



2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF NIXA MISSOURI



**NIEGBORS COMMITTED TO AN
EXCEPTIONAL QUALITY OF LIFE**



FOR THE FISCAL YEAR ENDED DEC. 31 2017



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CITY OF NIXA
715 W. Mt. Vernon
Nixa, MO 65714

CITY OF NIXA, MISSOURI

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

REPORT PREPARED AND SUBMITTED
BY THE FINANCE DEPARTMENT

Doug Colvin, Interim City Administrator
and
Donna Swatzell, Director of Finance

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CITY OF NIXA, MISSOURI
Comprehensive Annual Finance Report
For the Fiscal Year Ended December 31, 2017

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SECTION I - INTRODUCTORY SECTION



Finance Department
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Nixa, Missouri 65714
Phone (417) 724-5625
Fax (417) 724-5723

May 28, 2018

Honorable Mayor
Members of the City Council
Citizens of the City of Nixa, Missouri

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Nixa, Missouri (the City) for the fiscal year ended December 31, 2017 for your review. This report represents a culmination of twelve months of financial activity, is presented in conformance with generally accepted accounting principles (GAAP) and is audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

City staff is responsible for the accuracy of the data presented, as well as the completeness of the presentation. To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner designed to present fairly the City's financial position and results of operations.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Our MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF NIXA, MISSOURI

Nixa is located six miles south of Springfield, Missouri and 30 miles north of Branson, Missouri, on Highway 60, just four miles west of U.S. Highway 65. As one of the fastest growing cities in Missouri, Nixa increased 367% from a population of 4,076 in 1990 to a population of 19,022 in 2010. Current population of Nixa is estimated at 21,275. In 2017, the City of Nixa was recognized as one of the top one hundred "Best Places to Live in America" by Money Magazine. Money Magazine identified 100 spots that offer a healthy economy, affordable homes, and a high quality of life. In the first quarter of 2018, Christian County, home to Nixa, ranked as Missouri's 3rd healthiest county by Robert Wood Johnson Foundation.

The City of Nixa provides police protection, street maintenance, parks and recreational facilities, planning and zoning development, municipal court, and general administrative services. Nixa is also a full-utility-service City, providing all electrical distribution, delivery of water, sanitary sewer treatment and recycling services. The City purchases electric energy from Springfield City Utilities, Southwestern Power Administration, Southwest Power Pool, and Nixa Solar. The City began purchases of solar power in 2017, and anticipates solar to generate 9% of Nixa's annual energy consumption. Nixa Utilities has been recognized by Smart Electric Power Alliance as one

the top ten utilities around the nation that added the most solar watts per customer in 2017. Use of solar will reduce the City's carbon footprint by 10,542 metric tons per year. All of Nixa's water is pumped from the underground Ozark aquifer. Its state of the art, 4-million gallon/day sanitary sewer treatment facility accommodates all existing and near-term demands. Contractually, the City accommodates curb-side trash and recycling pick-up for residents, as well as, having a public facility for all reusable product drop-offs.

PROFILE OF THE GOVERNMENT

Incorporated as a village in 1902, Nixa became a fourth-class city under Missouri law on June 7, 1946. In April 2010, Nixa citizens voted to become a Home Rule Charter city. The City Charter provides for a non-partisan municipal government consisting of a Mayor and six council members. The Mayor is elected at large by the voters of the city every three years. The City is divided into three districts with two council members elected from each district for a three-year term.

Appointment of City Administrator, City Clerk, and Chief of Police are made by Mayor and Council. Terms for each of these positions are indefinite.

The City Administrator is the chief administrative officer of the City and is responsible to the Mayor and Council for the administration of all City affairs. The City Administrator is also responsible for the appointment of departmental directors and employees. In addition to the City Administrator, City Clerk, and Chief of Police, the City employs four other directors – Director of Planning and Zoning, Director of Public Works, Director of Finance, and Director of Parks and Recreation. A total of 136 full-time positions were budgeted for 2018.

LOCAL ECONOMY

The City issued 211 residential building permits in 2017, a 66% increase compared to 2016. While growth was evident in residential dwellings and population, revenues from sales tax decreased 1.42%. However, voters approved a use tax for the City in April 2018; this initiative is anticipated to boost tax revenue.

ECONOMIC DEVELOPMENT

In 2017, the City, along with other government entities and local businesses in Christian County, participated in completing the formation of the Christian County Business Development Corporation (CCBDC) to function as a regional economic development agency. This past year, the Board of Directors for the CCBDC adopted the name of Show Me Christian County, and began the search for an Executive Director. In January of 2018, the Executive Director was appointed, and the City of Nixa began providing office space for the Director. This organization exists to grow the business community within the county by supporting existing employers and small businesses, fostering the establishment of start-ups, and recruiting new businesses to the area.

City Council has formalized the process of incentives for retail and economic development by adopting an Economic Development Incentive Resource Guide and an Economic Incentives Policy Manual.

MAJOR INITIATIVES

During Fiscal Year 2017, the City of Nixa completed the following major initiatives:

- Replacement of electric transformer at Downtown substation

- Began purchasing energy from local 72-acre solar farm
- Water and Wastewater SCADA systems
- Replacement of two sewer influent pumps and one lift station pump
- Received donation of 50.98 acres of land to be used for parks and recreation
- Completed street improvements to Tracker & Main intersection
- Audio and visual upgrades to Council Chambers
- Improvements of parking lot and door system at public works facility
- Various upgrades to electric, water and sewer lines

Two major items that were budgeted in 2017, have been carried forward into the 2018 budget for completion:

- Renovation of City Hall Lobby
- Replacement of electric transformer at Espy substation

FINANCIAL INFORMATION

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance, but not absolute, that assets are effectively safeguarded and transactions are performed in accordance with management's authorization and are properly recorded. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. Within this framework, we believe that the City's system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Internal Budgeting Controls

All funds are budgeted on an annual basis. Budgets provide a management control tool for financial planning and measurement of operational expenditure levels. Budgeting of the enterprise activity is necessary to ensure the level of user rates is sufficient to cover operational costs as well as meet bondholder requirements for debt coverage.

The City Charter specifies that the City Administrator shall submit to the Mayor and Council a budget for the ensuing fiscal year. A five-year capital program shall also be submitted prior to the final date for submission of the budget. The Council, by ordinance, adopts the budget on or before the last day of the month of the fiscal year currently ending. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated. During the fiscal year, supplemental appropriations and/or reduction of appropriations may be brought to the Council by the City Administrator for amendment of the adopted budget. In no event, shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves.

Relevant Financial Policies

Several tools and policies have been developed and implemented by the City to ensure protection of the City's assets and to provide internal controls. In 2015, the Finance Department's Standard Operating Procedures manual was updated and presented to Council for approval. The City's comprehensive Purchasing Policy was updated and

approved by Council in 2016. Other adopted financial policies include an Identity Theft Prevention Program, Merchant Card Policy, Investment Policy, and Utility Billing Collection Policy.

The City of Nixa continually monitors user rates for the enterprise funds. Rate studies are conducted on a regular basis to ensure that revenues meet the needs of operations, debt, and capital improvements. User rates implement incremental increases to adjust to rising costs.

Cash Management

The City's investment policy establishes guidelines and requirements for investing of all City revenue funds. The City's policy strives to earn the highest rate of return on invested funds without sacrificing either safety or liquidity. All deposits are secured by the Federal Deposit Insurance Cooperation and pledged securities. The securities pledged satisfy the requirements established under current state and federal laws. Proposals for comprehensive day-today depository and banking services are requested every three to five years from area banking institutions. The City requested and received such proposals in 2017. Investment of funds in long-term vehicles (six months or greater) are placed by competitive bids.

Long-Term Financial Planning

The City of Nixa utilizes a five-year capital improvement program to identify and prioritize public projects. In accordance with our City Charter, the City Administrator is responsible for preparation of this program prior to the final date of submission of the annual budget. The capital program is adopted by resolution on or before the last day of the month of the current fiscal year.

To aid the various departments in the capital improvement program, initiatives are identified through the use of master plans. These plans, particularly electric, water and waste water, are reviewed every three (3) to five (5) years, depending on the City achieving projected estimates (e.g. growth rates, market trends, infrastructure integrity and revenue). A master plan was approved in 2012 for Waste Water and sewer rate adjustments were passed by ordinance for 2013 – 2019. The Water Department's master plan was adopted in 2013, and a water rate study was conducted in 2017 with proposed rates through 2022. After connection to a solar farm in 2017 and the sale of its electric 69kV transmission system in the first quarter of 2018, the City intends to review its power purchasing contracts and rates to assess the current needs for providing electric energy to the community. Proceeds from the transmission line sale will redeem outstanding debt for the Electric Fund. A Street master plan was presented to Council in January 2016. A survey conducted during the Street master plan process assists Council in the prioritization of transportation and connectivity issues.

Debt Administration

The City of Nixa had an outstanding debt balance of \$11,835,673 on December 31, 2017 compared to a balance of \$13,742,561 as of December 31, 2016. Of this balance, \$1,007,900 is general obligation debt. In compliance with Missouri Statutes, the City's general obligation debt issuance is subject to legal limitation based on 20% of total assessed value of real and personal property.

The remainder of the debt balance is comprised of general leasehold agreements, \$2,330,773; enterprise revenue bonds, \$7,652,000; and enterprise lease obligations, \$845,000.

On March 31, 2018, the City of Nixa sold its Electric Transmission Line; proceeds redeemed the Electric System Refunding Revenue Bonds, Series 2011 on May 15, 2018.

OTHER INFORMATION

Strategic Planning

In 2015, action teams were formed by more than fifty (50) community members to determine the means to meet objectives and strategies that had been established by members of the community, City staff, and local businesses. This five-year (2015 – 2020) strategic plan, called Nixa's Continuing Improvement Plan (NCIP), was approved by Council to improve quality of life for the City's citizens. NCIP details action plans for four (4) strategies and twenty-four (24) action plans focusing on transportation, community involvement, economic development, and recreation. At the time of the 2017 NCIP progress assessment, the City had initiated 80% of the strategic action plans. Eight (8) action plans have been put into operation and eleven (11) are in progress. Only five (5) actions plans are left to be implemented.

Independent Audit

As specified by the City's Charter, an independent audit of all City accounts is performed at least once a year in accordance with generally accepted accounting standards by a certified public accountant or firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the City government or any of its officers.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Nixa for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. This was the second year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to recognize the Mayor and Council for their high standards of professionalism in the management of the City's resources. Our appreciation is extended to the Finance Department in their diligence to maintain a reliable reporting system, and to other City departments in providing data for this report. In addition, we would like to thank our auditors, Decker and DeGood, PC, for their assistance in formulating this report.

Respectfully submitted,



Doug Colvin
Interim City Administrator



Donna Swatzell
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Nixa
Missouri**

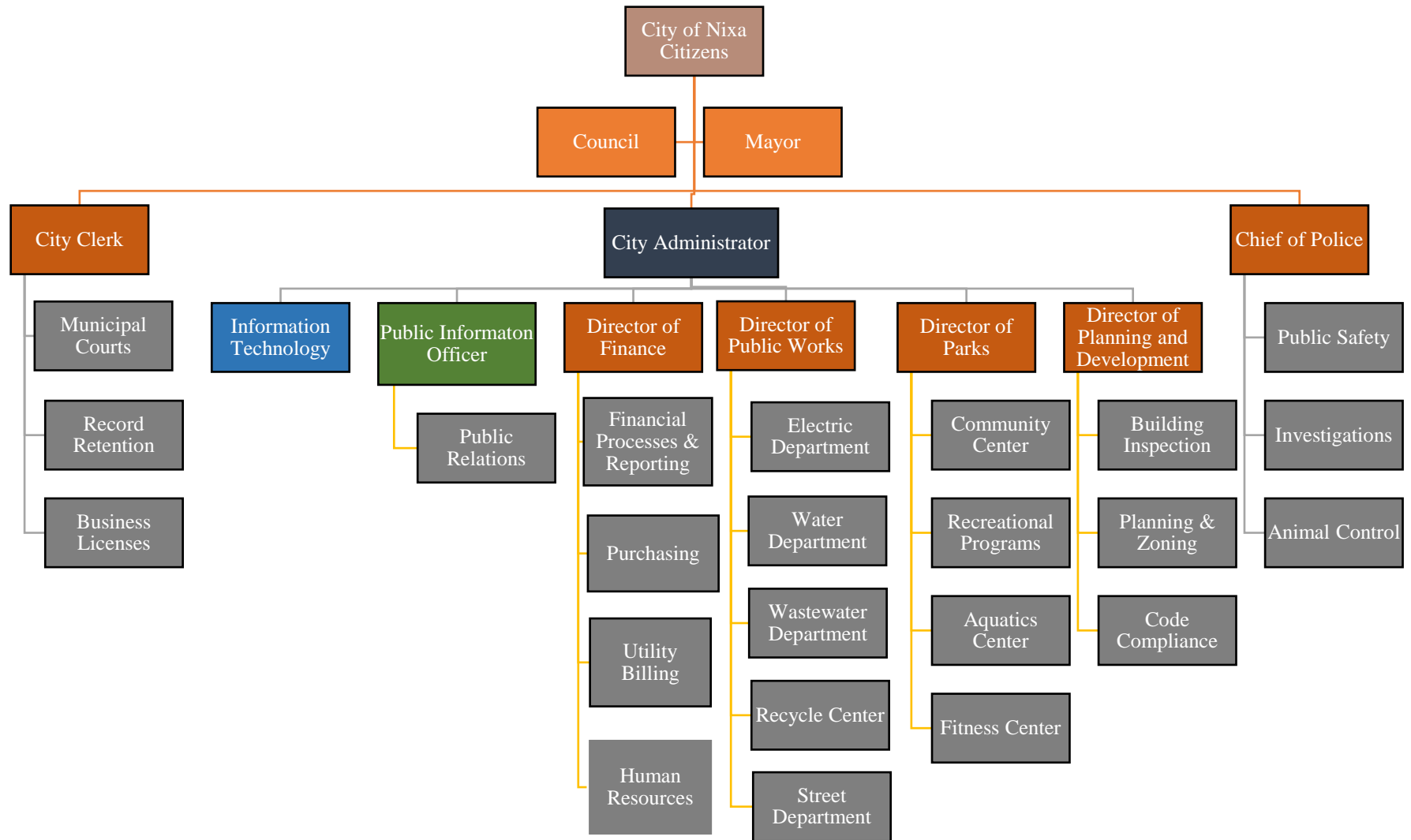
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF NIXA ORGANIZATIONAL CHART



City of Nixa, Missouri

Principal Officials

Mayor and Council

Brian Steele, Mayor
Ryan Keating, District I
Jimmy Ledbetter, District I
Matt Barker, District II
Aron Peterson, District II
Darlene Graham, District III
Justin Orf, District III

Appointed

Interim City Administrator and Director of Public Works – Doug Colvin
City Clerk – Cindy Robbins
Chief of Police – Jimmy Liles
Director of Planning and Development – Travis Cossey
Director of Parks and Recreation – Matt Crouse
Director of Finance – Donna Swatzell
Human Resource Manager – Amanda Hunsucker
Public Information Officer – Drew Douglas

SECTION II - FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Nixa, Missouri

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information and introductory and statistical sections, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Decker & DeGood
Springfield, Missouri
March 27, 2018

Management's Discussion and Analysis



Finance Department
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Nixa, Missouri 65714
Phone (417) 724-5625
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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Nixa, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. We encourage readers to use this document in conjunction with the transmittal letter in the Introductory Section of this report and with the City's financial statements, which begin on page 13.

Financial Highlights and Significant Events

- On a government-wide basis, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$ 115,087,153. The City has unrestricted net position totaling \$ 24,778,031, which can be used to fund the City's functions/programs.
- As of December 31, 2017, governmental activities and business-type activities had net positions of \$ 69,787,353 and \$ 45,299,800, respectively.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 11,498,553, an increase of \$ 1,194,517 in comparison with the prior year. Approximately 56.4% or \$ 6,484,103 is available for discretionary spending by the City. The remaining fund balance is either restricted by outside parties or not in spendable form.
- The unassigned fund balance for the General Fund, \$ 6,484,103, is 117.6% of total General Fund expenditures, and is an increase in comparison with the prior year unassigned fund balance.
- The City's long-term debt obligations decreased by \$ 1,908,537, or 13.9% as compared to fiscal year 2016.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Nixa that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judiciary, public safety, transportation, culture and recreation. The business-type activities include the Waterworks, Wastewater, and Electric systems.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

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

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

The City of Nixa adopts an annual budget for its governmental funds and a comparison of actual to budget has been provided to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis can be found on pages 59-60.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 15 and 17 of this report.

- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows. The basic proprietary fund financial statements (Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows) can be found on pages 19-21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-58 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 59-63 of this report.

Government-Wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 115,087,153 at the close of the most recent fiscal year.

The City's net investment in capital assets (land, construction in progress, buildings, equipment, improvements, and infrastructure) totals \$ 89,683,052. As capital assets, these resources are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

	City of Nixa's Net Position			
	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Current Assets and other assets	\$ 12,164,239	\$ 10,910,613	\$ 16,320,510	\$ 15,878,495
Capital Assets	61,538,099	62,026,793	39,972,647	39,350,063
Total Assets	73,702,338	72,937,406	56,293,157	55,228,558
Deferred Outflows of Resources				
Deferred on refunding	-	-	298,083	347,926
Deferred pension related	842,959	1,471,429	239,475	553,731
Total Deferred Outflows	842,959	1,471,429	537,558	901,657
Current Liabilities	1,405,097	2,223,363	4,104,065	4,004,528
Long-term Debt	3,139,520	3,337,024	7,120,000	8,497,000
Total Liabilities	4,544,617	5,560,387	11,224,065	12,501,528
Deferred Inflows				
Deferred on refunding	-	-	231,753	254,594
Deferred pension related	213,227	172,645	75,097	68,251
Total Deferred Inflows	213,227	172,645	306,850	322,845
Net Position:				
Invested in capital assets-net	58,201,075	58,122,232	31,481,977	29,605,395
Restricted	-	-	566,070	560,871
Unrestricted	11,586,278	10,553,571	13,251,753	13,139,576
Total net position	\$ 69,787,353	\$ 68,675,803	\$ 45,299,800	\$ 43,305,842

City of Nixa

5

Unaudited

Changes in Net Position

Government-Wide Financial Analysis-continued

An additional portion of the City's net position represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$ 24,778,031 is explained further below.

At the end of the current fiscal year, the City is able to report positive balances in all both categories of net position for the City as a whole. The reporting model includes the reporting of the City's infrastructure as a capital asset, including assets acquired retroactive to 1980.

Changes in Position. The City's total net position increase by \$ 3,105,508. This increase in net position is a result of continued economic growth. The City's population increased by an estimated 600 residents. There were 211 residential construction permits issued along with 6 commercial construction units. Key elements to the changes in net position follow:

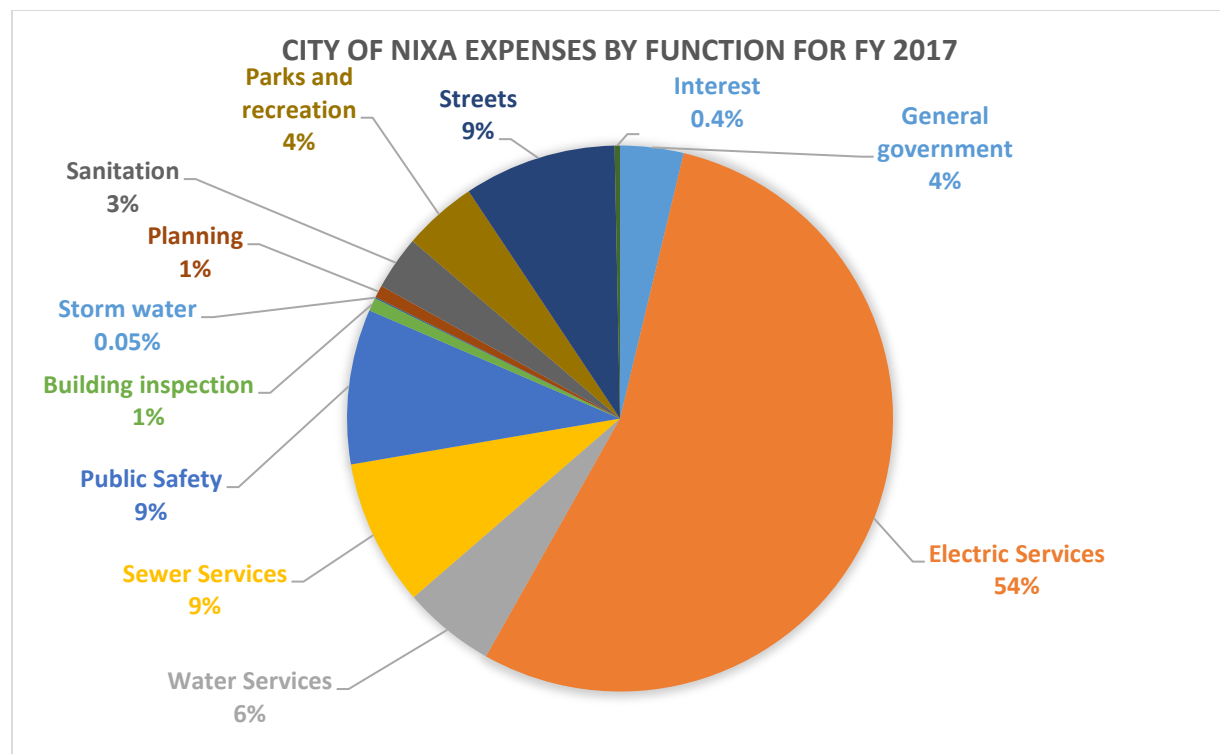
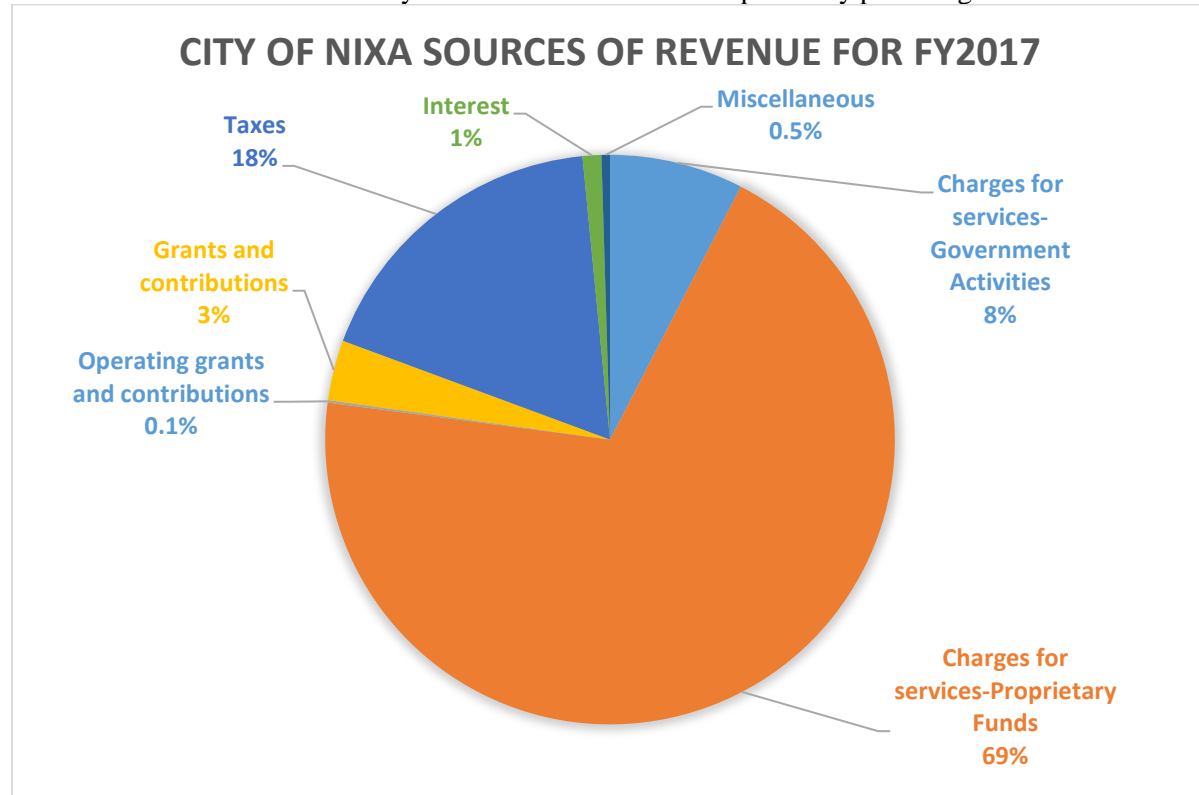
City of Nixa's Changes in Net Position

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Revenues:				
Program Revenues:				
Charge for services	\$ 2,527,046	\$ 2,358,285	\$ 23,106,500	\$ 22,020,123
Operating grants and contributions	47,976	887,305	-	78,985
Capital grants and contributions	936,941	665,849	201,837	120,539
General Revenues:				
Taxes	5,925,311	5,124,247	-	-
Interest	159,738	74,706	194,687	95,405
Other	75,796	62,733	83,617	319,284
Total Revenue	<u>9,672,808</u>	<u>9,173,125</u>	<u>23,586,641</u>	<u>22,634,336</u>
Expenses:				
Administration	1,132,388	1,217,058	-	-
Public Safety	2,767,226	2,548,304	-	-
Building inspection	234,574	239,664	-	-
Storm water	22,687	15,802	-	-
Planning	221,118	181,696	-	-
Sanitation	963,335	922,967	-	-
Parks and recreation	1,321,776	1,254,196	-	-
Streets	2,724,343	2,581,499	-	-
Interest	95,575	113,639	-	-
Waterworks	-	-	1,648,912	1,541,890
Wastewater	-	-	2,613,626	2,537,230
Electric	-	-	16,408,381	15,720,083
Total Expense	<u>9,483,022</u>	<u>9,074,825</u>	<u>20,670,919</u>	<u>19,799,203</u>
Excess (Deficit) of Revenue Over Expenditures	189,786	98,300	2,915,722	2,835,133
Other sources and (uses)				
Transfers	<u>921,764</u>	<u>1,002,459</u>	<u>(921,764)</u>	<u>(1,002,459)</u>
Change in Net Position	1,111,550	1,100,759	1,993,958	1,832,674
Net Position, beginning	<u>68,675,803</u>	<u>67,575,044</u>	<u>43,305,842</u>	<u>41,473,168</u>

Governmental activities. Governmental activities increased the City's net position by \$ 1,111,550, thereby accounting for 35.8% of the total growth in the net position of the City. Compared to last year's growth for Governmental activities, this was an increase of \$ 10,791.

Business-type activities. Business-type activities increased the City's net position by \$ 1,993,958, thereby accounting for 64.2% of the total growth in the net position of the City. This was an increase of \$ 161,284 over the prior year. Continued incremental rate increases in Waterworks and Wastewater Funds have offset rises in expense and provide additional funds for improvements totaling \$ 304,137.

The charts below illustrate the City's sources of revenue and expenses by percentages of totals.



In reviewing the current to the past year on the Waterworks, Wastewater, and Electric Funds, we noted the following:

			Change	
	2017	2016	Amount	%
Waterworks Fund				
Revenue	\$ 2,340,321	\$ 2,266,282	\$ 74,039	3.27%
Expense net of Depreciation and interfund	935,481	862,139	73,342	8.51%
Operating Income	717,506	755,118	(37,612)	-4.98%
Wastewater Fund				
Revenue	3,202,250	3,062,204	140,046	4.57%
Expense net of Depreciation and interfund	1,481,844	1,433,355	48,489	3.38%
Operating Income	667,734	623,341	44,393	7.12%
Electric Fund				
Revenue	17,411,291	16,928,777	482,514	2.85%
Expense net of Depreciation and interfund	15,094,402	14,446,520	647,882	4.48%
Cost of power purchased	12,894,348	12,391,392	502,956	4.06%
Operating Income	1,151,325	1,377,753	(226,428)	-16.43%

Financial Analysis of the City of Nixa's Funds

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

Governmental Funds

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

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and inventory. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted for specific purposes such as streets and parks.

Committed fund balance includes amounts that have been set aside by the City Council for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside by the City Council for a specific purpose, but subsequent to the end of the fiscal year. Unassigned fund balance includes all remaining amounts.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$ 11,498,553 with an increase of \$ 1,194,517 compared to the prior fiscal year. Of the total balance, \$ 1,443,104 is Committed, \$ 43,556 in Non-spendable, \$ 3,527,790 is restricted, and \$ 6,484,103 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund reported a fund balance of \$ 7,588,536 of which \$ 29,544 is non-spendable \$ 1,074,889 committed, and \$ 6,484,103 is unassigned.

Fund balance of the general fund increased \$ 626,762 which was down from the prior year of \$ 563,772. In the prior year the City had sold assets totaling \$ 415,000 and received less in Fee-in-lieu of taxes from the Proprietary Funds.

Fund balance of the street fund increased \$ 459,925 which was attributable to less monies spent on street improvements as compared to the prior year.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the City's major proprietary funds totaled the following: (1) \$ 4,127,324 in the Waterworks Fund, (2) \$ 3,812,189 in the Wastewater Fund and (3) \$ 5,312,240 in the Electric Fund. The finances of these funds were discussed earlier as part of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Minor revisions were made to the General Fund original expenditure budget. The original General Fund expenditure budget was forecasted at \$5,789,633 and the revised expenditure budget was increased by 4% to \$ 6,022,402. Actual expenditures for the General Fund came in 8.5% under the revised expenditure budget for a savings of \$ 509,212.

No revisions were made to the General Fund original revenue budget of \$ 5,266,000. Actual revenue for the General Fund was \$5,411,188, for an increase of 2.8% or \$ 145,188 compared to budgeted revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land & Buildings	\$ 13,236,549	\$ 12,380,988	\$ 4,144,647	\$ 4,081,370	\$ 17,381,196	\$ 16,462,358
Improvements	5,941,810	2,953,206	54,560,887	52,458,184	60,502,697	55,411,390
Street	64,612,785	64,612,785	-	-	64,612,785	64,612,785
Equipment	2,333,732	2,345,512	1,128,004	1,098,807	3,461,736	3,444,319
Vehicles	1,515,169	1,441,886	2,311,517	2,137,146	3,826,686	3,579,032
Construction-In-Progress	528,510	3,250,697	222,257	617,089	750,767	3,867,786
	<u>\$ 88,168,555</u>	<u>\$ 86,985,074</u>	<u>\$ 62,367,312</u>	<u>\$ 60,392,596</u>	<u>\$ 150,535,867</u>	<u>\$ 147,377,670</u>

Additional information on the City's capital assets can be found in Note D of the notes to the financial statements of this report.

Debt

At year-end, the City had \$ 11,834,024 outstanding notes as compared to the prior year of \$ 13,742,561.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue Bonds	\$ -	\$ -	\$ 7,652,000	\$ 8,888,000	\$ 7,652,000	\$ 8,888,000
G.O. Bonds	1,007,900	1,276,800	-	-	1,007,900	1,276,800
Lease Obligations	2,329,124	2,627,761	845,000	950,000	3,174,124	3,577,761
TOTALS	<u>\$ 3,337,024</u>	<u>\$ 3,904,561</u>	<u>\$ 8,497,000</u>	<u>\$ 9,838,000</u>	<u>\$ 11,834,024</u>	<u>\$ 13,742,561</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2018 Budget for the City of Nixa, Missouri indicates \$38,006,790 in expenditures, offset by \$35,965,093 in revenue. Expenditures are comprised of \$31,005,993 for operations, \$2,319,447 for debt retirement and \$4,681,350 for capital improvement projects. Revenue for 2018 will cover 100% of operational expenses and debt retirement, and 56% of capital expenses. The remaining 44% of capital expenses will be afforded through unassigned fund balance.

In 2017, the City of Nixa experienced a 66% increase in the number of new residential building permits issued compared to 2016. As of 12/31/2017, three new developments with 173 lots were under construction, and an additional four developments totaling 108 lots were under review. However, revenues from sales tax in 2017 were down 1.42% from 2016. Council has authorized a ballot initiative for April 2018 for citizens to approve a use tax for the City in an effort to compensate for losses in sales tax from online sales.

Of the \$4,681,350 budgeted for capital projects in 2018, \$1,801,000 is for system improvements of Business-type Activities. These projects include \$896,000 for Electric, \$173,000 for Water, and \$732,000 for Sewer Improvements. The Street Fund has a total of \$1,367,200 budgeted in Street and Sidewalk projects. A total of \$736,700 was budgeted for Building and Facility improvements. Budget for vehicles and equipment total \$776,450.

The City of Nixa sold its electric 69kV transmission system on March 31, 2018. Approximately one-third of the proceeds from this sale will be used as early redemption on outstanding debt of the Electric System. The remainder will go toward future improvements of the system. This sale and purchases of solar energy will be taken into consideration in the setting of customer electric rates.

A rate study was completed for the Water Fund in 2017. Annual increases for water rates were approved by Council to be effective through 2022. A similar study was conducted in 2013 for the Sewer Fund, and incremental increases in rates are in place through 2019.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 715 West Mt. Vernon, Nixa, Missouri.

Basic Financial Statements

CITY OF NIXA, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalent	\$ 10,855,540	\$ 13,188,664	\$ 24,044,204
Receivables:			
Utility accounts, net	78,160	1,557,119	1,635,279
Property taxes	677,103	-	677,103
Other taxes	499,349	-	499,349
Grants	-	-	-
Other	10,431	-	10,431
Prepaid items	43,556	11,559	55,115
Materials and supply inventory	-	993,174	993,174
Cash and cash equivalents-restricted			
Debt service reserves	-	569,994	569,994
Capital assets:			
Land	1,990,552	918,683	2,909,235
Construction in progress	528,510	222,257	750,767
Other capital assets, net of accumulated depreciation	59,019,037	38,831,707	97,850,744
Total Assets	73,702,238	56,293,157	129,995,395
DEFERRED OUTFLOW OF RESOURCES			
Deferred loss on refunding	-	298,083	298,083
Deferred amounts related to pensions	842,959	239,475	1,082,434
Total Deferred Outflows of Resources	842,959	537,558	1,380,517
LIABILITIES			
Accounts payable	251,066	1,394,798	1,645,864
Accrued wages	163,116	52,868	217,984
Accrued payroll taxes and benefits	1,487	-	1,487
Accrued sales tax	-	27,143	27,143
Accrued interest	26,104	30,635	56,739
Unearned revenues	212,090	-	212,090
Deposits payable	-	847,096	847,096
Long-term liabilities:			
Amounts due within one year	749,234	1,488,886	2,238,120
Amounts due in more than one year:	2,902,428	7,120,000	10,022,428
Net pension liability	237,092	262,639	499,731
Total Liabilities	4,544,617	11,224,065	15,768,682
DEFERRED INFLOW OF RESOURCES			
Deferred gain on refunding, net	-	231,753	231,753
Deferred amounts related to pensions	213,227	75,097	288,324
Total Deferred Inflow of Resources	213,227	306,850	520,077
NET POSITION			
Net investment in capital assets	58,201,075	31,541,977	89,743,052
Restricted for:			
Debt service	-	566,070	566,070
Unrestricted	11,586,278	13,191,753	24,778,031
Total Net Position	\$ 69,787,353	\$ 45,299,800	\$ 115,087,153

The notes to financial statements are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,132,388	\$ 36,283	\$ 2,875	\$ -	\$ (1,093,230)	\$ -	\$ (1,093,230)
Public safety:							
Police	2,767,226	182,259	19,435	24,969	(2,540,563)	-	(2,540,563)
Building inspections	234,574	271,875	-	-	37,301	-	37,301
Storm water	22,687	-	-	72,215	49,528	-	49,528
Planning	221,118	15,379	-	-	(205,739)	-	(205,739)
Sanitation	963,335	1,071,683	-	-	108,348	-	108,348
Park and recreation	1,321,776	949,567	25,666	789,412	442,869	-	442,869
Streets	2,724,343	-	-	50,345	(2,673,998)	-	(2,673,998)
Interest on long-term debt	95,575	-	-	-	(95,575)	-	(95,575)
Total governmental activities	9,483,022	2,527,046	47,976	936,941	(5,971,059)	-	(5,971,059)
Business-type activities:							
Waterworks	1,648,912	2,492,959	-	3,597	-	847,644	847,644
Wastewater	2,613,626	3,202,250	-	198,240	-	786,864	786,864
Electric	16,408,381	17,411,291	-	-	-	1,002,910	1,002,910
Total business-type activities	20,670,919	23,106,500	-	201,837	-	2,637,418	2,637,418
Total Government	\$ 30,153,941	\$ 25,633,546	\$ 47,976	\$ 1,138,778	(5,971,059)	2,637,418	(3,333,641)
General Revenues							
Taxes:							
Property taxes for general purposes					819,825	-	819,825
Franchise taxes					442,262	-	442,262
Sales taxes					3,893,989	-	3,893,989
Missouri motor fuel taxes					769,235	-	769,235
Interest on investments					159,738	194,687	354,425
Miscellaneous					75,796	-	75,796
Gain on sale of capital assets					-	83,617	83,617
Transfer-Fee in Lieu Of					921,764	(921,764)	-
Total general revenues and transfers					7,082,609	(643,460)	6,439,149
Change in net position					1,111,550	1,993,958	3,105,508
Net position beginning					68,675,803	43,305,842	111,981,645
Net position ending					\$ 69,787,353	\$ 45,299,800	\$ 115,087,153

The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI

BALANCE SHEET- GOVERNMENTAL FUNDS DECEMBER 31, 2017

	General Fund	Street Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalent	\$ 6,719,494	\$ 3,630,172	\$ 505,874	\$ 10,855,540
Accounts receivable-				
Real estate taxes	677,103	-	-	677,103
Refuse (net)	78,160	-	-	78,160
Sales, franchise, and motor fuel taxes	343,000	156,349	-	499,349
Other	-	-	10,431	10,431
Prepaid items	29,544	6,618	7,394	43,556
	<u>29,544</u>	<u>6,618</u>	<u>7,394</u>	<u>43,556</u>
Total Assets	<u>\$ 7,847,301</u>	<u>\$ 3,793,139</u>	<u>\$ 523,699</u>	<u>\$ 12,164,139</u>
LIABILITIES				
Accounts payable	\$ 79,460	\$ 142,980	\$ 28,626	\$ 251,066
Accrued wages	125,271	15,568	24,277	165,116
Accrued payroll taxes and benefits	1,487	-	-	1,487
Unearned revenues	16,720	193,574	1,796	212,090
	<u>16,720</u>	<u>193,574</u>	<u>1,796</u>	<u>212,090</u>
Total Liabilities	<u>222,938</u>	<u>352,122</u>	<u>54,699</u>	<u>629,759</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	35,827	-	-	35,827
	<u>35,827</u>	<u>-</u>	<u>-</u>	<u>35,827</u>
FUND BALANCES				
Fund Balances -				
Nonspendable	29,544	6,618	7,394	43,556
Restricted-				
Streets	-	3,434,399	-	3,434,399
Storm water	-	-	93,391	93,391
Committed-				
Park improvements	1,074,889	-	345,004	1,419,893
Building inspection	-	-	23,211	23,211
Unassigned	6,484,103	-	-	6,484,103
	<u>6,484,103</u>	<u>-</u>	<u>-</u>	<u>6,484,103</u>
Total Fund Balances	<u>7,588,536</u>	<u>3,441,017</u>	<u>469,000</u>	<u>11,498,553</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 7,847,301</u>	<u>\$ 3,793,139</u>	<u>\$ 523,699</u>	<u>\$ 12,164,139</u>

The notes to financial statements are an integral part of this statement.

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

Total Fund Balances-Governmental Funds		\$ 11,498,553
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Non-depreciable assets	2,519,062	
Depreciable assets	<u>59,019,037</u>	
		61,538,099
Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.		35,827
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:		
Deferred outflows - pension related		842,959
Net pension liability		(237,092)
Deferred inflows - pension related		(213,227)
Interest on long-term debt is accrued as a liability in the government-wide statements but is not recognized in the government funds until due.		(26,104)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Long-term liabilities at year-end consist of:		
G.O.Bonds and Capital Lease Obligations payable	(3,337,024)	
Compensated absences	<u>(314,638)</u>	
		<u>(3,651,662)</u>
Net position of governmental activities		<u>\$ 69,787,353</u>

The notes to financial statements are an integral part of this statement.

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

	General Fund	Street Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 829,169	\$ -	\$ -	\$ 829,169
Franchise taxes	442,262	-	-	442,262
Sales taxes	2,537,493	1,268,746	-	3,806,239
Intergovernmental taxes:				
Missouri motor fuel taxes	-	769,235	-	769,235
Christian County sales tax	-	87,750	-	87,750
Licenses & permits	36,283	-	-	36,283
Charges for services:				
Sanitation	1,071,683	-	-	1,071,683
Park programs	-	-	949,567	949,567
Plan reviews and inspections	15,379	-	271,875	287,254
Fines & forfeitures	182,259	-	-	182,259
Interest	103,573	49,903	6,262	159,738
Grants	19,435	50,345	2,500	72,280
Contributions	2,875	-	3,538	6,413
Rents	-	-	19,628	19,628
Impact fees	124,149	-	72,215	196,364
Miscellaneous	46,628	27,916	1,252	75,796
Total Revenues	<u>5,411,188</u>	<u>2,253,895</u>	<u>1,326,837</u>	<u>8,991,920</u>
EXPENDITURES				
Current:				
General government	847,903	-	-	847,903
Police	2,619,736	-	-	2,619,736
Building inspection	-	-	220,446	220,446
Streets	-	1,439,612	-	1,439,612
Planning	215,286	-	-	215,286
Parks	-	-	1,091,462	1,091,462
Sanitation	963,335	-	-	963,335
Storm water	-	-	22,687	22,687
Capital outlay:				
General government	136,575	-	-	136,575
Police	65,309	-	-	65,309
Streets	-	354,358	-	354,358
Parks	-	-	52,906	52,906
Building inspection	-	-	24,506	24,506
Debt service:				
Principal retirement	567,537	-	-	567,537
Interest and fiscal agent fees	97,509	-	-	97,509
Total Expenditures	<u>5,513,190</u>	<u>1,793,970</u>	<u>1,412,007</u>	<u>8,719,167</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	<u>(102,002)</u>	<u>459,925</u>	<u>(85,170)</u>	<u>272,753</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	193,000	193,000
Transfers to other funds	(193,000)	-	-	(193,000)
Transfer in-Fee in Lieu of Taxes	921,764	-	-	921,764
Total Other Financing Sources (Uses)	<u>728,764</u>	<u>-</u>	<u>193,000</u>	<u>921,764</u>
NET CHANGE IN FUND BALANCE	<u>626,762</u>	<u>459,925</u>	<u>107,830</u>	<u>1,194,517</u>
FUND BALANCES - BEGINNING (RESTATED)	<u>6,961,774</u>	<u>2,981,092</u>	<u>361,170</u>	<u>10,304,036</u>
FUND BALANCES- ENDING	<u>\$ 7,588,536</u>	<u>\$ 3,441,017</u>	<u>\$ 469,000</u>	<u>\$11,498,553</u>

The notes to financial statements are an integral part of this statement.

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

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

Net change in fund balances - total governmental funds	\$	1,194,517
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	633,654	
Depreciation expense	(1,812,680)	

The net effect of various miscellaneous transaction involving capital assets:

Cost of disposals, net of accumulated depreciation	<u>690,232</u>	(488,794)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the same statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

Principal payments	567,537	
Change in accrued interest payable	<u>1,934</u>	569,471

Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when financial resources are available. This is the net adjustment to property tax revenue in converting to the full accrual basis.

(9,344)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Compensated absences	(39,582)	
Change in LAGERS net pension obligation	<u>(114,718)</u>	<u>(154,300)</u>

Change in net position of governmental activities	\$	<u><u>1,111,550</u></u>
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The notes to financial statements are an integral part of this statement.

CITY OF NIXA, MISSOURI

STATEMENT OF NET POSITION-

PROPRIETARY FUNDS

DECEMBER 31, 2017

	Business-type Activities			Total
	Waterworks Fund	Wastewater Fund	Electric Fund	Enterprise Funds
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalent	\$ 4,099,998	\$ 3,657,875	\$ 5,430,791	\$ 13,188,664
Utility accounts receivable, net	158,159	276,830	1,122,130	1,557,119
Material and supplies inventory	128,692	-	864,482	993,174
Prepaid items	2,950	2,896	5,713	11,559
Total Current Assets	4,389,799	3,937,601	7,423,116	15,750,516
Noncurrent assets:				
Restricted assets: Cash and cash equivalents				
Debt service reserve	-	77,126	492,868	569,994
Capital assets:				
Land	116,751	149,255	652,677	918,683
Construction in progress	67,281	68,053	86,923	222,257
Property, plant and equipment (Net of accumulated depreciation)	6,508,874	16,038,371	16,284,462	38,831,707
Total Noncurrent Assets	6,692,906	16,332,805	17,516,930	40,542,641
Total Assets	11,082,705	20,270,406	24,940,046	56,293,157
<u>DEFERRED OUTFLOW OF RESOURCES</u>				
Deferred loss on refunding, net	25,779	37,038	235,266	298,083
Deferred amounts related to pension	47,751	80,332	111,392	239,475
Total Deferred Outflows of Resources	73,530	117,370	346,658	537,558
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	19,100	45,274	1,330,424	1,394,798
Accrued wages	11,584	16,696	24,588	52,868
Accrued sales tax	3,929	-	23,214	27,143
Accrued interest	1,304	1,637	27,694	30,635
Accrued compensated absences	31,200	28,844	51,842	111,886
Deposits payable	175,765	-	671,331	847,096
Debt due within one year:				
Revenue bonds payable	215,000	442,000	615,000	1,272,000
Capital lease obligation	-	105,000	-	105,000
Total Current Liabilities	457,882	639,451	2,744,093	3,841,426
Noncurrent liabilities:				
Revenue bonds payable	745,000	2,370,000	3,265,000	6,380,000
Capital lease obligation	-	740,000	-	740,000
Net pension liability	52,370	88,102	122,167	262,639
Total Noncurrent Liabilities	797,370	3,198,102	3,387,167	7,382,639
Total Liabilities	1,255,252	3,837,553	6,131,260	11,224,065
<u>DEFERRED INFLOW OF RESOURCES</u>				
Deferred gain on refunding, net	-	114,516	117,237	231,753
Deferred amounts related to pensions	14,974	25,191	34,932	75,097
Total Deferred Inflows of Resources	14,974	139,707	152,169	306,850
<u>NET POSITION</u>				
Net investment in capital assets	5,758,685	12,521,201	13,262,091	31,541,977
Restricted for revenue bond retirement	-	77,126	488,944	566,070
Unrestricted	4,127,324	3,812,189	5,252,240	13,191,753
Total Net Position	\$ 9,886,009	\$ 16,410,516	\$ 19,003,275	\$ 45,299,800

The notes to financial statements are an integral part of this statement.

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

	Business-type Activities			Total
	Waterworks Fund	Wastewater Fund	Electric Fund	Enterprise Funds
OPERATING REVENUES:				
Charges for services	\$ 2,310,500	\$ 2,929,094	\$ 17,232,229	\$ 22,471,823
Recycling charges	-	150,298	-	150,298
Hookups, permits, and reconnect fees	18,259	119,168	17,394	154,821
Miscellaneous income	11,562	3,690	161,668	176,920
Total Operating Revenues	2,340,321	3,202,250	17,411,291	22,953,862
OPERATING EXPENSES:				
Administrative fee to General Fund	410,820	365,035	488,620	1,264,475
Chemicals	9,126	19,150	-	28,276
Computer supplies and expense	19,622	22,793	24,323	66,738
Contract labor	-	1,475	88,602	90,077
Depreciation	276,514	687,637	676,944	1,641,095
Dues and licenses	26,435	7,529	23,691	57,655
Electricity purchased	-	-	12,894,348	12,894,348
Employee insurance	62,905	77,543	121,684	262,132
Employee retirement	65,160	100,037	150,991	316,188
Gasoline and diesel	13,987	18,293	16,765	49,045
Insurance	39,551	43,893	50,178	133,622
Merchant card fees	29,055	29,055	29,055	87,165
Miscellaneous	2,603	4,113	5,351	12,067
Office supplies and postage	26,646	27,297	26,852	80,795
Payroll taxes	18,577	27,501	46,530	92,608
Professional fees	50,015	97,046	119,014	266,075
Repairs & maintenance	217,233	403,729	186,894	807,856
Recycle expense	-	123,138	-	123,138
Safety program	478	3,051	8,616	12,145
Salaries	264,127	379,334	647,464	1,290,925
Supplies	57,990	43,004	386,402	487,396
Telephone	7,522	6,784	8,643	22,949
Tests and permits	5,324	17,080	236	22,640
Training	6,272	7,569	18,461	32,302
Tree trimming	-	-	182,263	182,263
Utilities	1,488	9,136	2,262	12,886
Uniforms	3,038	3,064	7,799	13,901
Vehicle expense	8,327	10,230	47,978	66,535
Total Operating Expenses	1,622,815	2,534,516	16,259,966	20,417,297
OPERATING INCOME	717,506	667,734	1,151,325	2,536,565
NON-OPERATING REVENUES (EXPENSES):				
Interest income	52,176	52,969	89,542	194,687
Tower lease	152,638	-	-	152,638
Gain on sale of capital assets	-	81,968	1,649	83,617
Interest expense and agent fees	(26,097)	(79,110)	(148,415)	(253,622)
Total Non-operating Revenues (Expenses)	178,717	55,827	(57,224)	177,320
INCOME BEFORE TRANSFERS, IMPACT FEES, AND GRANTS	896,223	723,561	1,094,101	2,713,885
TRANSFERS, IMPACT FEES, AND GRANTS				
Transfer (out)-Fee in Lieu of Taxes to General Fund	(108,922)	-	(812,842)	(921,764)
Impact fees	-	198,240	-	198,240
Grants	3,597	-	-	3,597
CHANGE IN NET POSITION	790,898	921,801	281,259	1,993,958
TOTAL NET POSITION - BEGINNING	9,095,111	15,488,715	18,722,016	43,305,842
TOTAL NET POSITION - ENDING	\$ 9,886,009	\$ 16,410,516	\$ 19,003,275	\$ 45,299,800

The notes to financial statements are an integral part of this statement.

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

	Business-type Activities			Total
	Waterworks Fund	Wastewater Fund	Electric Fund	Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,328,423	\$ 3,200,247	\$ 17,525,648	\$ 23,054,318
Payments to suppliers	(933,610)	(1,264,390)	(14,467,110)	(16,665,110)
Payments to employees	(370,500)	(515,855)	(876,320)	(1,762,675)
Net Cash Provided by Operating Activities	1,024,313	1,420,002	2,182,218	4,626,533
CASH FLOWS FROM NONCAPITAL ACTIVITIES:				
Tower lease	152,638	-	-	152,638
Transfer (out)-Fee in Lieu of Taxes	(108,922)	-	(812,842)	(921,764)
Net Cash Provided by (Used for) Noncapital Activities	43,716	-	(812,842)	(769,126)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Grants/Impact fees	3,597	198,240	-	201,837
Proceeds from sale of capital assets	-	81,968	1,649	83,617
Payments for capital acquisitions	(119,422)	(862,248)	(1,282,009)	(2,263,679)
Principal Repayments	(205,000)	(536,000)	(600,000)	(1,341,000)
Interest paid	(21,798)	(88,797)	(116,025)	(226,620)
Net Cash (Used for) Capital and Related Financing Activities	(342,623)	(1,206,837)	(1,996,385)	(3,545,845)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	52,176	52,969	89,542	194,687
Net Cash Provided by Investing Activities	52,176	52,969	89,542	194,687
NET CASH INCREASE (DECREASE) FOR THE YEAR	777,582	266,134	(537,467)	506,249
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,322,416	3,468,867	6,461,126	13,252,409
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,099,998	\$ 3,735,001	\$ 5,923,659	\$ 13,758,658
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION				
Cash and cash equivalents	\$ 4,099,998	\$ 3,657,875	\$ 5,430,791	\$ 13,188,664
Restricted assets-Cash and cash equivalents				
Debt service reserves	-	77,126	492,868	569,994
Total Cash and Cash Equivalents	\$ 4,099,998	\$ 3,735,001	\$ 5,923,659	\$ 13,758,658
Reconciliation of operating income to net cash provided by operating activities:				
Operating Income	\$ 717,506	\$ 667,734	\$ 1,151,325	\$ 2,536,565
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	276,514	687,637	676,944	1,641,095
(Increase) Decrease in accounts receivable	(10,341)	(2,003)	108,020	95,676
(Increase) Decrease in inventories	(3,620)	-	(27,313)	(30,933)
(Increase) Decrease in prepaid items	(466)	419	(462)	(509)
Increase (Decrease) in accounts payable	6,708	(2,170)	181,518	186,056
Increase (Decrease) in accrued wages	584	1,777	1,903	4,264
Increase (Decrease) in sales tax	(572)	-	277	(295)
Increase (Decrease) in accrued interest	(700)	(175)	(4,500)	(5,375)
Increase (Decrease) in pension liability	37,007	60,271	85,316	182,594
Increase (Decrease) in customer deposits	(985)	-	6,060	5,075
Increase (Decrease) in compensated absences	2,678	6,512	3,130	12,320
Net Cash Provided by Operating Activities	\$ 1,024,313	\$ 1,420,002	\$ 2,182,218	\$ 4,626,533

The notes to financial statements are an integral part of this statement.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Nixa, Missouri (the “City”) was formally established as the Village of Nixa in 1902 and currently covers 8.97 square miles in Christian County, Missouri. The City now operates under the Home Rule Charter form of government. The City Administrator is the chief administrative officer of the City who is responsible for the day-to-day operations of the City. The City provides services to approximately 21,200 residents in many areas, including law enforcement, engineering, streets, electric, waterworks, wastewater, parks and recreation and general administrative services.

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

THE REPORTING ENTITY

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Street Fund – This fund is used exclusively for the revenues of and expenses from the operations, maintenance and improvements of City streets. This fund includes the Missouri Motor Fuel taxes, ½ cent sales tax and Christian County sales tax for streets.

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

Waterworks Fund – Accounts for the provision of waterworks services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Wastewater Fund – Accounts for the provision of wastewater services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Electrical Fund— Accounts for the provision of electric services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Additionally, the City reports the following non-major governmental funds:

Park Fund – This fund is used exclusively for the revenues of and expenses from the operations of the swimming pool and all park activities.

Building Inspection Fund – This fund is used to account for permits and building inspections and related expenses.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Storm Water Fund – This fund is used to account for permits and storm retention related expenses.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable, and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales tax, intergovernmental taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's waterworks, wastewater, and electric function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation, the principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

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.

Cash balances from the majority of funds recorded as restricted accounts are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these statements. For investments which are held separately from the pools, those which are highly liquid (including restricted assets) with an original or remaining maturity of 90 days or less when purchased are considered to be cash equivalents.

Statement of Cash Flows

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

Investments

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

Interfund activity

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund activity-continued

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

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

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The City has the following types of interfund activity:

Cost Reimbursements-amounts provided for by the General Fund and reimbursed by the Street Fund and Proprietary Funds.

Transfers-flows of assets (such as cash) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfer and as other financing sources in the funds receiving transfers.

Accounts Receivable and Allowances

All receivables were stated at gross because the amounts were collected within the following 30 days except for refuse, electric, waterworks and wastewater utilities receivable which are net of allowances of \$ 16,667 refuse, \$ 240,140 electric, \$ 41,802 waterworks and \$ 79,033 for wastewater. Utility receivables also includes an estimate for services rendered but not yet billed as of the close of the fiscal year.

Inventories

Inventories for the Waterworks and Electric Funds consist of consumable supplies used for emergency repairs and replacements and are stated at cost, using the first-in/first-out (FIFO) method.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted assets

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amount of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The bond account is used only for the payment of principal and interest on revenue bonds. The bond reserve account is to be used only to pay bonds at maturity or interest as it becomes due and to the extent other funds are not available for this purpose.

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

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Buildings	7-40 years
Site improvements	7-55 years
Streets	20-40 years
Furniture and equipment	7-20 years
Vehicles	5-10 years

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capitalization of interest

Interest costs are capitalized when incurred by proprietary funds where proceeds were used to finance construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized for 2017 and interest cost information for the enterprise funds for the year ended December 31, 2017 is as follows:

	Waterworks Fund	Wastewater Fund	Electric Fund
Total interest costs	\$ 26,097	\$ 79,110	\$ 148,415

Deferred Outflows of Resources/Loss on Refunded Debt

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has two items that meet the definition of deferred outflows of resources. One is the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the amount related to pension outflows as per GASB 68.

Deferred Inflows of Resources/Unavailable Revenue/Gain on Refunded Debt

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In the Governmental Funds the item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources/Unavailable Revenue/Gain on Refunded Debt-continued

At this time, the City has two items that meet the definition of deferred inflows of resources. It is the deferred gain on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pension inflows as per GASB 68.

Obligation for Bond Arbitrage Rebate

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

Vacation, sick leave, and other compensated absences

City employees are entitled to certain compensated absences based on their length of employment. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pensions

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

Long-term Debt

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt-continued

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

Fund Balances-Governmental Funds

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

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

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

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

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

Unassigned-This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds-continued

The fund balance of the City's General, Street, and Park Funds have been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. Currently the General Fund has set aside \$ 2,185,000 and the Street Fund \$ 400,000. The Park has set aside \$ 375,336 for future repairs to park pool, community center, and replacement of fitness equipment.

Net Position

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

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

Restrictions of Net Position

The City records restrictions to indicate that a portion of the net position is legally segregated for a specific future use. The following details the description and amount of all restrictions used by the City as of December 31, 2017:

Proprietary Fund Types-Business Type Activities

<u>Fund</u>	<u>Debt Service</u>	<u>Bond Reserve</u>	<u>Total</u>
Wastewater	\$ -	\$ 77,126	\$ 77,126
Electric	488,944	-	488,944
	<u>\$ 488,944</u>	<u>\$ 77,126</u>	<u>\$ 566,070</u>

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for 2017 was \$ 287,213,274 with the levy set at \$.3286 for General Fund purposes only.

Revenue Recognition - Sales Tax authorizations

Sales tax authorizations consist of a one-cent general sales recorded in the General Fund (\$ 2,537,493), one-half cent transportation sales tax to be used for street purposes in the Street Fund (\$ 1,268,746) and also in the Street Fund a Christian County sales tax for streets (\$ 87,750).

Fee in Lieu of Taxes

The Waterworks and Electric Funds make an annual payment in lieu of taxes to the General Fund, which is based on a percentage of sales of utilities. That payment is reflected as a transfer on the statement of revenues, expenses and changes in net position.

Interest Earned on SRF Bond Reserves

On the debt issues funded under the State Revolving Funds the City earns interest on reserve accounts established by the Federal Government and State of Missouri which is applied to reduce the required interest payments for the City. The 2001C at year end had \$ 2,181,641.46 set aside in reserves.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of expenditures over appropriations

For the year ended December 31, 2017, expenditures did not exceed appropriations in any fund except for the nonmajor Storm Water Fund.

Bond Reserve Compliance

The City was in compliance with required bonded debt reserves for the year.

Debt restrictions

General obligation debt

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of authorized general obligation debt of a City to 20 percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes. Authorization for debt issuance requires four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections, vote of the qualified electors thereof. The computed legal debt margin of the City at December 31, 2017, was:

Constitutional Debt Limit	\$ 47,768,581
Outstanding G.O. Bonds	<u>(1,007,900)</u>
Legal debt margin	<u><u>\$ 46,760,681</u></u>

Other long-term debt

Article VI, Section 26 (a), Constitution of Missouri, limits the outstanding indebtedness of a City without popular vote to an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years. For the year ended December 31, 2017, the City was in compliance with this requirement

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

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

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

As of December 31, 2017, all of the City's checking accounts, money markets, and short-term certificates of deposits were entirely secured or collateralized with securities held by the City or by its agent in the City's name. For the year ended the City did not have any accounts that would qualify as investments.

Investment Policies

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

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

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

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

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

NOTE C – RESTRICTED ASSETS

For December 31, 2017, restricted cash accounts were as follows:

	Actual Cash	Required Per Bond Agreements
ENTERPRISE FUND		
Wastewater		
Debt Reserves	\$ 77,126	\$ 77,126
Electric		
Debt Reserves	\$ 492,868	\$ 488,944
GRAND TOTAL	\$ 569,994	\$ 566,070

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

NOTE D – CAPITAL ASSETS AND DEPRECIATION

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

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,144,474	\$ 846,078	\$ -	\$ 1,990,552
Construction in progress	3,250,697	112,636	2,834,823	528,510
Total capital assets not being depreciated	<u>4,395,171</u>	<u>958,714</u>	<u>2,834,823</u>	<u>2,519,062</u>
Capital assets, being depreciated:				
Buildings	11,236,515	60,921	51,439	11,245,997
Improvements	2,953,206	2,988,604	-	5,941,810
Streets	64,612,785	-	-	64,612,785
Equipment	2,345,512	52,029	63,809	2,333,732
Vehicles	1,441,885	135,203	61,919	1,515,169
Total capital assets being depreciated	<u>82,589,903</u>	<u>3,236,757</u>	<u>177,167</u>	<u>85,649,493</u>
Less: Accumulated depreciation for:				
Buildings	3,773,618	282,111	33,964	4,021,765
Improvements	453,518	157,264	-	610,782
Streets	18,156,835	1,062,862	-	19,219,697
Equipment	1,564,923	150,732	63,397	1,652,258
Vehicles	1,009,387	159,710	43,143	1,125,954
Total accumulated depreciation	<u>24,958,281</u>	<u>1,812,679</u>	<u>140,504</u>	<u>26,630,456</u>
Total capital assets being depreciated, net	<u>57,631,622</u>	<u>1,424,078</u>	<u>36,663</u>	<u>59,019,037</u>
Governmental activities capital assets, net	<u>\$ 62,026,793</u>	<u>\$ 2,382,792</u>	<u>\$ 2,871,486</u>	<u>\$ 61,538,099</u>

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

Governmental activities:

General government	\$ 184,820
Police	147,769
Building inspections	5,979
Streets	1,263,993
Parks	<u>210,118</u>
	<u>\$ 1,812,679</u>

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

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:

	WATERWORKS FUND			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 116,751	\$ -	\$ -	\$ 116,751
Construction in progress	73,320	-	6,039	67,281
Total capital assets not being depreciated	<u>\$ 190,071</u>	<u>\$ -</u>	<u>\$ 6,039</u>	<u>\$ 184,032</u>
Capital assets being depreciated:				
Buildings	\$ 468,034	\$ -	\$ -	\$ 468,034
Plant	9,356,451	82,386	-	9,438,837
Equipment	161,326	2,170	174	163,322
Vehicles	260,602	41,022	24,479	277,145
Total capital assets being depreciated	<u>10,246,413</u>	<u>125,578</u>	<u>24,653</u>	<u>10,347,338</u>
Less-Accumulated depreciation for:				
Buildings	125,866	12,440	-	138,306
Plant	3,216,028	221,053	-	3,437,081
Equipment	93,609	18,635	174	112,070
Vehicles	150,984	24,386	24,363	151,007
Total accumulated depreciation	<u>3,586,487</u>	<u>276,514</u>	<u>24,537</u>	<u>3,838,464</u>
Total capital assets being depreciated, net	<u>\$ 6,659,926</u>			<u>\$ 6,508,874</u>
Business-type activities capital assets, net	<u>\$ 6,849,997</u>			<u>\$ 6,692,906</u>

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

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities :

	WASTEWATER FUND			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 149,255	\$ -	\$ -	\$ 149,255
Construction in progress	269,688	36,231	237,866	68,053
Total capital assets not being depreciated	<u>\$ 418,943</u>	<u>\$ 36,231</u>	<u>\$237,866</u>	<u>\$ 217,308</u>
Capital assets being depreciated:				
Buildings	\$ 1,481,295	\$ 15,000	\$ -	\$ 1,496,295
Plant	21,562,912	616,954	-	22,179,866
Equipment	444,790	19,272	15	464,047
Vehicles	828,623	454,706	301,427	981,902
Total capital assets being depreciated	<u>24,317,620</u>	<u>1,105,932</u>	<u>301,442</u>	<u>25,122,110</u>
Less- Accumulated depreciation for:				
Buildings	442,253	38,873	-	481,126
Plant	7,384,715	542,971	-	7,927,686
Equipment	208,836	32,427	15	241,248
Vehicles	619,692	73,366	259,379	433,679
Total accumulated depreciation	<u>8,655,496</u>	<u>687,637</u>	<u>259,394</u>	<u>9,083,739</u>
Total capital assets being depreciated, net	<u>\$ 15,662,124</u>			<u>\$ 16,038,371</u>
Business-type activities capital assets, net	<u>\$ 16,081,067</u>			<u>\$ 16,255,679</u>

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

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:

	ELECTRIC FUND			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 652,677	\$ -	\$ -	\$ 652,677
Construction in progress	274,081	86,923	274,081	86,923
Total capital assets not being depreciated	<u>\$ 926,758</u>	<u>\$ 86,923</u>	<u>\$ 274,081</u>	<u>\$ 739,600</u>
Capital assets being depreciated:				
Buildings	\$ 1,213,358	\$ 48,277	\$ -	\$ 1,261,635
Plant	21,538,822	1,403,363	-	22,942,185
Equipment	492,692	8,118	174	500,636
Vehicles	1,047,920	9,526	4,977	1,052,469
Total capital assets being depreciated	<u>24,292,792</u>	<u>1,469,284</u>	<u>5,151</u>	<u>25,756,925</u>
Less- Accumulated depreciation for:				
Buildings	171,424	31,616	-	203,040
Plant	7,739,602	544,492	-	8,284,094
Equipment	355,174	20,268	174	375,268
Vehicles	534,353	80,568	4,860	610,061
	<u>8,800,553</u>	<u>676,944</u>	<u>5,034</u>	<u>9,472,463</u>
Total capital assets being depreciated, net	<u>\$ 15,492,239</u>			<u>\$ 16,284,462</u>
Business-type activities capital assets, net	<u>\$ 16,418,997</u>			<u>\$ 17,024,062</u>

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

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities:

	TOTAL BUSINESS-TYPE ACTIVITIES			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 918,683	\$ -	\$ -	\$ 918,683
Construction in progress	617,089	123,154	517,986	222,257
Total capital assets not being depreciated	<u>\$ 1,535,772</u>	<u>\$ 123,154</u>	<u>\$517,986</u>	<u>\$ 1,140,940</u>
Capital assets being depreciated:				
Buildings	\$ 3,162,687	\$ 63,277	\$ -	\$ 3,225,964
Plant	52,458,184	2,102,703	-	54,560,887
Equipment	1,098,807	29,560	363	1,128,004
Vehicles	2,137,146	505,254	330,883	2,311,517
Total capital assets being depreciated	<u>58,856,824</u>	<u>2,700,794</u>	<u>331,246</u>	<u>61,226,372</u>
Less- Accumulated depreciation for:				
Buildings	729,599	82,929	-	812,528
Plant	18,386,846	1,308,516	-	19,695,362
Equipment	645,529	71,330	363	716,496
Vehicles	1,280,561	178,320	288,602	1,170,279
	<u>21,042,535</u>	<u>1,641,095</u>	<u>288,965</u>	<u>22,394,665</u>
Total capital assets being depreciated, net	<u>\$ 37,814,289</u>			<u>\$ 38,831,707</u>
Business-type activities capital assets, net	<u>\$ 39,350,061</u>			<u>\$ 39,972,647</u>

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

NOTE E – LONG-TERM DEBT

Business-type activities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Revenue Bonds	\$ 8,888,000	\$ -	\$ 1,236,000	\$ 7,652,000	\$ 1,272,000
Lease Obligations	950,000	-	105,000	845,000	105,000
Compensated absences	99,566	82,402	70,082	111,886	111,886
Business-type activity long-term liabilities	<u>\$ 9,937,566</u>	<u>\$ 82,402</u>	<u>\$ 1,411,082</u>	<u>\$ 8,608,886</u>	<u>\$ 1,488,886</u>

As reported on the financial statement:

Amount due within one year:

Revenue bonds and capital lease obligations	\$ 1,377,000
Compensated absences	111,886
Total within one year	<u>1,488,886</u>

Amount due in more than one year:

Revenue bonds	6,380,000
Capital Lease Obligations	740,000
Total in more than one year	<u>\$ 7,120,000</u>

The bond ordinances require that the City establish rates and charges for its electric, waterworks and wastewater services, such that the revenues derived from the electric, waterworks and wastewater system are sufficient to provide for the payment of principal and interest on the revenue bonds and for the operation and maintenance of the electric, waterworks and wastewater system.

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

NOTE E – LONG-TERM DEBT (Continued)

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

Electric Fund

\$ 7,865,000, 2011 Series, Electric System Refunding Revenue Bonds due in annual installments of principal ranging from \$ 485,000 to \$ 775,000 and semi-annual interest payments of 2.375%- 3.125% debt matures April 1, 2023	\$ 3,880,000
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Total Electric Fund	3,880,000
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Waterworks Fund

\$ 1,780,000, 2013 Series, Combined Waterworks and Sewerage System Revenue Refunding Revenue Bonds due in annual installments at 2.00%-2.250% interest, matures June 1, 2023	960,000
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Total Waterworks Fund	960,000
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Wastewater Fund

\$ 500,000, 2002 Series, Combined Waterworks and Sewerage System Revenue Bonds (SRF-Direct Loan Program) due in annual installments at 1.60% interest, matures July 1, 2023	167,000
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\$ 7,500,000, 2001 Series, Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) due in monthly installments at 3.00%-5.375% interest, matures July 1, 2023	2,645,000
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Total Wastewater Fund	2,812,000
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Total Business-type debt revenue bonds	\$ 7,652,000
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CITY OF NIXA, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE E – LONG-TERM DEBT (Continued)

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

Year Ending December 31,	Principal	Interest	Total
2018	\$ 1,272,000	\$ 255,829	\$ 1,527,829
2019	1,307,000	211,975	1,518,975
2020	1,338,000	169,711	1,507,711
2021	1,268,000	125,355	1,393,355
2022	1,304,000	79,398	1,383,398
2023	1,163,000	34,164	1,197,164
	<u>\$ 7,652,000</u>	<u>\$ 876,432</u>	<u>\$ 8,528,432</u>

Governmental activities

The following is a summary of debt transactions of the City for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
General Obligation Bonds	\$ 1,276,800	\$ -	\$ 268,900	\$ 1,007,900	\$ 274,200
Capital Lease Obligation	2,627,761	-	298,637	2,329,124	314,124
Compensated absences	275,056	251,347	211,765	314,638	160,910
Government activity long-term liabilities	<u>\$ 4,179,617</u>	<u>\$ 251,347</u>	<u>\$ 779,302</u>	<u>\$ 3,651,662</u>	<u>\$ 749,234</u>

As reported on the financial statement:

Amount due within one year:	
General obligation bonds and capital lease	\$ 588,324
Compensated absences	160,910
Total due within one year	<u>749,234</u>
Amount due in more than one year:	
General Obligation bonds	733,700
Capital Lease Obligations	2,015,000
Compensated absences	153,728
Total due in more than one year	<u>\$ 2,902,428</u>

For governmental activities, liability for compensated absences is generally liquidated by the General Fund, Street Fund, and Park Fund.

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

NOTE E – LONG-TERM DEBT (Continued)

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

\$1,722,700, 2013 Series, General Obligation Refunding Bonds
due in annual installments of principal ranging \$ 165,300 to
\$ 289,200 and interest paid semi-annual at 2.50% maturing
March 1, 2021 \$ 1,007,900

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

Year Ending December 31,	Principal	Interest	Totals
2018	\$ 274,200	\$ 21,770	\$ 295,970
2019	279,200	14,852	294,052
2020	289,200	7,747	296,947
2021	<u>165,300</u>	<u>2,066</u>	<u>167,366</u>
	<u>\$ 1,007,900</u>	<u>\$ 46,435</u>	<u>\$ 1,054,335</u>

NOTE F – CAPITALIZED LEASE OBLIGATION

Governmental Activities

On April 28, 2015, the City entered into a refunding leasehold revenue bonds for the purpose of refunding the 2006 refunding issue. The original debt had been for expansion of City Hall and had been capitalized at cost in the Governmental Activities for the original amount of \$ 4,250,000 with accumulated depreciation to date of \$ 1,051,365. Issue matures August 1, 2026. \$ 2,240,000

On February 15, 2016, the City entered into a cancelable lease for the six Ford Interceptors. Payments are annual on February 15 \$ 81,740.66 at 1.85% interest. Final payment is February 15, 2018. The vehicles have been capitalized at cost in the Governmental Activities for the original amount of \$ 258,751 with accumulated depreciation to date of \$ 84,682. \$ 89,124

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

NOTE F – CAPITALIZED LEASE OBLIGATION (Continued)

Although the agreement provides for cancellation clauses each year, generally accepted accounting standards addresses the legal restriction imposed, and for financial statement presentation, requires the lease to be accounted for as a capital lease.

At December 31, 2017 future minimum lease payments by year and the present value of future minimum capital lease payments were as follows:

Year Ending December 31,	City Hall	Ford Interceptors
2018	\$ 287,650	\$ 90,773
2019	288,150	-
2020	288,550	-
2021	286,500	-
2022	284,300	-
2023-2026	<u>1,146,000</u>	<u>-</u>
Total minimum lease payment	2,581,150	90,773
Less: amount representing interest	<u>(341,150)</u>	<u>(1,649)</u>
Present value of future minimum lease payment	<u><u>\$ 2,240,000</u></u>	<u><u>\$ 89,124</u></u>

Business-type Activities

Wastewater Fund

On March 1, 2013, the City entered into a cancelable lease for the refunding 2006 lease for extension of the wastewater system. Although the agreement provides for cancellation clauses each year, generally accepted accounting standards addresses the legal restriction imposed, and for financial statement presentation, requires the lease to be accounted for as a capital lease. Matures June 1, 2025.

\$ 845,000

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

NOTE F – CAPITALIZED LEASE OBLIGATION (Continued)

At December 31, 2017 future minimum lease payments by year and the present value of future minimum capital lease payments were as follows:

Year Ending December 31,	Total
2018	\$ 123,594
2019	126,444
2020	129,122
2021	121,731
2022	124,125
2023-2025	<u>300,168</u>
Total minimum lease payment	925,184
Less: amount representing interest	<u>(80,184)</u>
Present value of future minimum lease payment	<u><u>\$ 845,000</u></u>

NOTE G – OBLIGATION TO PURCHASE ELECTRIC POWER

The City has four electric purchase contracts for its electric energy and transmission.

Under contract DE-PM75-88SW00172, dated June 6, 1988, and subsequently amended, the City purchases 5,300 kilowatts (kw) of hydro-power from Southwest Power Administration (SWPA). The City currently pays \$4.50 per kw for this electric power.

In addition to the above, an agreement between the City and CU of Springfield, Missouri was signed on August 25, 2014 allowing the City to purchase 10mwh of solar power energy. In June 2017, the City entered into a power purchase agreement with Nixa Solar, LLC. Total annual power from this contract is anticipated to be approximately 15,000,000 kilowatt hours of energy.

The City's electric capacity, energy and service sales agreement with Springfield City Utilities (CU) commits the City to the purchase of all other electrical service(s) required above that which SWP A and Nixa Solar provides. The City's 2017 peak electric demand was 47 Megawatts of electricity. The City pays to CU in accordance with CU Large Power Service rate in effect at the time that the electric service is provided. Currently the City is paying \$ 9.12 per kw for demand and \$ 0.0580 per kwh for energy. Terms of the CU contract expire on June 30, 2023; however, it shall automatically renew until terminated by either party by giving at least a 5-year written notification on or after June 30, 2018. Nixa did provide 5-year notice to CU Springfield in August of 2017.

Transmission for energy through Springfield City Utilities is provided by Southwest Power Pool (SPP) under a network service contract. Services by SPP began June 2017.

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

NOTE H – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

At December 31, 2017, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years the City had no losses that exceeded commercial insurance coverage.

NOTE I – DEFINED BENEFIT PENSION PLAN

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

Plan description

The City of Nixa's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Nixa 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.

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

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

	<u>2017 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 years
Member Contributions:	4.00%

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	59
Active employees	<u>114</u>
Total	<u><u>218</u></u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer's contribution rates are 10.8 % General and 8.6% Police of annual covered payroll.

Net Pension Liability

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

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

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

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

Inflation	3.25% wage inflation: 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25% net of investment expenses

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

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

The actuarial assumptions were based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

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

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

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

NOTE 1 –DEFINED BENEFIT PENSION PLAN (Continued)

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 Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 7/1/2016	<u>\$ 15,640,183</u>	<u>\$ 14,447,610</u>	<u>\$ 1,192,573</u>
Changes for the year:			
Service Cost	556,665	-	556,665
Interest	1,136,637	-	1,136,637
Difference between expected and actual experience	(105,615)	-	(105,615)
Changes in assumptions	-	-	-
Contribution - employer	-	480,580	(480,580)
Contribution - employee	-	195,959	(195,959)
Net investment income	-	1,720,421	(1,720,421)
Benefit payments, including refunds	(480,177)	(480,177)	-
Administrative expense	-	(15,763)	15,763
Other changes	-	(100,668)	100,668
Net changes	<u>1,107,510</u>	<u>1,800,352</u>	<u>(692,842)</u>
Balances at 6/30/2017	<u><u>\$ 16,747,693</u></u>	<u><u>\$ 16,247,962</u></u>	<u><u>\$ 499,731</u></u>

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

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 3,385,913	\$ 499,731	\$ (1,827,947)

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

For the year ended June 30, 2017 the employer recognized pension expense (benefit) of \$ 661,135 for general and \$ 153,577 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

General and Police	Outflows	Inflows	Net Outflows
Differences in experience	\$ 11,075	\$ (288,324)	\$ (277,249)
Differences in assumptions	434,805	-	434,805
Excess(deficit) in investment returns	374,267	-	374,267
Contributions subsequent to the measurement date*	262,287	-	262,287
Total	\$ 1,082,434	\$ (288,324)	\$ 794,110

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

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

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

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

Year ended:	<u>General</u>	<u>Police</u>
2018	\$ 199,465	\$ 51,771
2019	199,464	51,770
2020	90,593	16,306
2021	(68,351)	(37,497)
2022	33,396	(8,246)
Thereafter	3,152	-
Total	<u>\$ 457,719</u>	<u>\$ 74,104</u>

Payable to the Pension Plan

At December 31, 2017, the City of Nixa reported a payable of \$ 0.00 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

NOTE J – GRANTS

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

NOTE K – CONTINGENCIES

Litigation – Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

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

NOTE L – INTERFUND TRANSFERS

Interfund transfers as follows were used for operations as set forth in the approved budget:

Operation transfers:	To	From
General Fund	\$ -	\$ 193,000
Park Fund	180,000	-
Storm Water	13,000	-
	<u>\$ 193,000</u>	<u>\$ 193,000</u>

NOTE M – FEE IN LIEU OF TAXES

The Waterworks and Electric Fund pays 5% of sales to the General as follows:

Fee in Lieu of	To	From
General Fund	\$ 921,764	\$ -
Electric Fund	-	812,842
Water Fund	-	108,922
	<u>\$ 921,764</u>	<u>\$ 921,764</u>

NOTE N – INTERFUND ADMINISTRATION FEE

During the year, the following funds paid to the General Fund for administrative costs incurred by the General Fund relating to the operation of the following funds. The fee is shown in the General Fund as interfund reimbursements and as administrative fees in current expenses:

Administrative Fee	To	From
General Fund	\$ 1,496,567	\$ -
Street Fund	-	232,092
Electric Fund	-	488,620
Waterworks Fund	-	410,820
Wastewater Fund	-	365,035
	<u>\$ 1,496,567</u>	<u>\$ 1,496,567</u>

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

NOTE O – PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements and proprietary funds financial statements. As of December 31, 2017, the amount of defeased debt outstanding amounted to \$ 6,215,000.

NOTE P – TOWER LEASES

The City leases space on the City's water towers to various wireless providers for the placement of antennae. A total of \$ 152,638 was received during the year ended December 31, 2017 and is reported in the Waterworks Fund. For the next five years, scheduled payments to receive are:

2018	\$ 158,000
2019	164,000
2020	170,000
2021	177,000
2022	184,000

NOTE Q – RESTATEMENT OF BEGINNING BALANCES

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

	General Fund	Street Fund	Building Inspection Fund	Park Fund
Beginning Fund Balance	\$ 6,830,750	\$ 2,967,667	\$ (2,478)	\$ 320,778
Adjustment to correct error	131,024	13,425	6,820	14,270
Beginning Fund Balance As Restated	<u>\$ 6,961,774</u>	<u>\$ 2,981,092</u>	<u>\$ 4,342</u>	<u>\$ 335,048</u>

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

NOTE R – SUBSEQUENT EVENT

As of March 31, 2018, the City of Nixa sold an electric transmission system for \$ 9,972,000 and will use the proceeds to first redeem the 2011 electric revenue bonds for \$ 3,268,308 and then balance of the proceeds will be used to make major improvements to the City owned electric system.

NOTE S – CONSTRUCTION IN PROGRESS

Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of December 31, 2017 is as follows:

<u>Project</u>	<u>Cost of Project</u>	<u>Construction in Progress</u>	<u>Remaining Cost to Complete</u>
Electric Fund			
Espy substation	\$ 687,000	\$ 86,923	\$ 600,077
	<u>687,000</u>	<u>86,923</u>	<u>600,077</u>
Waterworks Fund			
Prospect & Missouri Waterline	23,000	5,076	17,924
Valve Installation, City Wide	25,245	5,247	19,998
Water Tower #8	1,907,000	56,958	1,850,042
	<u>1,955,245</u>	<u>67,281</u>	<u>1,887,964</u>
Wastewater Fund			
Super 8 lift station	46,672	6,672	40,000
South Street capacity upgrade	462,000	61,381	400,619
	<u>508,672</u>	<u>68,053</u>	<u>440,619</u>
Total Proprietary Fund	<u>\$ 3,150,917</u>	<u>\$ 222,257</u>	<u>\$ 2,928,660</u>

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

NOTE S – CONSTRUCTION IN PROGRESS (Continued)

Project	Cost of Project	Construction in Progress	Remaining Cost to Complete
Governmental Activities			
ADMINISTRATION			
City Hall renovation	\$ 212,500	\$ 112,637	\$ 99,863
STREET			
US 160 & SH 14 Intersections	<u>1,715,000</u>	<u>415,873</u>	<u>1,299,127</u>
Total Governmental Activities	<u>\$ 1,927,500</u>	<u>\$ 528,510</u>	<u>\$ 1,398,990</u>

NOTE T – FUTURE ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

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

NOTE T- FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

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

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

The Statements which might impact the City are as follows:

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

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

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

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

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

NOTE T- FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

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

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

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

Required Supplementary Information

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund			
	Budgeted Amounts			Variance With
REVENUES	Original	Final	Actual	Final Budget
Property taxes	\$ 780,800	\$ 780,800	\$ 829,169	\$ 48,369
Franchise taxes	500,000	500,000	442,262	(57,738)
Sales taxes	2,615,000	2,615,000	2,537,493	(77,507)
Licenses & permits	35,500	35,500	36,283	783
Charges for services-				
Sanitation	1,060,000	1,060,000	1,071,683	11,683
Plan reviews and inspections	7,000	7,000	15,379	8,379
Fines & forfeitures	185,000	185,000	182,259	(2,741)
Interest	45,500	45,500	103,573	58,073
Grants	25,000	25,000	19,435	(5,565)
Contributions	-	-	2,875	2,875
Impact fees	-	-	124,149	124,149
Miscellaneous	12,200	12,200	46,628	34,428
Total Revenues	<u>5,266,000</u>	<u>5,266,000</u>	<u>5,411,188</u>	<u>145,188</u>
EXPENDITURES				
Current:				
General government	1,023,719	1,043,488	847,903	195,585
Police	2,771,590	2,788,590	2,619,736	168,854
Planning	190,800	190,800	215,286	(24,486)
Sanitation	955,500	955,500	963,335	(7,835)
Capital outlay	169,525	365,525	201,884	163,641
Debt service:				
Principal	576,587	576,587	567,537	9,050
Interest and fees	101,912	101,912	97,509	4,403
Total Expenditures	<u>5,789,633</u>	<u>6,022,402</u>	<u>5,513,190</u>	<u>509,212</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURE	<u>(523,633)</u>	<u>(756,402)</u>	<u>(102,002)</u>	<u>654,400</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) other funds	(401,000)	(401,000)	(193,000)	208,000
Transfer in-Fee in Lieu of Taxes	1,050,000	1,050,000	921,764	(128,236)
Total Other Financing Sources (Uses)	<u>649,000</u>	<u>649,000</u>	<u>728,764</u>	<u>79,764</u>
NET CHANGE IN FUND BALANCE	<u>\$ 125,367</u>	<u>\$ (107,402)</u>	626,762	<u>\$ 734,164</u>
FUND BALANCES - BEGINNING (RESTATED)			6,961,774	
FUND BALANCES - ENDING			\$ 7,588,536	

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
FOR THE YEAR ENDED DECEMBER 31, 2017

	Street Fund			
	Budgeted Amounts			Variance With
REVENUES	Original	Final	Actual	Final Budget
Sales tax	\$ 1,307,500	\$ 1,307,500	\$ 1,268,746	\$ (38,754)
Missouri motor fuel taxes	769,000	769,000	769,235	235
Christian County Sales Tax	150,000	150,000	87,750	(62,250)
Interest	24,000	24,000	49,903	25,903
Grants	215,000	215,000	50,345	(164,655)
Miscellaneous	5,500	5,500	27,916	22,416
Total Revenues	2,471,000	2,471,000	2,253,895	(217,105)
Current:				
Administration street department	1,586,142	1,586,142	1,439,612	146,530
Capital outlay	2,384,452	2,659,452	354,358	2,305,094
Total Expenditures	3,970,594	4,245,594	1,793,970	2,451,624
NET CHANGE IN FUND BALANCE	\$ (1,499,594)	\$ (1,774,594)	459,925	\$ 2,234,519
FUND BALANCES - BEGINNING (RESTATED)			2,981,092	
FUND BALANCES - ENDING			\$ 3,441,017	

CITY OF NIXA, MISSOURI
Notes to Budgetary Comparison Information
December 31, 2017

Budgetary Process

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

1. Prior to December 31, the City Council appropriates, by ordinance, the annual operating budget for the fiscal year beginning the following January 1 for the General, Special Revenue, Debt Service, and Capital Project Funds. The budget is prepared on the same basis of accounting as the financial statements (Modified Accrual Basis). The City Council also adopts, as a management control device only, a budget for the Enterprise Funds.
2. The level of budgetary control lies at the fund level for all of the governmental funds. The City Administrator is authorized to transfer part, or all, of any unexpected budget balance among any departments within these funds. The City Administrator is not authorized to approve expenditures in excess of the adopted budget.
3. The City Council may, by ordinance, make supplemental appropriations for revenues in excess of original budget estimates or reduce appropriations should revenues be insufficient to meet the amount appropriated. State statutes prohibit deficit budgeting by requiring that estimated expenditures for the period do not exceed estimated revenues for the period plus unencumbered budget basis fund balances at the beginning of the period.

For the year ended December 31, 2017, expenditures did not exceed appropriations in any of the funds.

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

	2017	2016	2015
Total Pension Liability			
Service costs	\$ 556,665	\$ 543,631	\$ 533,393
Interest on Total Pension Liability	1,136,637	1,034,402	962,777
Difference between expected and actual experience	(105,615)	(251,934)	-
Changes in Assumptions	-	611,179	(12,003)
Benefit payments, including refunds	(480,177)	(585,065)	(420,337)
Net change in total pension liability	1,107,510	1,352,213	1,063,830
Total Pension Liability-beginning	15,640,183	14,287,970	13,224,140
Total Pension Liability-ending	<u>\$ 16,747,693</u>	<u>\$ 15,640,183</u>	<u>\$ 14,287,970</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 480,580	\$ 460,415	\$ 473,749
Contributions - employee	195,959	218,647	185,775
Net investment income	1,720,421	9,174	293,114
Benefits payments, including refunds	(480,177)	(585,065)	(420,337)
Pension Plan Administrative Expense	(15,763)	(15,147)	(15,939)
Other (Net Transfer)	(100,668)	(104,583)	216,338
Net change in plan fiduciary net position	1,800,352	(16,559)	732,700
Plan Fiduciary Net Position-beginning	14,447,610	14,464,169	13,731,469
Plan Fiduciary Net Position-ending	<u>\$ 16,247,962</u>	<u>\$ 14,447,610</u>	<u>\$ 14,464,169</u>
Net Pension Liability/(Asset)	<u>\$ 499,731</u>	<u>\$ 1,192,573</u>	<u>\$ (176,199)</u>
Plan fiduciary net position as a percentage of the total pension liability	97.02%	92.37%	101.23%
Covered-employee payroll	\$ 4,665,209	\$ 4,676,232	\$ 4,639,087
Net Pension liability as a percentage of covered employee payroll	10.71%	25.50%	-3.80%

Notes to schedule:

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF NIXA, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS
FOR THE YEARS ENDED DECEMBER 31,

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution in Relation</u>	<u>Contribution Deficiency</u>	<u>Covered Employee Payroll</u>	<u>Contribution as Percentage</u>
2008	\$ 409,882	\$ 409,883	\$ (1)	\$ 4,455,900	9.20%
2009	418,658	418,658	-	4,588,156	9.12%
2010	492,328	462,681	29,647	4,587,441	10.09%
2011	457,719	452,559	5,160	4,348,720	10.41%
2012	487,311	475,647	11,664	4,334,335	10.97%
2013	486,012	486,012	-	4,528,904	10.73%
2014	469,748	469,747	1	4,551,541	10.32%
2015	469,685	469,685	-	4,656,347	10.09%
2016	451,306	451,307	(1)	4,821,345	9.36%
2017	517,418	517,418	-	5,055,416	10.23%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 29, 2017

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 15 to 18 years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

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

Other information: None

Other Supplementary Information

CITY OF NIXA, MISSOURI
COMBINING BALANCE SHEET-
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Building Inspection Fund	Storm Water Fund	Park Fund	Total
ASSETS				
Cash and cash equivalents	\$ 29,689	\$ 93,391	\$ 382,794	\$ 505,874
Accounts receivable-other	-	-	10,431	10,431
Prepaid items	824	-	6,570	7,394
TOTAL ASSETS	<u>\$ 30,513</u>	<u>\$ 93,391</u>	<u>\$ 399,795</u>	<u>\$ 523,699</u>
LIABILITIES				
Accounts payable	\$ 513	\$ -	\$ 28,113	\$ 28,626
Accrued wages	5,965	-	18,312	24,277
Unearned revenues	-	-	1,796	1,796
Total Liabilities	<u>6,478</u>	<u>-</u>	<u>48,221</u>	<u>54,699</u>
FUND BALANCES				
Nonspendable	824	-	6,570	7,394
Restricted-				
Parks	-	-	345,004	345,004
Storm Water	-	93,391	-	93,391
Building Inspection	23,211	-	-	23,211
Total Fund Balances	<u>24,035</u>	<u>93,391</u>	<u>351,574</u>	<u>469,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,513</u>	<u>\$ 93,391</u>	<u>\$ 399,795</u>	<u>\$ 523,699</u>

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

	Building Inspection Fund	Storm Water Fund	Park Fund	Total
REVENUES:				
Charges for services:				
Park programs	\$ -	\$ -	\$ 949,567	\$ 949,567
Plan reviews and inspections	263,393	8,482	-	271,875
Interest	-	601	5,661	6,262
Impact fee	-	72,215	-	72,215
Grants	-	-	2,500	2,500
Contributions	-	-	3,538	3,538
Rents	-	-	19,628	19,628
Miscellaneous	1,252	-	-	1,252
Total Revenues	<u>264,645</u>	<u>81,298</u>	<u>980,894</u>	<u>1,326,837</u>
EXPENDITURES:				
Current: Administration	220,446	22,687	1,091,462	1,334,595
Capital outlay	24,506	-	52,906	77,412
Total Expenditures	<u>244,952</u>	<u>22,687</u>	<u>1,144,368</u>	<u>1,412,007</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	19,693	58,611	(163,474)	(85,170)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>-</u>	<u>13,000</u>	<u>180,000</u>	<u>193,000</u>
NET CHANGE IN FUND BALANCE	19,693	71,611	16,526	107,830
FUND BALANCES - BEGINNING (RESTATED)	<u>4,342</u>	<u>21,780</u>	<u>335,048</u>	<u>361,170</u>
FUND BALANCES - ENDING	<u>\$ 24,035</u>	<u>\$ 93,391</u>	<u>\$ 351,574</u>	<u>\$ 469,000</u>

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Building Inspection Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services-				
Plan reviews and inspections	\$ 254,400	\$ 254,400	\$ 263,393	\$ 8,993
Miscellaneous	2,500	2,500	1,252	(1,248)
Total Revenues	<u>256,900</u>	<u>256,900</u>	<u>264,645</u>	<u>7,745</u>
EXPENDITURES				
Current:				
Administration	230,850	255,200	220,446	34,754
Capital outlay	25,000	25,000	24,506	494
Total Expenditures	<u>255,850</u>	<u>280,200</u>	<u>244,952</u>	<u>35,248</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,050</u>	<u>\$ (23,300)</u>	19,693	<u>\$ 42,993</u>
FUND BALANCES - BEGINNING (RESTATED)			<u>4,342</u>	
FUND BALANCES - ENDING			<u>\$ 24,035</u>	

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Storm Water Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services-				
Plan reviews and inspections	\$ 2,500	\$ 2,500	\$ 8,482	\$ 5,982
Impact fees	-	-	72,215	72,215
Interest	100	100	601	501
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>81,298</u>	<u>78,698</u>
EXPENDITURES				
Current:				
Administration	<u>20,565</u>	<u>20,565</u>	<u>22,687</u>	<u>(2,122)</u>
Total Expenditures	<u>20,565</u>	<u>20,565</u>	<u>22,687</u>	<u>(2,122)</u>
EXCESS (DEFICIENCY OF REVENUE OVER EXPENDITURE	(17,965)	(17,965)	58,611	76,576
OTHER FINANCING SOURCES				
Transfers from other funds	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,965)</u>	<u>\$ (4,965)</u>	71,611	<u>\$ 76,576</u>
FUND BALANCES - BEGINNING			<u>21,780</u>	
FUND BALANCES - ENDING			<u>\$ 93,391</u>	

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	Park Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services-				
Park programs	\$ 903,425	\$ 903,425	\$ 949,567	\$ 46,142
Interest	2,700	2,700	5,661	2,961
Grants	-	-	2,500	2,500
Donations	-	-	3,538	3,538
Rent	18,000	18,000	19,628	1,628
Total Revenues	<u>924,125</u>	<u>924,125</u>	<u>980,894</u>	<u>56,769</u>
EXPENDITURES				
Current:				
Administration	1,172,435	1,172,435	1,091,462	80,973
Capital outlay	85,500	85,500	52,906	32,594
Total Expenditures	<u>1,257,935</u>	<u>1,257,935</u>	<u>1,144,368</u>	<u>113,567</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURE	(333,810)	(333,810)	(163,474)	170,336
OTHER FINANCING SOURCES				
Transfers from other funds	<u>343,000</u>	<u>\$ 343,000</u>	<u>180,000</u>	<u>(163,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,190</u>	<u>\$ 9,190</u>	<u>16,526</u>	<u>\$ 7,336</u>
FUND BALANCES - BEGINNING (RESTATED)			<u>335,048</u>	
FUND BALANCES - ENDING			<u>\$ 351,574</u>	

SECTION III - STATISTICAL SECTION

(Unaudited)

CITY OF NIXA, MISSOURI

STATISTICAL SECTION OVERVIEW

This part of the City of Nixa's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents

Pages

Financial Trends

70 - 75

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

Revenue Capacity

76 - 82

These schedules contain information to help the reader assess the government's most significant local revenue sources.

Debt Capacity

83 - 87

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

88 - 90

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

91 - 93

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

Sources: Unless otherwise noted, the information in these schedules is derived from the audited annual financial reports for the relevant year.

CITY OF NIXA, MISSOURI
Net Position by Component
Last 10 Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 58,201,075	\$ 58,122,232	\$ 57,018,946	\$ 56,636,607	\$ 57,446,516	\$ 57,812,524	\$ 57,787,203	\$ 49,877,250	\$ 49,937,491	\$ 50,322,873
Restricted	-	-	-	318,688	256,377	318,669	318,669	439,819	439,819	1,516,815
Unrestricted	11,586,278	10,553,571	10,556,098	9,788,360	8,271,496	8,307,446	8,294,005	16,471,712	16,418,721	7,078,123
Total governmental activities net position	\$ 69,787,353	\$ 68,675,803	\$ 67,575,044	\$ 66,743,655	\$ 65,974,389	\$ 66,438,639	\$ 66,399,877	\$ 66,788,781	\$ 66,796,031	\$ 58,917,811
Business-type activities										
Net investment in capital assets	\$ 31,541,977	\$ 29,512,063	\$ 27,783,362	\$ 25,143,764	\$ 24,600,879	\$ 21,303,832	\$ 20,800,653	\$ 17,762,207	\$ 15,553,858	\$ 14,241,863
Restricted	566,070	560,871	595,622	712,504	606,694	1,077,565	865,807	1,780,598	1,757,959	1,737,058
Unrestricted	13,191,753	13,232,908	13,094,184	14,778,180	13,490,849	13,916,316	13,733,104	13,462,859	12,192,516	10,043,482
Total business-type activities net position	\$ 45,299,800	\$ 43,305,842	\$ 41,473,168	\$ 40,634,448	\$ 38,698,422	\$ 36,297,713	\$ 35,399,564	\$ 33,005,664	\$ 29,504,333	\$ 26,022,403
Primary government										
Net investment in capital assets	\$ 89,743,052	\$ 87,634,295	\$ 84,802,308	\$ 81,780,371	\$ 82,047,395	\$ 79,116,356	\$ 78,587,856	\$ 67,639,457	\$ 65,491,349	\$ 64,564,736
Restricted	566,070	560,871	595,622	1,031,192	863,071	1,396,234	1,184,476	2,220,417	2,197,778	3,253,873
Unrestricted	24,778,031	23,786,479	23,650,282	24,566,540	21,762,345	22,223,762	22,027,109	29,934,571	28,611,237	17,121,605
Total primary government net position	\$ 115,087,153	\$ 111,981,645	\$ 109,048,212	\$ 107,378,103	\$ 104,672,811	\$ 102,736,352	\$ 101,799,441	\$ 99,794,445	\$ 96,300,364	\$ 84,940,214

CITY OF NIXA, MISSOURI
Changes in Net Position
Last Ten Tiscal Years
Page 1 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Government Activities										
General government	\$ 1,132,388	\$ 1,217,058	\$ 1,242,757	\$ 2,346,453	\$ 2,322,352	\$ 2,151,679	\$ 2,160,212	\$ 2,136,652	\$ 2,239,548	\$ 2,185,151
Public Safety	2,767,226	2,548,304	2,328,959	2,243,976	2,287,874	2,134,982	2,074,845	2,162,527	2,214,899	2,023,110
Building Inspection	234,574	239,664	336,370	211,108	234,737	215,168	201,065	199,866	202,754	248,136
Storm water	22,687	15,802	14,500	18,406	24,987	23,884	25,503	23,694	29,877	59,591
Planning	221,118	181,696	163,516	157,803	164,477	190,856	181,544	188,749	177,566	171,643
Sanitation	963,335	922,967	882,781	864,359	843,906	810,214	777,301	736,243	691,910	523,754
Parks and recreation	1,321,776	1,254,196	1,065,360	1,169,721	1,156,083	1,012,241	1,045,266	1,240,482	1,376,066	1,410,944
Streets	2,724,343	2,581,499	2,610,494	2,429,810	2,400,347	2,275,191	2,352,741	2,301,974	2,426,261	2,408,831
Interest	95,575	113,639	99,070	179,794	226,046	254,022	298,460	314,497	373,567	383,375
Total Government Activities	9,483,022	9,074,825	8,743,807	9,621,430	9,660,809	9,068,237	9,116,937	9,304,684	9,732,448	9,414,535
Business -type Activities										
Electric	16,408,381	15,720,083	15,606,434	14,367,080	13,534,520	13,791,857	12,718,091	11,894,674	10,352,112	10,840,483
Water	1,648,912	1,541,890	1,531,941	1,067,869	1,060,147	1,132,236	1,091,164	1,259,917	1,287,120	859,253
Sewer	2,613,626	2,537,230	2,569,640	2,156,156	2,005,172	2,233,202	2,054,577	2,299,175	2,236,584	1,634,219
Total Business-type Activities	20,670,919	19,799,203	19,708,015	17,591,105	16,599,839	17,157,295	15,863,832	15,453,766	13,875,816	13,333,955
Program Revenues										
Government Activities										
Charges for services	2,527,046	2,358,285	2,140,072	2,127,634	1,833,837	1,664,948	1,651,906	3,289,448	4,166,445	2,118,222
Operating grants and contributions	47,976	132,417	45,125	26,045	136,127	34,670	32,501	87,754	73,572	101,031
Capital grants and contributions	936,941	665,849	409,722	91,648	129,647	565,534	27,721	337,185	8,554,994	-
Total Government Activities	3,511,963	3,156,551	2,594,919	2,245,327	2,099,611	2,265,152	1,712,128	3,714,387	12,795,011	2,219,253
Business-type Activities										
Charges for services										
Electric	17,411,291	16,770,047	15,972,035	15,741,500	15,554,823	15,519,118	15,344,506	14,149,516	12,677,779	12,894,398
Water	2,492,959	2,227,937	2,162,153	2,126,982	1,708,429	1,828,508	1,788,103	1,670,332	1,504,051	1,495,073
Sewer	3,202,250	3,022,139	2,955,321	2,967,479	2,791,848	2,584,051	2,577,199	2,573,100	2,503,110	2,486,988
Operating grants and contributions	-	78,985	-	-	-	-	-	-	-	37,228
Capital grants and contributions	201,837	120,539	225,630	116,796	128,882	65,046	49,552	449,126	59,270	-
Total Business-type Activities	23,308,337	22,219,647	21,315,139	20,952,757	20,183,982	19,996,723	19,759,360	18,842,074	16,744,210	16,913,687

CITY OF NIXA, MISSOURI
Changes in Net Position
Last Ten Tiscal Years
Page 2 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Government Activities	\$ (5,971,059)	\$ (5,918,274)	\$ (6,148,888)	\$ (7,376,103)	\$ (7,561,198)	\$ (6,803,085)	\$ (7,404,809)	\$ (5,590,297)	\$ 3,062,563	\$ (7,195,282)
Business-type Activities	2,637,418	2,420,444	1,607,124	3,361,652	3,584,143	2,839,428	3,895,528	3,388,308	2,868,394	3,579,732
Total Net Expense	(3,333,641)	(3,497,830)	(4,541,764)	(4,014,451)	(3,977,055)	(3,963,657)	(3,509,281)	(2,201,989)	5,930,957	(3,615,550)
General Revenues And Other Changes In Net Positon										
Government Activities										
Taxes	5,925,311	5,879,135	5,828,767	5,656,827	5,194,475	5,062,724	5,632,922	5,337,376	4,650,151	4,976,431
Interest	159,738	74,706	69,230	62,564	73,986	84,420	102,643	79,205	122,500	169,069
Other	75,796	62,733	134,560	23,939	6,695	21,891	140,825	111,342	10,336	(12,884)
Transfers In/(out)	921,764	1,002,459	947,720	1,884,419	1,821,792	1,779,733	1,140,015	32,830	32,670	1,740,635
Total Government Activities	7,082,609	7,019,033	6,980,277	7,627,749	7,096,948	6,948,768	7,016,405	5,560,753	4,815,657	6,873,251
Business-type Activities										
Taxes	-	-	-	-	-	-	(752,806)	(667,532)	(610,198)	-
Interest	194,687	95,405	103,935	266,561	138,358	331,236	345,993	348,358	418,459	331,438
Other	83,617	319,284	75,381	-	500,000	-	45,200	-	-	396,978
Transfers In/(out)	(921,764)	(1,002,459)	(947,720)	(1,884,419)	(1,821,792)	(1,779,733)	(1,140,015)	(32,830)	(32,670)	(1,740,635)
Total Business-type Activities	(643,460)	(587,770)	(768,404)	(1,617,858)	(1,183,434)	(1,448,497)	(1,501,628)	(352,004)	(224,409)	(1,012,219)
Total Primary Government	6,439,149	6,431,263	6,211,873	6,009,891	5,913,514	5,500,271	5,514,777	5,208,749	4,591,248	5,861,032
Changes in Net Position										
Government Activities	1,111,550	1,100,759	831,389	251,646	(464,250)	145,683	(388,404)	(29,544)	7,878,220	(322,031)
Business-type Activities	1,993,958	1,832,674	838,720	1,743,794	2,400,709	1,390,931	2,393,900	3,036,304	2,643,985	2,567,513
Total Change in Net Position	\$ 3,105,508	\$ 2,933,433	\$ 1,670,109	\$ 1,995,440	\$ 1,936,459	\$ 1,536,614	\$ 2,005,496	\$ 3,006,760	\$ 10,522,205	\$ 2,245,482

CITY OF NIXA, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$ 29,544	\$ 13,424	\$ 14,169	\$ 10,973	\$ 10,355	\$ 1,365	\$ 8,212	\$ 2,290	\$ 6,462	\$ 18,307
Restricted	-	-	-	318,669	318,669	318,669	318,685	439,819	439,819	440,719
Committed	1,074,889	715,929	-	-	111,818	710,150	1,960,309	-	-	-
Unassigned	6,484,103	6,101,397	5,626,047	5,108,565	4,427,057	4,387,394	2,629,864	5,291,967	5,526,710	5,479,648
Total General Fund	\$ 7,588,536	\$ 6,830,750	\$ 5,640,216	\$ 5,438,207	\$ 4,867,899	\$ 5,417,578	\$ 4,917,070	\$ 5,734,076	\$ 5,972,991	\$ 5,938,674
Street Fund										
Nonspendable	\$ 6,618	\$ 6,355	\$ 6,925	\$ 5,960	\$ 5,170	\$ 3,708	\$ 4,603	\$ 2,893	\$ 7,865	\$ 19,473
Restricted	3,434,399	2,961,312	3,965,329	3,940,682	3,041,123	-	2,487,675	-	-	-
Committed	-	-	-	-	437,003	330,065	1,048,490	-	-	-
Unassigned	-	-	-	-	-	2,590,965	-	2,910,609	2,563,842	2,177,086
Total Street Fund	\$ 3,441,017	\$ 2,967,667	\$ 3,972,254	\$ 3,946,642	\$ 3,483,296	\$ 2,924,738	\$ 3,540,768	\$ 2,913,502	\$ 2,571,707	\$ 2,196,559
All Other Governmental Funds										
Nonspendable	7,394	3,708	4,151	4,771	4,653	8,461	4,253	7,055	15,625	54,471
Restricted	93,391	336,372	368,732	387,376	-	-	-	340,321	298,698	-
Committed	368,215	-	-	-	344,562	393,861	389,911	-	-	-
Unassigned	-	-	-	-	-	(14,478)	(2,685)	(11,836)	(45,269)	266,237
Total All Other Governmental Funds	\$ 469,000	\$ 340,080	\$ 372,883	\$ 392,147	\$ 349,215	\$ 387,844	\$ 391,479	\$ 335,540	\$ 269,054	\$ 320,708
Total Governmental Fund Balances	\$ 11,498,553	\$ 10,138,497	\$ 9,985,353	\$ 9,776,996	\$ 8,700,410	\$ 8,730,160	\$ 8,849,317	\$ 8,983,118	\$ 8,813,752	\$ 8,455,941

CITY OF NIXA, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Page 1 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$ 5,077,670	\$ 5,099,976	\$ 4,975,982	\$ 4,810,904	\$ 4,491,949	\$ 4,376,161	\$ 4,389,833	\$ 4,113,957	\$ 4,030,705	\$ 4,282,014
Intergovernmental taxes	856,985	859,888	869,108	871,995	690,083	683,480	478,177	555,887	619,446	694,417
Licenses and permits	36,283	209,666	159,025	138,296	144,535	94,907	85,641	455,415	424,531	102,336
Charges for services	2,308,504	1,945,066	1,778,750	1,681,012	1,431,333	1,365,614	1,375,722	1,684,879	1,620,543	1,705,925
Fines and forfeitures	182,259	177,571	182,474	286,009	257,969	182,256	187,446	171,077	234,439	191,962
Investment earnings	159,738	74,706	69,230	62,564	73,986	84,420	102,643	79,205	122,500	169,069
Grants and contributions	78,693	618,249	390,807	46,867	40,373	561,173	32,501	150,303	512,713	101,031
Rents	19,628	25,982	19,823	22,317	15,088	22,171	-	115,000	119,350	117,999
Impact fees	196,364	75,017	64,040	70,826	81,071	39,031	27,721	75,848	39,769	57,635
Miscellaneous	75,796	66,503	134,560	22,847	6,698	21,891	24,435	8,937	36,786	17,518
Interfund reimbursements	-	-	-	1,309,878	1,239,132	1,158,903	1,203,107	1,062,950	1,157,384	1,353,203
Total Revenues	8,991,920	9,152,624	8,643,799	9,323,515	8,472,217	8,590,007	7,907,226	8,473,458	8,918,166	8,793,109
EXPENDITURES										
Current:										
General government	847,903	917,894	920,402	2,158,129	2,129,815	1,965,334	1,983,368	1,938,575	2,032,463	1,987,085
Police/Public Safety	2,619,736	2,421,788	2,250,998	2,121,032	2,186,938	2,042,311	1,989,518	2,082,613	2,111,280	1,931,303
Building inspection	220,446	225,504	208,771	203,936	231,697	216,429	195,892	194,105	194,457	240,288
Streets	1,439,612	1,340,766	1,407,478	1,230,304	1,186,874	1,094,029	1,158,864	1,109,328	1,146,842	1,124,277
Planning	215,286	172,600	163,516	157,803	164,173	190,153	179,565	189,877	176,097	170,840
Parks	1,091,462	1,037,978	1,028,313	986,767	991,749	867,474	876,779	1,078,897	1,224,238	1,250,467
Sanitation	963,335	922,967	882,781	864,359	843,906	810,214	777,301	736,243	691,910	523,754
Storm water	22,687	15,802	14,500	18,406	24,987	22,563	24,163	22,354	29,095	59,591
Administrative fees	-	-	-	174,364	158,633	139,694	151,967	17,864	105,359	191,571
Capital outlay	633,654	2,912,388	1,286,581	315,638	1,278,652	1,263,859	345,139	704,446	417,647	542,130
Debt service:										
Principal retirement	567,537	595,922	620,172	580,253	518,641	365,000	1,130,000	730,000	670,000	650,000
Interest and fiscal agent fees	97,509	112,081	128,841	185,935	243,691	254,314	305,699	339,680	373,567	391,007
Total Expenditures	8,719,167	10,675,690	8,912,353	8,996,926	9,959,756	9,231,374	9,118,255	9,143,982	9,172,955	9,062,313

CITY OF NIXA, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Page 2 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Excess (Deficiency) Of Revenues Over Expenditures	272,753	(1,523,066)	(268,554)	326,589	(1,487,539)	(641,367)	(1,211,029)	(670,524)	(254,789)	(269,204)
OTHER FINANCING SOURCES (USES)										
Transfer from other funds	193,000	276,000	456,000	487,500	671,000	1,024,000	2,709,312	2,675,245	2,363,005	2,708,860
Transfer to other funds	(193,000)	(276,000)	(456,000)	(487,500)	(671,000)	(1,024,000)	(2,620,437)	(2,642,415)	(2,330,335)	(2,705,204)
Capital contribution	-	-	-	-	48,576	-	-	-	-	440,684
Bonds/refunding bonds issued	-	-	(318,687)	-	17,700	-	-	-	-	-
Debt issuance cost	-	-	-	-	(17,700)	-	-	-	-	-
Debt proceeds	-	258,751	-	-	468,098	-	-	-	-	-
Sale of capital assets	-	415,000	-	-	-	-	-	-	-	-
Restitution	-	-	-	1,092	80,666	-	116,390	101,320	-	-
Extraordinary loss	-	-	-	-	-	-	-	-	(30,268)	(198,395)
Fee in Lieu of Taxes	921,764	1,002,459	947,720	748,905	741,293	760,524	752,806	667,532	610,198	614,611
Total Other Financing Sources (Uses)	921,764	1,676,210	629,033	749,997	1,338,633	760,524	958,071	801,682	612,600	860,556
Net Change in Fund Balances	1,194,517	153,144	360,479	1,076,586	(148,906)	119,157	(252,958)	131,158	357,811	591,352
Debt service as a percentage of noncapital expenditures	8.23%	9.12%	9.82%	8.83%	8.78%	7.77%	16.36%	12.67%	11.92%	12.22%

CITY OF NIXA, MISSOURI
Tax Revenues By Source, Governmental Funds
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales Tax - City & County	Franchise Tax - Cable & Gas	Missouri Motor Fuel Tax	Other Taxes	Total Revenues
2017	\$ 829,169	\$ 3,893,990	\$ 442,262	\$ 769,235	\$ 724	\$ 5,935,380
2016	768,433	3,966,201	468,972	754,888	1,371	5,959,866
2015	766,135	3,816,625	517,433	744,108	789	5,845,090
2014	740,922	3,684,084	536,765	720,523	605	5,682,899
2013	726,937	3,268,889	495,580	690,083	543	5,182,032
2012	693,432	3,244,586	437,567	683,480	576	5,059,641
2011	688,165	3,233,016	468,181	475,080	3,568	4,868,010
2010	673,011	2,975,479	462,461	465,051	93,842	4,669,844
2009	638,688	2,965,518	425,548	450,630	169,767	4,650,151
2008	628,521	3,168,344	484,014	466,417	229,135	4,976,431

Note:

As set out in Section 32.057 of the Missouri Revised State Statues, it is a violation to make known in any manner the tax returns of departmental records derived from the Missouri Department of Revenue, including sales taxes, franchise fees, and other tax sources. Due to the confidentiality of earnings information, the above alternative information is provided to assist the users in understanding these revenue sources, including sales taxes, the City's larges own-source revenue.

CITY OF NIXA, MISSOURI
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
City of Nixa (Real Only)	0.3286	0.3316	0.3316	0.3316	0.3316	0.3316	0.3284	0.3243	0.3243	0.3257
Nixa Schools	4.2876	4.2875	4.2961	4.3000	4.3100	4.3100	4.3100	4.3100	4.3100	4.3100
Nixa Fire District	0.7338	0.7339	0.7339	0.6549	0.6549	0.6549	0.6483	0.6406	0.6406	0.6349
Nixa Special Road District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0934	0.0930
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Library	0.2009	0.0887	0.0887	0.0887	0.0887	0.0887	0.0882	0.0875	0.0875	0.0870
Junior College	0.1498	0.1500	0.1494	0.1494	0.1479	0.1408	0.1405	0.1396	0.1396	0.1398
Ambulance	0.1324	0.1324	0.1324	0.1324	0.1324	0.1324	0.1305	0.1305	0.1299	0.1300
Senate Bill 40 Board	0.0799	0.0799	0.0799	0.0799	0.0799	0.0799	0.0794	0.0788	0.0788	0.0783
Health	0.0444	0.0444	0.0444	0.0444	0.0444	0.0444	0.0441	0.0438	0.0438	0.0435
Senior Citizens	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0462
Total District Overlapping	6.0374	5.9284	5.9364	5.8613	5.8698	5.8627	5.8494	5.8351	5.9279	5.9184

Source: Christian County Clerk

CITY OF NIXA, MISSOURI
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential	Agricultural	Commercial	Local Railroad and Utilities	Commercial/ State RRU	Total Taxable Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Total Direct Levy
2017	\$ 187,722,190	\$ 70,700	\$ 50,838,510	\$ 3,200	\$ 208,307	\$ 238,842,907	\$ 1,148,131,996	20.8%	0.3286
2016	179,636,100	86,210	47,240,550	5,680	235,654	227,204,194	1,094,552,462	20.8%	0.3316
2015	174,294,980	57,440	45,527,240	22,040	214,885	220,116,585	1,060,833,682	20.7%	0.3316
2014	167,525,240	63,390	44,587,280	1,660	209,659	212,387,229	1,022,235,661	20.8%	0.3316
2013	164,145,850	52,570	45,008,020	980	226,603	209,434,023	1,005,724,869	20.8%	0.3316
2012	160,956,020	53,890	39,745,510	3,170	268,189	201,026,779	972,638,746	20.7%	0.3316
2011	158,925,290	55,990	39,410,760	1,847	320,179	198,714,066	961,080,434	20.7%	0.3284
2010	159,647,830	77,920	38,226,810	1,240	546,720	198,500,520	962,072,226	20.6%	0.3243
2009	153,791,110	77,790	37,680,750	82,739	298,461	191,930,850	929,018,738	20.7%	0.3243
2008	152,815,360	68,670	34,129,000	1,790	305,208	187,320,028	912,476,112	20.5%	0.3257

Source: Christian County Clerk

NOTES: Residential property is assessed at 19% of appraised value, agriculture at 12% and commercial and industrial at 32%.
City of Nixa assesses property tax levy on real property only.

CITY OF NIXA, MISSOURI
Principal Property Taxpayers
Current Year and 2008

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Wal-Mart	\$ 2,497,150	1	1.05%	\$ 1,952,540	2	1.04%
Missouri Gas Energy	1,755,420	2	0.73%	898,220	3	0.48%
Associated Nixa LLC	1,420,960	3	0.59%	824,260	4	0.44%
Peoples Bank of Ozarks	1,179,900	4	0.49%	774,500	5	0.41%
Carnahan Investments Enterprise Inc.	1,156,580	5	0.48%			0.00%
St. John's Health Systems	1,114,080	6	0.47%	2,608,350	1	1.39%
Southernwood Condominium LLC	933,300	7	0.39%			
Fountain Plaza Group	903,140	8	0.38%	665,790	10	0.36%
Village Marketplace Nixa LLC	859,740	9	0.36%			
Warren Davis Properties XXXIII LLC	803,260	10	0.34%			
Park Place Vintage Park				772,810	6	0.41%
Crimson Plaza				725,820	7	0.39%
Carnahan LLC				692,860	8	0.37%
Magers Properties Nixa LLC				678,690	9	0.36%
Total	\$ 12,623,530		5.29%	\$ 10,593,840		5.66%

Source: Christian County Assessor

CITY OF NIXA, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 12/31/17	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 784,133	\$ 757,395	96.6%	\$ -	757,395	96.6%
2016	752,265	708,599	94.2%	37,572	746,171	99.2%
2015	729,121	702,289	96.3%	22,669	724,958	99.4%
2014	703,576	673,640	95.7%	29,962	703,602	100.0%
2013	693,817	661,528	95.3%	32,289	693,817	100.0%
2012	665,705	633,110	95.1%	32,248	665,358	99.9%
2011	651,573	603,732	92.7%	44,128	647,860	99.4%
2010	641,960	598,439	93.2%	43,519	641,958	100.0%
2009	621,196	576,717	92.8%	44,671	621,388	100.0%
2008	609,876	563,335	92.4%	46,359	609,694	100.0%

Notes: The City of Nixa, Missouri levies property tax on real property only.
Christian County bills and collects property taxes on behalf of the City and retains a percentage of the taxes collected for costs of assessment and collection.
Collections may exceed the levy due to adjustments made by the county subsequent to the initial levy.

Source: Christian County Collector's Office

CITY OF NIXA, MISSOURI
Direct City Sales Tax Revenue by Type
Last Ten Fiscal Years

Fiscal Year	Direct Sales Tax Rate	1% General	0.50% Transportation	Total
2017	1.50%	\$ 2,537,493	\$ 1,268,746	\$ 3,806,240
2016	1.50%	2,574,134	1,287,067	3,861,201
2015	1.50%	2,461,554	1,230,071	3,691,625
2014	1.50%	2,355,075	1,177,537	3,532,612
2013	1.50%	2,096,903	1,048,451	3,145,354
2012	1.50%	2,063,954	1,031,977	3,095,931
2011	1.50%	2,047,548	1,023,773	3,071,321
2010	1.50%	1,883,673	941,837	2,825,510
2009	1.50%	1,878,258	939,128	2,817,386
2008	1.50%	2,002,091	1,001,046	3,003,137
2007	1.50%	1,996,471	998,234	2,994,705

Source: Missouri Department of Revenue

CITY OF NIXA, MISSOURI
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Christian County 911	Christian County Rate	State Rate	Total Rate
2017	1.500%	0.250%	1.500%	4.225%	7.475%
2016	1.500%	0.250%	1.500%	4.225%	7.475%
2015	1.500%	0.250%	1.500%	4.225%	7.475%
2014	1.500%	0.250%	1.500%	4.225%	7.475%
2013	1.500%	0.250%	1.500%	4.225%	7.475%
2012	1.500%	0.250%	1.500%	4.225%	7.475%
2011	1.500%	0.250%	1.500%	4.225%	7.475%
2010	1.500%	0.250%	1.500%	4.225%	7.475%
2009	1.500%	0.250%	1.500%	4.225%	7.475%
2008	1.500%	0.000%	1.500%	4.225%	7.225%

Note: McCroskey Street Community Improvement District of Nixa subject to 1% sales tax rate effective 2012.

Source: Missouri Department of Revenue

CITY OF NIXA, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Capital Lease Obligation	General Obligation Bonds	Lease Obligations	Certificates of Participation	Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
	Governmental		Business-Type					
2017	\$ 2,330,773	\$ 1,007,900	\$ -	\$ 845,000	\$ 7,652,000	\$ 11,835,673	2.39%	556
2016	2,627,761	1,276,800	-	950,000	8,888,000	13,742,561	2.85%	664
2015	2,701,632	1,540,100	-	1,055,000	10,149,000	15,445,732	3.27%	762
2014	3,214,404	1,797,500	-	1,155,000	11,663,000	17,829,904	3.81%	849
2013	3,534,457	2,057,700	-	1,250,000	13,137,000	19,979,157	4.35%	971
2012	3,360,000	2,265,000	-	1,350,000	14,753,000	21,728,000	4.98%	1,077
2011	3,510,000	2,480,000	-	1,420,000	15,880,000	23,290,000	5.63%	1,177
2010	4,200,000	2,920,000	803,427	1,475,000	17,598,000	26,996,427	6.40%	1,419
2009	4,500,000	3,350,000	958,050	1,525,000	18,752,000	29,085,050	9.00%	1,599
2008	4,775,000	3,745,000	1,110,117	1,580,000	19,853,000	31,063,117	10.05%	1,786

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF NIXA, MISSOURI
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Net Bonded Debt per Capita
2017	\$ 1,007,900	\$ -	1,007,900	0.09%	47
2016	1,276,800	-	1,276,800	0.12%	62
2015	1,540,100	-	1,540,100	0.15%	76
2014	1,797,500	318,688	1,478,812	0.14%	70
2013	2,057,700	319,182	1,738,518	0.17%	84
2012	2,265,000	318,685	1,946,315	0.20%	96
2011	2,480,000	326,419	2,153,581	0.22%	109
2010	2,920,000	446,521	2,473,479	0.26%	130
2009	3,350,000	468,355	2,881,645	0.31%	158
2008	3,745,000	446,291	3,298,709	0.36%	190

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Assessed and Estimated Value of Taxable Properties Table

CITY OF NIXA, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated share of direct and overlapping debt
Nixa School District	\$ 67,417,066	62.91%	\$ 42,409,264
Nixa Fire District	2,402,200	68.67%	1,649,540
City of Nixa direct debt	<u>3,338,673</u>	100%	<u>3,338,673</u>
Subtotal, overlapping debt	69,819,266		44,058,804
Subtotal, direct debt	3,338,673		3,338,673
Total direct and overlapping debt	<u><u>\$ 73,157,939</u></u>		<u><u>\$ 47,397,477</u></u>

Source: Nixa School District, Nixa Fire Department and Christian County Clerk

Note: Overlapping governments are those that coincide, in part or in total, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Nixa. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and responsible for repaying the debt of each overlapping government.

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

CITY OF NIXA, MISSOURI
Legal Debt Margin Information
December 31, 2017

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	<u>\$ 238,842,907</u>
Debt limit (20% of assessed value)	<u>\$ 47,768,581</u>
City Debt applicable to debt Limit:	
General obligation bonds	<u>1,007,900</u>
Total net debt applicable to limit	<u>\$ 1,007,900</u>
Legal debt margin	<u>\$ 46,760,681</u>

	Last Ten Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed valuation, January 1	<u>\$ 238,842,907</u>	<u>\$ 227,204,194</u>	<u>\$ 220,116,585</u>	<u>\$ 212,387,229</u>	<u>\$ 209,434,023</u>	<u>\$ 201,026,779</u>	<u>\$ 198,714,066</u>	<u>\$ 198,500,520</u>	<u>\$ 191,930,850</u>	<u>\$ 187,320,028</u>
Debt limit	47,768,581	45,440,839	44,023,317	42,477,446	41,886,805	40,205,356	39,742,813	39,700,104	38,386,170	37,464,006
Total net debt applicable to limit	<u>1,007,900</u>	<u>1,276,800</u>	<u>1,540,100</u>	<u>1,478,812</u>	<u>1,738,518</u>	<u>1,946,315</u>	<u>2,153,581</u>	<u>2,473,479</u>	<u>2,881,645</u>	<u>3,298,709</u>
Legal debt margin	<u>\$ 46,760,681</u>	<u>\$ 44,164,039</u>	<u>\$ 42,483,217</u>	<u>\$ 40,998,634</u>	<u>\$ 40,148,287</u>	<u>\$ 38,259,041</u>	<u>\$ 37,589,232</u>	<u>\$ 37,226,625</u>	<u>\$ 35,504,525</u>	<u>\$ 34,165,297</u>
Total net debt applicable to the limit as a percentage	2.16%	2.89%	3.63%	3.61%	4.33%	5.09%	5.73%	6.64%	8.12%	9.66%

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

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

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

CITY OF NIXA, MISSOURI
Pledged-Revenue Coverage by Fund
Last Ten Fiscal Years

Electric system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2017	\$ 17,411,291	\$ 16,259,966	1,151,325	\$ 600,000	\$ 116,025	716,025	1.61
2016	16,928,777	15,551,024	1,377,753	635,000	136,670	771,670	1.79
2015	15,999,418	15,422,038	577,380	775,000	146,267	921,267	0.63
2014	15,741,500	14,580,383	1,161,117	755,000	177,502	932,502	1.25
2013	15,548,362	13,704,399	1,843,963	735,000	267,822	1,002,822	1.84
2012	15,519,118	13,942,090	1,577,028	485,000	200,413	685,413	2.30
(4) 2011	15,331,504	12,741,177	2,590,327	655,000	360,160	1,015,160	2.55
2010	14,137,735	11,429,723	2,708,012	630,000	448,660	1,078,660	2.51
2009	12,608,939	9,865,907	2,743,032	605,000	469,812	1,074,812	2.55
2008	12,894,398	10,332,190	2,562,208	590,000	484,171	1,074,171	2.39

Water system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2017	\$ 2,340,321	\$ 1,622,815	717,506	\$ 205,000	\$ 21,798	226,798	3.16
2016	2,266,282	1,511,164	755,118	205,000	26,429	231,429	3.26
2015	2,047,718	1,497,457	550,261	205,000	30,158	235,158	2.34
2014	1,991,287	1,402,963	588,324	205,000	20,304	225,304	2.61
(4) 2013	1,577,953	1,387,750	190,203	175,000	25,356	200,356	0.95
2012	1,703,049	1,377,547	325,502	150,000	88,464	238,464	1.36
2011	1,667,471	1,343,020	324,451	145,000	93,641	238,641	1.36
2010	1,563,662	1,151,577	412,085	145,000	98,722	243,722	1.69
2009	1,407,997	1,174,138	233,859	130,000	103,363	233,363	1.00
2008	1,400,099	742,018	658,081	130,000	117,235	247,235	2.66

Sanitary sewer system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2017	\$ 3,202,250	\$ 2,534,516	667,734	\$ 536,000	\$ 88,797	624,797	1.07
2016	3,062,204	2,438,863	623,341	526,000	108,082	634,082	0.98
2015	2,976,631	2,453,613	523,018	634,000	82,254	716,254	0.73
2014	2,967,479	2,209,688	757,791	609,000	125,340	734,340	1.03
(4) 2013	2,791,848	2,144,691	647,157	651,000	200,732	851,732	0.76
2012	2,584,051	2,174,971	409,080	562,000	202,047	764,047	0.54
2011	2,577,199	1,947,877	629,322	605,284	211,067	816,351	0.77
2010	2,573,100	1,879,735	693,365	583,623	425,756	1,009,379	0.69
2009	2,503,110	1,780,953	722,157	573,067	461,948	1,035,015	0.70
2008	2,486,988	1,383,802	1,103,186	557,575	272,625	830,200	1.33

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

(2) Operating revenue includes service charges, related utility-based fees and penalties.

(3) Operating expenses excludes depreciation and non-operating expenses.

(4) The City refunded outstanding bond issues; debt service amounts in the table do not reflect the defeasance of this debt.

CITY OF NIXA, MISSOURI
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (1)	Per Capita Income (1)	Median Household Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2017	21,275	34.9	23,313	50,480	6,122	3.3%
2016	20,684	34.2	23,313	50,480	6,180	3.4%
2015	20,264	34.2	23,313	50,480	6,057	3.3%
2014	20,056	34.2	23,313	50,480	5,926	4.7%
2013	19,713	34.2	23,313	50,480	5,916	4.7%
2012	19,354	34.2	22,524	51,040	5,804	5.1%
2011	19,152	34.2	21,589	51,040	5,641	7.5%
2010	19,022	34.2	22,166	50,702	5,553	8.4%
2009	18,190	32	17,774	51,207	5,437	8.2%
2008	17,390	32	17,774	37,655	5,297	6.0%
2007	16,620	32	17,774	37,655	5,090	3.9%

Sources:

- (1) U.S. Census Bureau (actual and estimated)
- (2) Nixa Public School District
- (3) U.S. Department of Labor

CITY OF NIXA, MISSOURI
Principal Employers
Current Year and 2008

2017				2008		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Nixa School District	775	1	13.70%	629	1	10.86%
Wal-Mart	284	2	5.02%	372	2	6.42%
City of Nixa	137	3	2.42%	138	5	2.38%
Diversified	125	4	2.21%	125	4	2.16%
Christian Health & Rehabilitation	80	5	1.41%			
Nixa Hardware	82	6	1.45%			
Mercy (St. John's)	77	7	1.36%	89	7	1.54%
Price Cutter	65	8	1.15%	96	6	1.66%
Ample Industries	60	9	1.06%			
Springfield Aluminum	60	10	1.06%			
Nauvalis Healthcare Solutions				200	3	3.45%
People's Bank				76	8	1.31%
Doctor's Hospital				65	9	1.12%
Cabinet & Bath Supply				62	10	1.07%
Total	1,745		30.86%	1,852		25.03%

Source: City Clerk's Office and U.S. Census Bureau

CITY OF NIXA, MISSOURI
Property Value and Construction
Last Ten Fiscal Years

Fiscal Year	Total Estimated Actual Value (1)	New Construction (2)						Building
								Demolitions
		Residential		Commercial		Alterations and Additions		
		Number of Permits	Estimated Cost of Construction	Number of Permits	Estimated Cost of Construction	Number of Permits	Estimated Cost of Construction	Number of Permits
2017	1,148,131,996	211	45,563,615	6	465,000	45	25,000	2
2016	1,094,552,462	127	25,509,400	8	47,148,000	71	1,220,000	4
2015	1,060,833,682	105	17,935,210	5	4,892,000	68	157,500	5
2014	1,022,235,661	127	22,014,389	17	12,113,000	78	24,300	4
2013	1,005,724,869	133	20,256,716	5	4,024,600	73	1,189,500	1
2012	972,638,746	75	11,250,000	3	2,485,000	49	103,000	6
2011	961,080,434	48	7,200,000	2	900,000	58	50,060	4
2010	962,072,226	90	12,445,081	4	1,000,000	58	1,203,450	2
2009	929,018,738	73	6,169,450	7	14,730,000	53	162,795	2
2008	912,476,112	34	6,213,100	6	2,329,000	58	607,400	1

(1) Source: Christian County Assessor

(2) Source: City of Nixa Building Inspection Department

CITY OF NIXA, MISSOURI
Full-Time Equivalent Employees by Function/Programs
Last Ten Fiscal Years

Function/Programs	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Administrative Services	5	5	5	5	5	5	5	4	5	3
Municipal Court	2	2	2	2	2	2	2	2	2	2
Human Resources	2	2	2	2	2	2	2	2	2	2
Planning & Development	3	3	3	3	3	3	3	3	4	4
Building Inspections	4	3	3	3	3	3	3	4	3	3
Finance	6	6	6	7	7	6	6	6	6	6
Information Technology	1	0	0	0	1	0	1	2	2	2
Municipal property maintenance	2	2	2	2	1	1	1	2	2	2
Police										
Officers	34	29	27	27	27	27	25	25	20	21
Civilians*	6	6	6	5	5	5	5	11	12	11
Parks and recreation	9	9	9	8	8	10	10	14	15	15
Utility Billing	11	11	11	11	11	11	11	11	11	10
Public Works										
Administration	4	4	3	3	3	3	3	3	3	3
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Street Maintenance	13	13	13	13	13	13	13	13	13	13
Electric	14	14	14	14	14	14	14	14	13	13
Water	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Wastewater	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.5	7.5	7.5
Recycling	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2	2	2
Total	135	128	125	124	124	124	123	135	130	127

* The City discontinued dispatch services with the formation of County 911.

Source: City of Nixa Human Resource Department

CITY OF NIXA, MISSOURI
Operating Indicators by Function
Last Ten Fiscal Years

Function/Programs	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Business licenses issued	685	685	644	594	574	619	798	735	712	692
New Residential building permits issued	211	127	105	127	133	75	48	90	43	34
New Commercial building permits issued	6	8	5	17	6	3	2	4	6	4
Building inspections completed	4,056	2,704	2,589	3,114	2,346	1,922	1,862	2,297	1,488	1,821
Rental inspections completed	1,116	1,250	1,301	1,368	1,378	1,413	1,259	1,588	1,563	1,426
Police-Patrol										
Calls for Services	25,686	24,390	18,899	19,764	18,425	17,476	17,627	15,844	16,652	14,995
Arrests	941	682	772	865	897	659	735	691	823	822
Tickets issued	2,862	2,963	2,263	2,703	2,705	2,433	3,106	2,675	3,445	2,974
Accidents	343	328	362	349	374	367	337	321	373	356
Public Works										
Streets resurfaced (miles)*	3.8	3.2	3.4	4.6	5.9	4.1	5.8	2.7	3.8	-
Number of water towers	7	7	7	7	7	7	7	6	6	6
Number of wells	9	9	9	9	8	8	8	8	8	8
Number of water meters	8,378	8,161	8,083	7,945	7,827	7,675	7,638	7,513	7,409	7,400
Average daily well production (MGD)	2.4	2.3	2.8	2.2	2.0	2.3	2.2	2.2	2.1	2.0
Number of electric meter accounts	9,795	9,530	9,487	9,351	9,199	9,014	8,986	8,832	8,771	8,720
Number of electric sold (MWh)	152,303	152,104	147,191	146,361	143,898	145,432	146,099	147,974	133,698	135,859
WWTP average daily flow (MGD)	1.4	1.3	1.6	1.2	1.3	1.1	1.2	1.3	1.4	1.8
Recreation										
Number of recreational programs	45	42	42	48	44	37	36	36	34	34
Number of special events offered	8	8	10	16	12	10	10	10	9	9
Number of Fitness Center memberships**	1,954	1,775	1,351	1,089	475	-	-	-	-	-

Source: City department records.

*Records not available for 2008

** Fitness Center opened in 2013

CITY OF NIXA, MISSOURI
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Area (square miles)	8.97	8.82	8.53	8.53	8.53	8.53	8.53	8.53	8.53	8.53
Number of general governmental buildings	2	2	2	2	2	2	2	2	2	2
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of street lights	2,049	1,980	1,950	1,892	1,887	1,882	1,868	1,861	1,807	1,798
Miles of water mains*	137.0	134.0	130.1	130.026	129.0	-	-	-	-	-
Miles of sanitary sewers	120.6	117.0	115.5	115.5	109.0	109.0	109.0	109.0	109.0	109.0
Miles of sanitary force mains	13.30	12.79	12.79	12.79	14.00	14.00	14.00	14.00	14.00	14.00
Wastewater treatment capacity (MGD)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Number of Electric Substations	4	4	4	4	4	4	4	3	3	3
Miles of electric line	200.1	195.0	195.0	188.0	187.3	187.3	186.0	186.0	184.4	183.9
Electric Poles**	3,133	4,310	4,293	2,986	2,981	2,974	2,974	2,968	2,856	2,847
Recreation										
Number of parks	3	3	4	4	4	4	3	3	2	2
Park acreage	122	63	101	101	101	101	63	63	60	60
Number of recreational facilities	1	1	1	1	1	1	1	1	1	1
Number of baseball/softball fields	3	3	3	3	3	3	3	3	3	3
Number of soccer fields	3	3	3	3	3	3	3	3	3	3

*Records for water mains not available for 2008 - 2012

**Records updated in 2015 to include poles with street lights

Source: City departmental records.



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