72,833</u>	<u>\$ 95,303</u>	<u>\$ 158,663</u>	<u>\$ 4,192</u>	<u>\$ 16,768</u>	<u>\$ 5,011</u>
Covered-employee payroll	\$ 6,302,408	\$ 6,170,112	\$ 5,708,368	\$ 5,736,923	\$ 5,576,949	\$ 5,525,375	\$ 5,420,202	\$ 5,291,505	\$ 5,408,783	\$ 5,143,807
Contributions as a percentage of covered-employee payroll	12.54%	12.67%	14.67%	14.87%	14.56%	13.72%	12.85%	11.89%	12.77%	12.23%

CITY OF WEST PLAINS, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS
Year Ended March 31, 2017

Valuation Date: February 29, 2016

Notes: The roll-forward of total pension liability from February 29, 2016 to June 30, 2016, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Entry Age Normal and Modified Terminal Funding

Amortization Method – Level Percentage of Payroll, Closed

Remaining Amortization Period – Multiple bases from 13 to 15 years for general and police divisions
Multiple bases from 14 to 16 years for the fire division

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 for the general and police divisions
3.25% to 7.15% including wage inflation for the fire division

Investment Rate of Return – 7.25%, net of investment and administrative expenses

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

Mortality – The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other Information – New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended March 31, 2017

	Year Ended March 31,				2016 Actual
	2017			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Ad valorem taxes, penalties and interest	\$ 770,000	\$ 782,000	\$ 793,924	\$ 11,924	\$ 779,522
Surtax	81,500	81,500	86,534	5,034	85,408
Motor vehicle sales tax	139,000	139,000	156,086	17,086	153,249
Sales tax	3,180,000	3,137,220	3,018,500	(118,720)	3,103,512
Capital improvement sales tax	1,540,000	1,529,760	1,526,486	(3,274)	1,569,076
Transportation sales tax	1,470,000	1,470,000	1,469,234	(766)	1,514,381
State motor fuel tax	305,000	305,000	322,123	17,123	316,130
Franchise taxes	2,150,000	2,050,000	2,049,583	(417)	2,016,414
Hotel/motel taxes	75,000	75,000	77,802	2,802	80,186
Other taxes	17,250	17,250	9,967	(7,283)	14,112
	<u>9,727,750</u>	<u>9,586,730</u>	<u>9,510,239</u>	<u>(76,491)</u>	<u>9,631,990</u>
Licenses and Permits					
Liquor	15,500	15,500	19,127	3,627	16,560
Building permits	20,000	20,000	22,819	2,819	18,053
Business licenses	31,500	31,500	32,765	1,265	30,590
Other	9,300	8,700	7,652	(1,048)	9,594
	<u>76,300</u>	<u>75,700</u>	<u>82,363</u>	<u>6,663</u>	<u>74,797</u>
Intergovernmental Revenues					
Federal	1,420,502	1,498,344	1,575,746	77,402	1,078,201
State	4,413	4,413	3,981	(432)	665,108
Other	8,830	6,880	7,042	162	183,901
	<u>1,433,745</u>	<u>1,509,637</u>	<u>1,586,769</u>	<u>77,132</u>	<u>1,927,210</u>
Charges for Services					
Parks and recreation	135,700	130,358	138,661	8,303	146,850
Cemetery	22,610	23,710	25,900	2,190	23,225
Transit	29,200	29,200	30,896	1,696	32,161
Rental income	208,525	205,337	201,336	(4,001)	209,041
Concessions	131,300	135,300	156,927	21,627	195,912
Fuel sales	250,000	151,300	150,434	(866)	208,755
Golf	214,200	214,200	211,671	(2,529)	217,030
Fines and forfeitures	311,550	311,550	220,936	(90,614)	265,791
Civic Center	138,500	138,500	163,875	25,375	153,936
Other	116,510	114,240	137,423	23,183	145,437
	<u>1,558,095</u>	<u>1,453,695</u>	<u>1,438,059</u>	<u>(15,636)</u>	<u>1,598,138</u>
Miscellaneous					
Reimbursements	1,000	1,100	4,023	2,923	2,950
Interest	34,800	33,200	49,747	16,547	36,182
Donations and other contributions	4,950	14,000	29,957	15,957	10,462
Sale of property	11,010	10,800	44,043	33,243	9,107
Other	9,520	11,400	13,304	1,904	9,338
	<u>61,280</u>	<u>70,500</u>	<u>141,074</u>	<u>70,574</u>	<u>68,039</u>
TOTAL REVENUES	<u>12,857,170</u>	<u>12,696,262</u>	<u>12,758,504</u>	<u>62,242</u>	<u>13,300,174</u>

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)
 Year Ended March 31, 2017

	Year Ended March 31,				2016 Actual
	2017			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
EXPENDITURES					
Current					
Administrative	849,293	805,324	842,728	(37,404)	971,452
Safety	18,574	18,377	17,253	1,124	16,416
Information technology	60,777	97,728	84,138	13,590	32,579
Engineering	366,061	370,093	337,738	32,355	273,932
Building official	152,588	118,850	109,909	8,941	93,506
City attorney	108,798	103,846	99,724	4,122	83,583
Court	129,782	131,321	125,056	6,265	142,505
Police	1,968,852	1,983,004	1,912,773	70,231	1,862,139
Animal control	57,913	61,619	54,915	6,704	55,357
Emergency management	50,747	50,274	37,514	12,760	39,067
Fire	2,766,866	2,792,608	2,373,430	419,178	1,733,585
Airport	888,254	857,878	917,372	(59,494)	321,172
Street	2,677,243	2,738,674	2,430,249	308,425	3,237,860
Cemetery	125,755	123,052	112,489	10,563	105,148
Construction	164,953	164,817	154,023	10,794	160,234
Shop	100,883	95,175	95,330	(155)	68,772
Health	25,000	25,000	25,074	(74)	24,000
City hall complex	264,137	250,310	217,456	32,854	160,719
City beautification	9,300	9,300	6,304	2,996	3,628
Economic development	236,123	235,555	193,396	42,159	273,745
Tourist development	180,293	176,032	179,494	(3,462)	173,220
Parks and recreation	793,352	843,135	855,697	(12,562)	693,911
Golf	447,921	473,523	445,886	27,637	441,720
Transit	183,493	187,191	160,878	26,313	1,101,218
Library	632,781	629,164	612,096	17,068	594,072
Civic center	692,228	717,511	715,550	1,961	606,836
Galloway park department	15,053	15,053	19,073	(4,020)	12,981
GOCAT project	325,746	325,746	546,857	(221,111)	-
Senior citizens	28,530	23,300	20,182	3,118	21,250
Debt Service					
Principal and interest	933,466	933,466	929,790	3,676	901,341
TOTAL EXPENDITURES	15,254,762	15,356,926	14,632,374	724,552	14,205,948
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(2,397,592)	(2,660,664)	(1,873,870)	786,794	(905,774)
OTHER FINANCING SOURCES					
Lease purchase proceeds	75,426	75,228	107,443	32,215	149,467
TOTAL OTHER FINANCING SOURCES	75,426	75,228	107,443	32,215	149,467
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(2,322,166)	(2,585,436)	(1,766,427)	819,009	(756,307)
FUND BALANCE, April 1	11,785,743	11,785,743	11,785,743	-	12,542,050
FUND BALANCE, March 31	\$ 9,463,577	\$ 9,200,307	\$ 10,019,316	\$ 819,009	\$ 11,785,743

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #1 FUND
 Year Ended March 31, 2017

	Year Ended March 31,				2016 Actual
	2017			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 34,488	\$ 34,488	\$ 35,180
Miscellaneous					
Interest	-	-	39	39	8
TOTAL REVENUES	-	-	34,527	34,527	35,188
EXPENDITURES					
Current					
Capital outlay	-	-	34,488	(34,488)	35,180
TOTAL EXPENDITURES	-	-	34,488	(34,488)	35,180
EXCESS OF REVENUES OVER EXPENDITURES	-	-	39	39	8
FUND BALANCE, April 1	3,475	3,475	3,475	-	3,467
FUND BALANCE, March 31	\$ 3,475	\$ 3,475	\$ 3,514	\$ 39	\$ 3,475

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #2 FUND
 Year Ended March 31, 2017

	Year Ended March 31,				2016
	2017				Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 302,071	\$ 302,071	\$ 279,451
TOTAL REVENUES	-	-	302,071	302,071	279,451
EXPENDITURES					
Current					
Capital outlay	-	-	302,071	(302,071)	279,451
TOTAL EXPENDITURES	-	-	302,071	(302,071)	279,451
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE, April 1	-	-	-	-	-
FUND BALANCE, March 31	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WEST PLAINS, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – TAX INCREMENT FINANCING #3 FUND
 Year Ended March 31, 2017

	Year Ended March 31,				2016 Actual
	2017			Variance With Final Budget	
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Sales taxes	\$ -	\$ -	\$ 113,417	\$ 113,417	\$ 115,035
TOTAL REVENUES	-	-	113,417	113,417	115,035
EXPENDITURES					
Current					
Miscellaneous	-	-	701	(701)	702
TOTAL EXPENDITURES	-	-	701	(701)	702
EXCESS OF REVENUES OVER EXPENDITURES	-	-	112,716	112,716	114,333
FUND BALANCE, April 1	307,410	307,410	307,410	-	193,077
FUND BALANCE, March 31	\$ 307,410	\$ 307,410	\$ 420,126	\$ 112,716	\$ 307,410

CITY OF WEST PLAINS, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
Year Ended March 31, 2017

Budgets and Budgetary Accounting

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the City Council in late February or early March to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to April 1, ordinances are passed by Council which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by City Council on approved budget adjustment forms.

OTHER FINANCIAL INFORMATION

CITY OF WEST PLAINS, MISSOURI
DEPARTMENTAL STATEMENT OF NET POSITION – ENTERPRISE FUND
March 31, 2017

	Utility Fund					
	Electric	Water	Sewer	Refuse	Fiber	Total
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 10,537,259	\$ 1,826,967	\$ 2,076,533	\$ 1,085,319	\$ 96,709	\$ 15,622,787
Utilities receivable, net	1,286,239	181,161	144,928	199,277	-	1,811,605
Other accounts receivable	184,945	26,049	20,839	28,653	-	260,486
Inventory	1,162,066	298,068	-	-	-	1,460,134
Prepaid expenses	17,772	14,726	13,202	5,078	-	50,778
TOTAL CURRENT ASSETS	13,188,281	2,346,971	2,255,502	1,318,327	96,709	19,205,790
Restricted Assets						
Cash and cash equivalents	-	646,225	792,471	30,047	-	1,468,743
Investments	-	-	688,038	-	-	688,038
TOTAL RESTRICTED ASSETS	-	646,225	1,480,509	30,047	-	2,156,781
Property, Plant and Equipment	30,365,537	21,397,319	22,982,079	3,371,947	255,979	78,372,861
Less accumulated depreciation	(15,108,149)	(8,874,163)	(7,833,164)	(2,193,498)	-	(34,008,974)
TOTAL PROPERTY, PLANT AND EQUIPMENT	15,257,388	12,523,156	15,148,915	1,178,449	255,979	44,363,887
TOTAL ASSETS	28,445,669	15,516,352	18,884,926	2,526,823	352,688	65,726,458
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflow	692,646	217,710	232,750	360,981	-	1,504,087
Deferred charge on debt refunding	-	244,014	-	-	-	244,014
TOTAL DEFERRED OUTFLOWS OF RESOURCES	692,646	461,724	232,750	360,981	-	1,748,101
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	426,426	201,670	108,461	273,510	273,828	1,283,895
Accrued expenses	24,709	8,002	8,780	17,681	155	59,327
Accrued interest payable	-	8,627	36,372	-	-	44,999
Internal balances	41,123	-	-	-	-	41,123
Meter deposits payable	-	272,605	272,605	-	-	545,210
Current maturities of long-term debt	-	470,000	620,000	-	-	1,090,000
TOTAL CURRENT LIABILITIES	492,258	960,904	1,046,218	291,191	273,983	3,064,554
Long-Term Liabilities						
Revenue bonds payable	-	995,912	3,850,000	-	-	4,845,912
Certificates of Participation payable	-	2,245,469	-	-	-	2,245,469
Net pension liability	355,291	103,157	110,645	179,713	-	748,806
Compensated absences payable	45,247	26,771	47,325	59,259	-	178,602
TOTAL LONG-TERM LIABILITIES	400,538	3,371,309	4,007,970	238,972	-	8,018,789
TOTAL LIABILITIES	892,796	4,332,213	5,054,188	530,163	273,983	11,083,343
DEFERRED INFLOW OF RESOURCES						
Deferred pension inflows	78,311	24,630	26,331	40,823	-	170,095
Net Assets						
Net investment in capital assets	15,257,388	9,055,789	10,678,915	1,178,449	255,979	36,426,520
Restricted	-	373,620	1,207,904	30,047	-	1,611,571
Unrestricted	12,909,820	2,191,824	2,150,338	1,108,322	(177,274)	18,183,030
TOTAL NET POSITION	\$ 28,167,208	\$ 11,621,233	\$ 14,037,157	\$ 2,316,818	\$ 78,705	\$ 56,221,121

CITY OF WEST PLAINS, MISSOURI
DEPARTMENTAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
ENTERPRISE FUND
Year Ended March 31, 2017

	Utility Fund					Total
	Electric	Water	Sewer	Refuse	Fiber	
OPERATING REVENUES						
Charges for services						
Electric	\$ 15,520,599	\$ -	\$ -	\$ -	\$ -	\$ 15,520,599
Water	-	2,124,776	-	-	-	2,124,776
Sewer	-	-	1,795,661	-	-	1,795,661
Refuse	-	-	-	2,339,244	-	2,339,244
Fiber	-	-	-	-	4,000	4,000
TOTAL OPERATING REVENUES	15,520,599	2,124,776	1,795,661	2,339,244	4,000	21,784,280
OPERATING EXPENSES						
Wages and benefits	1,443,359	468,402	514,005	1,035,123	9,038	3,469,927
Franchise fees	1,517,622	-	-	-	-	1,517,622
Engineering	4,187	90,161	-	-	-	94,348
Purchased power	9,725,216	-	-	-	-	9,725,216
Landfill service	-	-	-	661,220	-	661,220
Utilities	51,212	168,346	108,487	15,526	3,472	347,043
Insurance	149,231	13,928	11,938	21,887	1,990	198,974
Other operating expenses	906,225	263,123	141,511	356,853	7,408	1,675,120
Depreciation	936,031	518,145	427,558	239,417	-	2,121,151
TOTAL OPERATING EXPENSES	14,733,083	1,522,105	1,203,499	2,330,026	21,908	19,810,621
OPERATING INCOME (LOSS)	787,516	602,671	592,162	9,218	(17,908)	1,973,659
NONOPERATING REVENUES (EXPENSES)						
Interest income	24,698	23,430	62,842	21,198	-	132,168
Other revenue	728	68	58	107	10	971
Interest expense	-	(134,175)	(180,816)	-	-	(314,991)
Gain (loss) on inventory	25,963	(799)	-	-	-	25,164
TOTAL NONOPERATING REVENUES (EXPENSES)	51,389	(111,476)	(117,916)	21,305	10	(156,688)
NET INCOME (LOSS)	838,905	491,195	474,246	30,523	(17,898)	1,816,971
NET POSITION, April 1	27,424,906	11,130,038	13,562,911	2,286,295	-	54,404,150
Equity Reclassification	(96,603)	-	-	-	96,603	-
NET POSITION, March 31	<u>\$ 28,167,208</u>	<u>\$ 11,621,233</u>	<u>\$ 14,037,157</u>	<u>\$ 2,316,818</u>	<u>\$ 78,705</u>	<u>\$ 56,221,121</u>

OTHER REPORTING REQUIREMENTS



**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, and each major fund of the City of West Plains, Missouri, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the City of West Plains, Missouri's basic financial statements, and have issued our report thereon, dated August 18, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of West Plains, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Plains, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Plains, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of West Plains, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
August 18, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

Compliance

We have audited the City of West Plains, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended March 31, 2017. The City of West Plains, Missouri's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City of West Plains, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

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Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of West Plains, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of West Plains, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended March 31, 2017.

Report on Internal Control Over Compliance

Management of the City of West Plains, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
August 18, 2017

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2017

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety				
Edward Byrne Memorial justice Assistance Grant Program	16.738	2015-JAG-025	\$ -	\$ 101,322
		2016-JAG-025	-	225,201
		2016-LLEBG-108	-	5,985
			<u>-</u>	<u>332,508</u>
TOTAL U.S. DEPARTMENT OF JUSTICE				
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency				
Emergency Management Performance Grant	97.042	2016-EP-00004-118	-	24,604
Missouri Office of Homeland Security				
Homeland Security Grant Program	97.067	EMW-2016-SS-00049-014	-	17,719
		EMW-2015-SS-00020-S01-021	-	11,248
		EMW-2014-SS-00002-S01-024	-	990
			<u>-</u>	<u>29,957</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				
				-
				54,561
<u>DEPARTMENT OF INTERIOR</u>				
Missouri Department of Natural Resources				
Outdoor Recreation - Acquisition, Development and Planning	15.916	29-01615	-	5,841
TOTAL DEPARTMENT OF INTERIOR				
				-
				5,841
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Highway Safety Cluster				
Missouri Department of Transportation				
State and Community Highway Safety	20.600	17-PT-02-091	-	1,955
		16-PT-02-135	-	1,912
		17-OP-05-012	-	333
			<u>-</u>	<u>4,200</u>
DWI Enforcement	20.616	16-M5HVE-03-102	-	2,608
		17-M5HVE-03-031	-	1,807
			<u>-</u>	<u>4,415</u>
University of Central Missouri				
DWI Enforcement	20.616	17-M5HVE-03-022	-	1,051
Total Highway Safety Cluster				
				-
				9,666
Alcohol Open Container Requirements	20.607	16-154-AL-141	-	1,603
Missouri Highways and Transportation Commission				
Transportation Enhancement Grant	20.205	TEAP-6604(903)	-	5,045
Public Transportation Assistance Program	20.509	TM184036WP1	-	67,625
Missouri Department of Transportation				
Airport Improvement Grant	20.106	15-104C-1	-	154,673
		15-104C-2	-	421,513
			<u>-</u>	<u>576,186</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				
				-
				660,125

CITY OF WEST PLAINS, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
 Year Ended March 31, 2017

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Southwest Missouri Office of Aging Transit Grant (SMOA)	93.044	FY2016	-	1,800
		FY2017	-	5,335
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	7,135
<u>DEPARTMENT OF LABOR</u>				
Missouri Department of Economic Development Trade Act	17.245	TRA-32	-	1,889
TOTAL DEPARTMENT OF LABOR			-	1,889
<u>DELTA REGIONAL AUTHORITY</u>				
Direct Delta Area Economic Development	90.201	MO-50072	-	222,618
TOTAL DELTA REGIONAL AUTHORITY			-	222,618
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,284,677

CITY OF WEST PLAINS, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2017

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of West Plains, Missouri, under programs of the federal government for the year ended March 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of West Plains, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of West Plains, Missouri.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of West Plains, Missouri, has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The City of West Plains, Missouri, did not provide funds to subrecipients in the current year.

NOTE D – FEDERALLY SUBSIDIZED LOANS

The City did not have outstanding balances in federally funded loan programs for the year ended March 31, 2017.

CITY OF WEST PLAINS, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2017

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified: yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified: yes none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

yes no

Identification of major federal programs:

CFDA Number(s)

20.106

Name of Federal Program or Cluster

Airport Improvement Grant

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF WEST PLAINS, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended March 31, 2017

There were no prior audit findings.