

CITY OF NIXA, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2015

"Neighbors committed to an exceptional quality of life."

CITY OF NIXA, MISSOURI

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

REPORT PREPARED AND SUBMITTED
BY THE FINANCE DEPARTMENT

Brian Bingle, 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, 2015

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SECTION I - INTRODUCTORY SECTION

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Finance Department
715 W. Mt. Vernon
P.O. Box 395
Nixa, Missouri 65714
Phone (417) 724-5625
Fax (417) 724-5723

May 4, 2015

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, 2015 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. 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 20,980.

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 its electricity from Springfield City Utilities and Southwest Power Administration. 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 future 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 six other directors – Director of Planning and Zoning, Director of Public Works, Director of Finance, Director of Human Resources, Director of Parks and Recreation, and Director of Communications. A total of 129 full-time positions were budgeted for 2016.

LOCAL ECONOMY

Total tax revenue for the City rose by 3% in 2015, with an increase of 3.6% in sales tax revenue.

The number of new building permits for 2015 were fewer than those issued in 2013 and 2014. This is believed to be due to the decrease in available residential building lots. However, the Planning and Development Department finalized a plat in 2015 with forty (40) new building lots, and more plats are anticipated to be developed in 2016.

ECONOMIC DEVELOPMENT

Council adopted an Economic Development Incentive Resource Guide along with an Economic Incentives Policy Manual in 2015. While incentive packages have been available for developers in the past, this action formalized the process of incentives for retail and economic development.

City officials took the initiative this past year to form a business development corporation (BDC) to function as a regional economic development agency for Christian County. The BDC will be established as a 501(c) (3) and form a nine (9) member board for the oversight of an economic development agency. In the first quarter of 2016, several local governments and businesses in the county had committed their support to the BDC.

In 2015, Suddenlink began offering throughout Nixa an internet service with up to one (1) Gigabit per second download speed, making the area the first Suddenlink-served community in Missouri to receive this service.

Also, worth noting is the addition of a major retail grocer, Aldi's, that located and built a new store in the City.

MAJOR INITIATIVES

During Fiscal Year 2015, the City of Nixa completed the following major initiatives:

- Water Disinfection System

- Improvements to the entrance of the Wastewater Treatment Plant and Wastewater Ditch #3
- Replacement of six (6) substation relays
- Higher capacity conductoring of overhead electric distribution line

The following items were budgeted in 2015, but due to time constraints, have been carried forward into the 2016 budget for completion:

- SCADA Systems for monitoring of all enterprise funds
- Water loop line for Inman Road and M Highway
- Channel covers and partial close-in of headworks at Wastewater Treatment Plant
- First phase of replacing overhead electric lines with underground distribution
- Electric improvements to tie circuits along Main Street
- Distribution breakers for Downtown Substation
- Improvements to Tracker and Main Street Intersection
- Improvements to US 160 and SH 14 Intersection

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 2014. 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. A rate study for electric rates has been budgeted for 2016. Both waste water rates and water rates were reviewed in 2013; new rates were effective in 2013 and 2014, respectively. Services for trash handling are bid out and contracted with a third party vendor. User rates implement incremental increases to adjust to rising costs.

Cash Management

The City's investment policy, adopted by Council in 2011, established 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.

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 with sewer rate adjustments approved by ordinance for 2013 – 2019. The Water Department's master plan was adopted in 2013; adjustments were approved for 2014 – 2017 water rates. A rate study for the Electric Department is budgeted for 2016. A Street master plan was updated in 2015 and results were presented to Council in January 2016. A survey conducted during this process will assist Council in the prioritization of transportation and connectivity issues.

Debt Administration

The City of Nixa had an outstanding debt balance of \$15,445,732 on December 31, 2015 compared to a balance of \$17,829,904 as of December 31, 2014. Of this balance, \$1,540,100 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 the following:

- General Leasehold Agreements - \$2,701,632
- Enterprise Revenue Bonds - \$10,149,000
- Enterprise Lease Obligations - \$1,055,000

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 were established in 2014 by members of the community, City staff, and local businesses. This five-year 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 strategies focusing on transportation, community involvement, economic development, and recreation. Implementation of several action plans began in 2015; action plans will continue to serve the City as a guide to strategic planning through the year 2020.

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.

ACKNOWLEDGEMENTS

We would like to recognize the Mayor and Council for their oversight of the City's resources in providing quality services to Nixa residents. Our appreciation is extended to the Finance Department in their diligence to maintain a reliable reporting system for the City. In addition, we would like to thank our auditors, Decker and DeGood, PC, for their assistance in formulating this report.

Respectfully submitted,



Brian Bingle
City Administrator



Donna Swatzell
Director of Finance

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City of Nixa, Missouri

Principal Officials

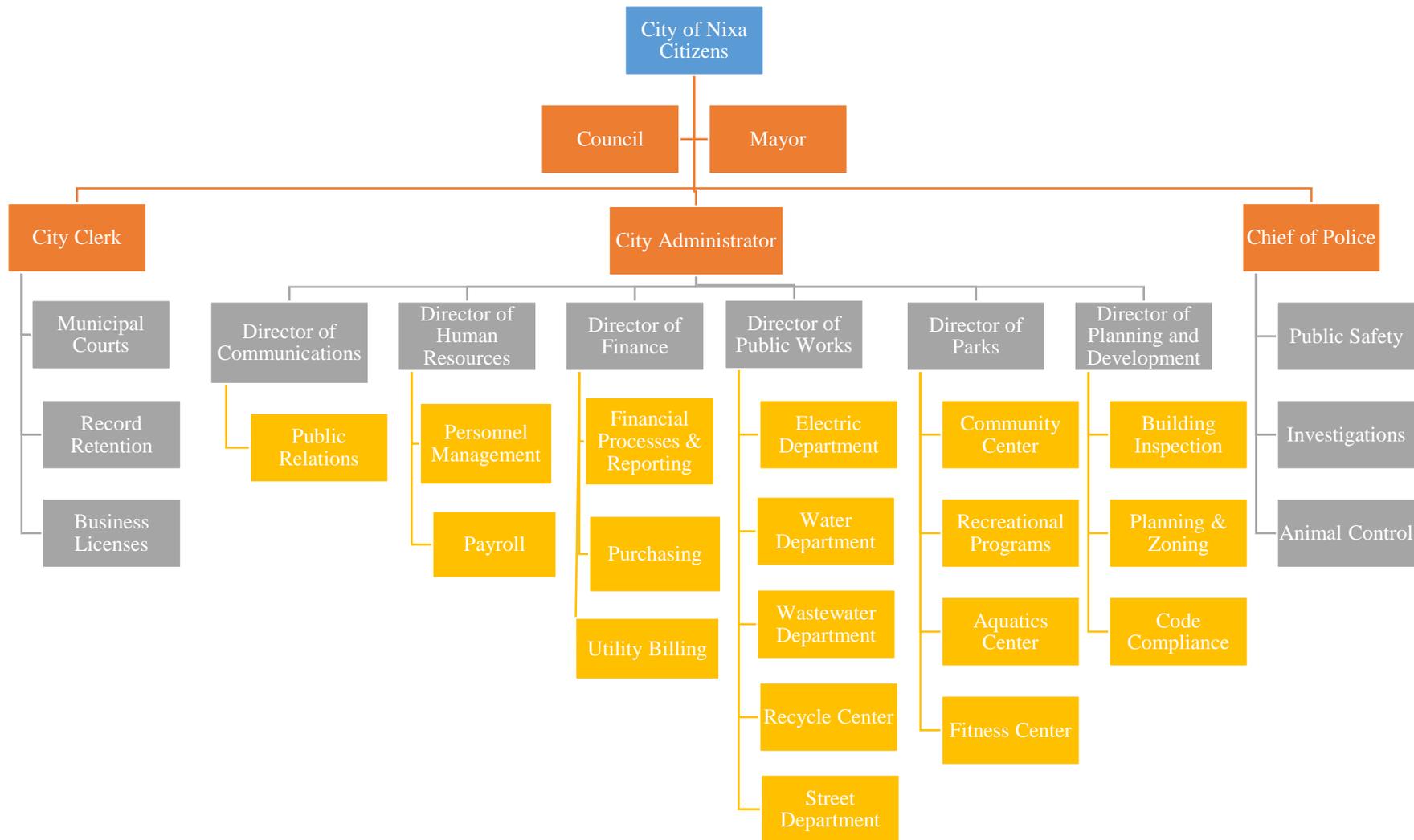
Mayor and Council

Brian Steele, Mayor – 04/2017
Jay Farr, District I – 04/2018
Andy Ellis, District I – 04/2016
Chris Russell, District II – 04/2018
Aron Peterson, District II – 04/2016
Andrea Long, District III – 04/2017
Darlene Graham, District III – 04/2016

Appointed

City Administrator – Brian Bingle
City Clerk – Cindy Robbins
Chief of Police – Jimmy Liles
Director of Public Works – Doug Colvin
Director of Planning and Development – Travis Cossey
Director of Communications – Jill Finney
Director of Parks and Recreation – Matt Crouse
Director of Human Resources – Sharon Hankison
Director of Finance – Donna Swatzell

CITY OF NIXA ORGANIZATIONAL CHART



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SECTION II - FINANCIAL SECTION

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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 City of Nixa, Missouri, as of and for the year ended December 31, 2015, 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, 2015, 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.

Change in Accounting Principle

As discussed in Note A to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

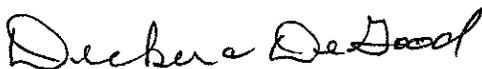
Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 3 through 13, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are 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 provided any assurance on them.


Decker & DeGood
Springfield, Missouri
March 3, 2016

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Management's Discussion and Analysis

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Finance Department
715 W. Mt. Vernon
P.O. Box 395
Nixa, Missouri 65714
Phone (417) 724-5625
Fax (417) 724-5723

MANAGEMENT'S DISCUSSION AND ANALYSIS

We offer those interested in the City of Nixa's financial statements this narrative overview and analysis of the financial activities of the City of Nixa (the City) for the fiscal year ended December 31, 2015. We encourage readers to consider the information that we have furnished in our letter of transmittal at the beginning of this report along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A).

As further described in Note A, the City adopted GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", for the year ended December 31, 2015. As a result, certain comparative information for the year ended December 31, 2014 has been restated.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred outflows of resources for the most recent fiscal year by \$109,048,212. The City has unrestricted net assets totaling \$23,650,282, which can be used to fund the City's functions/programs.
- As of December 31, 2015, governmental activities and business-type activities had net positions of \$67,575,044 and \$41,473,168, respectively.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,985,353, and increase of \$208,357 in comparison with the prior year. Approximately 56% of this total amount, \$5,626,047, is available for spending at the City's discretion.
- The unassigned fund balance for the General Fund, \$5,626,047, is 113% of total General Fund expenditures and is an increase in comparison with the prior year unassigned fund balance.
- The City's total long-term debt obligations decreased by \$2.38 million dollars as compared to fiscal year 2014.
- Sales tax and property tax revenue increased by \$159,013 and \$25,213, respectively.

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 net assets and liabilities, 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 water, sewer, and electric systems.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

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

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash when earned and expenditures 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 58-59 and 65-67.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 16 and 19 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 20 - 22 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 23-57 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 58-62 of this report.

Other Supplementary Information

The combining and individual fund statements, providing fund level detail for all non-major governmental funds and budgetary information, can be found on pages 63-67 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City presents its financial statements pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB34), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Therefore, a comparative analysis of government-wide data will be included in this report.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City's governmental activities net assets exceeded liabilities by \$ 67 million at December 31, 2015. This was a slight increase from the prior year.

The City's business-type activities net assets exceeded liabilities by \$ 41.4 million at December 31, 2015. This increase was due to growth in the proprietary funds by \$838,720 of which was from normal operations.

As of December 31, 2015, the condensed Statement of Net Position is as follows:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total
	2015	2014 Restated	2015	2014 Restated	2015
Current Assets	\$ 10,753,023	\$ 10,079,620	\$ 15,101,854	\$ 16,006,473	\$ 25,854,877
Noncurrent Assets	61,562,894	61,967,199	39,526,340	39,419,818	101,089,234
Total Assets	72,315,917	72,046,819	54,628,194	55,426,291	126,944,111
Deferred Outflows	438,522	551,614	552,646	150,519	991,168
Current Liabilities	1,278,082	1,230,412	2,693,245	2,849,937	3,971,327
Long-Term Debt	3,879,007	4,619,673	10,729,113	12,092,425	14,608,120
Total Liabilities	5,157,089	5,850,085	13,422,358	14,942,362	18,579,447
Deferred Inflows	22,306	4,693	285,314	-	307,620
Net Position:					-
Invested in capital assets-net	57,018,946	56,636,607	27,783,362	25,143,764	84,802,308
Restricted	-	318,688	595,622	712,504	595,622
Unrestricted	10,556,098	9,788,360	13,094,184	14,778,180	23,650,282
Total net position	\$ 67,575,044	\$ 66,743,655	\$ 41,473,168	\$ 40,634,448	\$ 109,048,212

Net position may, over time, serve as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$109 million at the close of the fiscal year 2015.

The largest portion of the City's net position, \$84.8 million, reflects its net investment in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. An additional portion of the City's net position, \$595,622 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$23.65 million.

Changes in Net Position

The changes in net position are highlighted in the following table, which shows the City's revenues and expenses for the fiscal year. These two main components are subtracted to yield the change in net position.

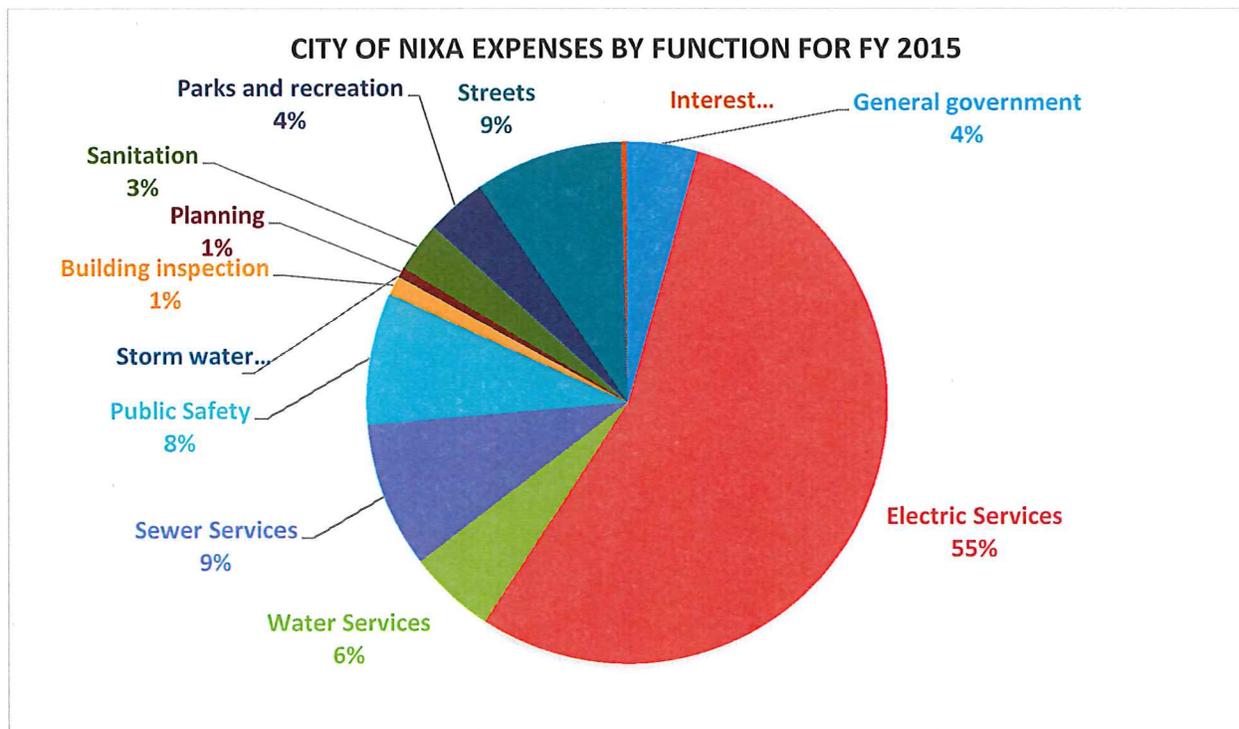
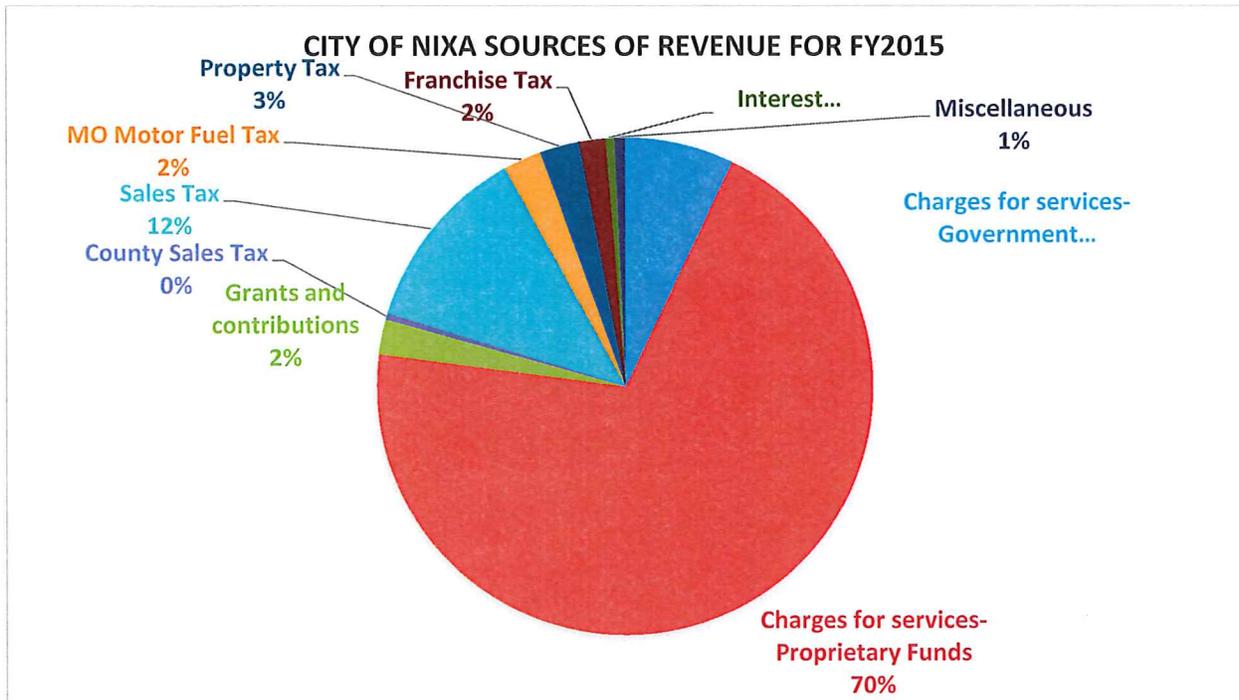
	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues:				
Program Revenues				
Charges for services	\$ 2,140,072	\$ 2,127,634	\$21,089,509	\$20,835,961
Operating grants and contributions	45,125	26,045	-	-
Capital grants and contributions	409,722	91,648	225,630	116,796
General Revenues				
Taxes	5,828,767	5,656,827	-	-
Interest	69,230	62,564	103,935	266,561
Other	134,560	23,939	75,381	-
Transfers	947,720	748,905	(947,720)	(1,884,419)
Total Revenue	<u>9,575,196</u>	<u>8,737,562</u>	<u>20,546,735</u>	<u>19,334,899</u>
Expenses:				
Administration	1,242,757	1,036,575	19,708,015	17,591,105
Public Safety	2,328,959	2,243,976	-	-
Building inspection	336,370	211,108	-	-
Storm water	14,500	18,406	-	-
Planning	163,516	157,803	-	-
Sanitation	882,781	864,359	-	-
Parks and recreation	1,065,360	1,169,721	-	-
Streets	2,610,494	2,429,810	-	-
Interest	99,070	179,794	-	-
Total Expense	<u>8,743,807</u>	<u>8,485,916</u>	<u>19,708,015</u>	<u>17,591,105</u>
Change in Net Position	831,389	251,646	838,720	1,743,794
Net Position, beginning	66,743,655	65,945,088	40,634,448	38,697,493
Prior period adjustment	-	546,921	-	193,161
Net Position, ending	<u>\$67,575,044</u>	<u>\$66,743,655</u>	<u>\$41,473,168</u>	<u>\$40,634,448</u>

The City had an increase in net position of \$1.67 million. This increase was a result of funds maintaining a diminished increase of expenditures as a proportion of revenues.

Charges for services are the primary revenue sources used to support City-wide programs. Total City revenue is comprised of 70% from the Proprietary Funds of Electric, Waterworks, and Sewer, and 7% from sanitation services, community programs and other governmental activities. Taxes contribute 19% of City-wide revenues and include sales tax, property tax, franchise, and motor fuel taxes.

Proprietary funds account for 70% of expenses for the City.

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



Governmental Activities – Governmental activities increased the City’s net position by \$830 thousand. This increase is attributed to a 3% increase in taxes and the receipt of \$338 thousand from a Surface Transportation Program grant to offset expenses toward a street improvement project.

Business-type Activities – Although the increase in City’s net position is less than the previous year, business-type activities increase still increased the net position by \$839 thousand. While overall usage of services increased due to City growth, milder temperatures and increased rainfall lessened revenue increases. Rates are continually monitored to ensure coverage of operational expenses and system improvements.

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

Governmental Funds

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

Some significant items are presented below for comparison and analysis.

	Percent of Total	2015	2014	Change	
				Amount	%
Revenues:					
Property taxes	8.86%	\$ 766,135	\$ 740,922	\$ 25,213	3.40%
Franchise taxes (cable/gas)	5.99%	517,433	536,765	(19,332)	-3.60%
Sales taxes	44.15%	3,816,625	3,684,084	132,541	3.60%
Missouri motor fuel taxes	8.61%	744,108	720,523	23,585	3.27%
Licenses & permits	1.84%	159,025	138,296	20,729	14.99%
Charge for services	20.58%	1,778,750	1,681,012	97,738	5.81%
Fines & forfeits	2.11%	182,474	286,009	(103,535)	-36.20%
Interest	0.80%	69,230	62,564	6,666	10.65%
Grants	4.43%	383,213	33,007	350,206	1061.01%
Miscellaneous	2.62%	226,806	131,547	95,259	72.41%
Total	100.00%	8,643,799	8,014,729	629,070	7.85%
Expenditures:					
General government	10.33%	920,402	848,251	72,151	8.51%
Police	25.26%	2,250,998	2,121,032	129,966	6.13%
Building inspection	2.34%	208,771	203,936	4,835	2.37%
Streets	15.79%	1,407,478	1,404,668	2,810	0.20%
Planning	1.83%	163,516	157,803	5,713	3.62%
Parks	11.54%	1,028,313	986,767	41,546	4.21%
Sanitation	9.91%	882,781	864,359	18,422	2.13%
Storm water	0.16%	14,500	18,406	(3,906)	-21.22%
Capital Outlay	14.44%	1,286,581	315,638	970,943	307.61%
Debt service	8.40%	749,013	766,188	(17,175)	-2.24%
Total	100.00%	8,912,353	7,687,048	1,225,305	15.94%

Revenue from taxes continues to grow at a steady rate showing an increase for the sixth consecutive year. In particular, sales tax increased 3.6% or \$132,541. Center Memberships for the Parks Department had a 37% increase for \$89,517 in additional revenue. Operating expenses had a slight increase and \$1.2 million was expended toward capital street improvements.

Business-type Activities

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

	2015	2014	Change	
			Amount	%
Waterworks Fund				
Revenue	\$ 2,047,718	\$ 1,991,287	\$ 56,431	2.83%
Expense net of Depreciation and inter-fund	888,804	793,102	95,702	12.07%
Operating Income	550,261	588,324	(38,063)	-6.47%
Sewer Fund				
Revenue	2,976,630	2,967,479	9,151	0.31%
Expense net of Depreciation and inter-fund	1,484,000	1,243,651	240,349	19.33%
Operating Income	523,018	757,791	(234,773)	-30.98%
Electric Fund				
Revenue	15,999,418	15,741,500	257,918	1.64%
Expense net of Depreciation and inter-fund	14,340,120	13,512,085	828,035	6.13%
Cost of power purchased	12,305,745	11,976,805	328,940	2.75%
Operating Income	577,380	1,161,117	(583,737)	-50.27%

Waterworks Fund and Sewer Fund showed a significant increase in revenue with that going to the bottom line of operating income with the Electric Fund cost of power purchased offset by an increase in revenue posting a net decrease.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the budget for capital improvements as needed. The budget amendment was only slightly increased for additional line items that the Council felt they had the additional monies to go ahead and include in 2015.

The actual performance of revenue for General Fund compared to budget resulted in a 3.9% increase while expenditures were 5.3% below final budget. General sales tax and transportation tax were 7% greater than budget for additional revenue of \$241,625. Property taxes were increased 3.9% and franchise taxes were 3.3% under budget for a net gain of \$11 thousand over budgeted revenue.

Both Grant Income and Capital Outlay for the Street Fund were under budget due to the incompleteness of street improvement projects to be funded by grants. Budget for 2015 reflects the completion of these projects and the receipt of grant funds.

Revenue for non-major governmental funds was 7% greater than final budget and expenditures were 8.5% less than final budgeted amounts. This resulted in a savings in transfer from General Fund of \$198,000.

BOND RATINGS

In April of 2015, Moody's Investors Services assigned a rating of A1 to the City's leasehold revenue bonds. In 2014, Standard & Poor's Ratings Services affirmed its AA rating on the Electric System Revenue bonds.

CAPITAL ASSET AND DEBT ADMINISTRATION

	Capital Assets					
	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land & Buildings	\$ 12,754,015	\$ 12,731,722	\$ 3,875,141	\$ 3,716,315	\$ 16,629,156	\$ 16,448,037
Improvements	2,851,351	2,517,521	50,611,117	49,560,602	53,462,468	52,078,123
Street	64,612,785	64,612,785	-	-	64,612,785	64,612,785
Equipment	2,188,661	2,125,130	1,054,573	1,027,915	3,243,234	3,153,045
Vehicles	1,384,436	1,378,277	2,216,182	2,052,524	3,600,618	3,430,801
Construction-in-Progress	1,114,631	305,473	672,534	292,976	1,787,165	598,449
	<u>\$ 84,905,879</u>	<u>\$ 83,670,908</u>	<u>\$ 58,429,547</u>	<u>\$ 56,650,332</u>	<u>\$ 143,335,426</u>	<u>\$ 140,321,240</u>

This year's additions and deletions include:

Re-conductor distribution line-DT Sub to North Street	\$ 281,347
Replacement of Relays at Espy	77,287
Water System Disinfection	469,834
Wastewater Ditch #3	193,399
Entrance to Wastewater Treatment Plant	137,166
Wastewater Hard Surface Ditch	25,907
Vehicles	163,660
Equipment	86,514
Equipment Disposals	(57,114)
Other improvements	21,657
Projects in Progress	379,558
Increase in Business-Type Activities	<u>1,779,215</u>
Aldersgate Sidewalk	13,398
Kenneth Street relocation	263,772
Vehicles	29,683
Equipment	91,617
Equipment Disposals	(28,087)
Vehicle Disposals	(23,525)
Other improvements	78,955
Projects in Progress	809,158
Increase in Governmental Activities	<u>1,234,971</u>
Total Increase	<u>\$ 3,014,186</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.

Long-Term Debt Obligations

At year-end, the City had \$ 15,445,732 outstanding notes as compared to the prior year of \$ 17,829,904.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	\$ -	\$ -	\$ 10,149,000	\$ 11,663,000	\$ 10,149,000	\$ 11,663,000
G.O. Bonds	1,540,100	1,797,500	-	-	1,540,100	1,797,500
Lease Obligations	2,701,632	3,214,404	1,055,000	1,155,000	3,756,632	4,369,404
TOTALS	\$ 4,241,732	\$ 5,011,904	\$ 11,204,000	\$ 12,818,000	\$ 15,445,732	\$ 17,829,904

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 City’s 2016 Budget reflects revenue of \$35,932,935 and expenditures of \$40,778,123. Expenditures are comprised of \$29,633,482 in operating expense, \$2,432,841 for debt retirement, and \$8,711,800 in capital improvement projects.

The 2016 budget for the Street Fund provides \$3,907,500 for street improvements - \$1,445,500 for the intersection of Highway 14 and US 160, and \$2,462,000 for the intersection of Tracker and Main Streets. Improvements to Highway 14 and US 160 are being constructed by Missouri Department of Transportation through a 50% cost share agreement. The 2016 Budget identifies \$1,135,004 from the Surface Transportation Program (STP) for the Tracker and Main Street project.

The 2016 Budget includes improvements of \$2,277,000 for the Electric System, \$550,000 for Water System, and \$955,000 for the Sewer System. The following transfers were approved for the Park Fund Capital Program: \$12,000 from Park Building Reserves for improvements to bathroom floors, and \$75,300 from Aquatics Reserves to afford painting of the pool and other aquatic improvements.

Other capital improvements include \$247,500 for various building improvements, \$385,500 for equipment, and \$302,000 for vehicles.

All rates and fees imposed by the City are monitored on a continuous basis. An electric rate study has been budgeted for 2016. Water and Wastewater rate studies were conducted in 2013 with proposed minimal annual increases. Budgeted revenue reflect these increases.

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.

Donna Swatzell,
Finance Director

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Basic Financial Statements

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CITY OF NIXA, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalent	\$ 9,322,283	\$ 12,768,453	\$ 22,090,736
Receivables:			
Utility accounts, net	57,878	1,288,382	1,346,260
Property taxes	641,277	-	641,277
Other taxes	549,950	-	549,950
Grants	154,293	-	154,293
Other	2,097	-	2,097
Prepaid expenses	25,245	12,666	37,911
Materials and supply inventory	-	1,032,353	1,032,353
Cash and cash equivalents-restricted			
Debt reserves	-	603,125	603,125
Capital assets:			
Land	1,545,798	918,683	2,464,481
Construction in progress	1,114,631	672,533	1,787,164
Other capital assets, net of accumulated depreciation	58,600,249	37,225,263	95,825,512
Net pension assets	302,216	106,736	408,952
Total Assets	72,315,917	54,628,194	126,944,111
DEFERRED OUTFLOW OF RESOURCES			
Deferred loss on refunding	-	397,769	397,769
Deferred amounts related to pensions	438,522	154,877	593,399
Total Deferred Outflows of Resources	438,522	552,646	991,168
LIABILITIES			
Accounts payable	161,317	1,162,470	1,323,787
Accrued wages	133,810	43,998	177,808
Accrued payroll taxes and benefits	3,451	-	3,451
Accrued sales tax	-	22,759	22,759
Accrued interest	26,380	38,650	65,030
Builders deposits	297,132	-	297,132
Compensated absences	151,060	59,368	210,428
Noncurrent liabilities:			
Amounts due within one year	504,932	1,366,000	1,870,932
Amounts due in more than one year:			
Revenue Bonds	-	8,888,000	8,888,000
General Obligation Bonds	1,276,800	-	1,276,800
Capital Lease Obligations	2,460,000	950,000	3,410,000
Compensated absences	142,207	34,763	176,970
Customer deposits	-	856,350	856,350
Total Liabilities	5,157,089	13,422,358	18,579,447
DEFERRED INFLOW OF RESOURCES			
Deferred gain on refunding, net	-	277,436	277,436
Deferred amounts related to pensions	22,306	7,878	30,184
Total Deferred Inflow of Resources	22,306	285,314	307,620
NET POSITION			
Net investment in capital assets	57,018,946	27,783,362	84,802,308
Restricted for:			
Debt service	-	595,622	595,622
Unrestricted	10,556,098	13,094,184	23,650,282
Total Net Position	\$ 67,575,044	\$ 41,473,168	\$ 109,048,212

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

CITY OF NIXA, MISSOURI
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	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	\$ 1,242,757	\$ -	\$ -	\$ (1,242,757)	\$ -	\$ (1,242,757)
Public safety:						
Police	2,328,959	44,068	19,670	(2,047,884)	-	(2,047,884)
Building inspections	215,208	119,710	-	(95,498)	-	(95,498)
Storm water	14,500	13,005	-	(1,495)	-	(1,495)
Planning	163,516	47,742	-	(115,774)	-	(115,774)
Sanitation	882,781	984,177	-	101,396	-	101,396
Park and recreation	1,186,522	758,101	51,964	(375,400)	-	(375,400)
Streets	2,610,494	1,057	338,088	(2,272,406)	-	(2,272,406)
Interest on long-term debt	99,070	-	-	(99,070)	-	(99,070)
Total governmental activities	8,743,807	2,140,072	409,722	(6,148,888)	-	(6,148,888)
Business-type activities:						
Waterworks	1,531,941	-	10,296	-	640,508	640,508
Sewer	2,569,640	2,162,153	-	-	485,042	485,042
Electric	15,606,434	2,955,321	99,361	-	481,574	481,574
Total business-type activities	19,708,015	15,972,035	115,973	-	1,607,124	1,607,124
Total Primary Government	\$ 28,451,822	\$ 23,229,581	\$ 635,352	(6,148,888)	1,607,124	(4,541,764)
General Revenues						
Taxes:						
Property taxes for general purposes				749,812	-	749,812
Franchise taxes				517,433	-	517,433
Sales taxes				3,816,625	-	3,816,625
Financial institutional taxes				789	-	789
Missouri motor fuel taxes				744,108	-	744,108
Fee in Lieu of Taxes				947,720	(947,720)	-
Interest on investments				69,230	103,935	173,165
Miscellaneous				134,560	75,381	209,941
Total general revenues and transfers				6,980,277	(768,404)	6,211,873
Change in net position				831,389	838,720	1,670,109
Net position beginning - Restated				66,743,655	40,634,448	107,378,103
Net position ending				\$ 67,575,044	\$ 41,473,168	\$ 109,048,212

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

CITY OF NIXA, MISSOURI

BALANCE SHEET- GOVERNMENTAL FUNDS DECEMBER 31, 2015

ASSETS	General Fund	Street Fund	Non-major Governmental Funds	Total Governmental Funds
	\$	\$	\$	\$
Cash and cash equivalent	4,967,350	3,929,451	425,482	9,322,283
Accounts receivable-				
Real estate taxes	641,277	-	-	641,277
Refuse	57,878	-	-	57,878
Sales, franchise, and motor fuel taxes	360,845	189,105	-	549,950
Grants	-	154,293	-	154,293
Other	-	-	2,097	2,097
Prepaid expenses	14,169	6,925	4,151	25,245
 Total Assets	 \$ 6,041,519	 \$ 4,279,774	 \$ 431,730	 \$ 10,753,023
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
LIABILITIES				
Accounts payable	\$ 137,461	\$ 9,986	\$ 13,870	\$ 161,317
Accrued wages	99,466	15,202	19,142	133,810
Accrued payroll taxes and benefits	3,451	-	-	3,451
Compensated absences	120,100	14,509	16,451	151,060
Deposits and prepaid fees	19,925	267,823	9,384	297,132
 Total Liabilities	 380,403	 307,520	 58,847	 746,770
 DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	20,900	-	-	20,900
 FUND BALANCES				
Fund Balances -				
Nonspendable	14,169	6,925	4,151	25,245
Restricted	-	3,965,329	368,732	4,334,061
Unassigned	5,626,047	-	-	5,626,047
 Total Fund Balances	 5,640,216	 3,972,254	 372,883	 9,985,353
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 \$ 6,041,519	 \$ 4,279,774	 \$ 431,730	 \$ 10,753,023

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

CITY OF NIXA, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

Total Fund Balances-Governmental Funds		\$ 9,985,353
<p>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.</p>		
Non-depreciable assets	2,660,429	
Depreciable assets	<u>58,600,249</u>	61,260,678
<p>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.</p>		
		20,900
<p>Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:</p>		
Net pension assets		302,216
Deferred outflows - pension related		438,522
Deferred inflows - pension related		(22,306)
<p>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.</p>		
		(26,380)
<p>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:</p>		
Bonds payable	(4,241,732)	
Compensated absences payable	<u>(142,207)</u>	(4,383,939)
Net position of governmental activities		<u><u>\$ 67,575,044</u></u>

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

CITY OF NIXA, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Street Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 766,135	\$ -	\$ -	\$ 766,135
Franchise taxes	517,433	-	-	517,433
Sales taxes	2,461,554	1,230,071	-	3,691,625
Financial institutional tax	789	-	-	789
Intergovernmental taxes:				
Missouri motor fuel taxes	-	744,108	-	744,108
Christian County sales tax	-	125,000	-	125,000
Licenses & permits	39,315	-	119,710	159,025
Charges for services:				
Sanitation	984,177	-	-	984,177
Park programs	-	-	738,278	738,278
Plan reviews and inspections	2,096	-	54,199	56,295
Fines & forfeitures	182,474	-	-	182,474
Interest	39,705	26,282	3,243	69,230
Grants	44,068	338,088	1,057	383,213
Donations	-	-	7,594	7,594
Rents	-	-	19,823	19,823
Impact fees	64,040	-	-	64,040
Miscellaneous	25,462	85,070	24,028	134,560
Total Revenues	<u>5,127,248</u>	<u>2,548,619</u>	<u>967,932</u>	<u>8,643,799</u>
EXPENDITURES				
Current:				
General government	920,402	-	-	920,402
Police	2,250,998	-	-	2,250,998
Building inspection	-	-	208,771	208,771
Streets	-	1,407,478	-	1,407,478
Planning	163,516	-	-	163,516
Parks	-	-	1,028,313	1,028,313
Sanitation	882,781	-	-	882,781
Storm water	-	-	14,500	14,500
Capital outlay:				
General government	28,147	-	-	28,147
Police	68,096	-	-	68,096
Streets	-	1,099,580	-	1,099,580
Parks	-	-	89,912	89,912
Building inspection	-	-	846	846
Debt service:				
Principal retirement	534,638	-	85,534	620,172
Interest and fiscal agent fees	127,581	-	1,260	128,841
Total Expenditures	<u>4,976,159</u>	<u>2,507,058</u>	<u>1,429,136</u>	<u>8,912,353</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>151,089</u>	<u>41,561</u>	<u>(461,204)</u>	<u>(268,554)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	456,000	456,000
Transfers to other funds	(456,000)	-	-	(456,000)
Transfer in-Fee in Lieu of Taxes	947,720	-	-	947,720
Proceeds of refunding debt	2,885,000	-	-	2,885,000
Payment to refunded debt escrow agent	(3,203,687)	-	-	(3,203,687)
Total Other Financing Sources (Uses)	<u>173,033</u>	<u>-</u>	<u>456,000</u>	<u>629,033</u>
NET CHANGE IN FUND BALANCE	324,122	41,561	(5,204)	360,479
FUND BALANCES - BEGINNING (RESTATED)	<u>5,316,094</u>	<u>3,930,693</u>	<u>378,087</u>	<u>9,624,874</u>
FUND BALANCES- ENDING	<u>\$5,640,216</u>	<u>\$3,972,254</u>	<u>\$ 372,883</u>	<u>\$ 9,985,353</u>

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

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, 2015

Net change in fund balances--total governmental funds	\$	360,479
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>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.</p>		
Capital expenditures		1,286,581
Less: Current year depreciation		(1,671,509)
<p>The net effect of various miscellaneous transaction involving capital assets:</p>		
Cost of disposals, net of accumulated depreciation		(3,966)
<p>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</p>		
Payment of bond principal		3,655,172
New debt issued		(2,885,000)
<p>Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measureable 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.</p>		
		(16,323)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		(95,327)
Accrued interest on bonded debt		29,771
Net pension expense		171,511
		171,511
Change in net position of governmental activities	\$	831,389

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

CITY OF NIXA, MISSOURI

STATEMENT OF NET POSITION-

PROPRIETARY FUNDS

DECEMBER 31, 2015

	Waterworks Fund	Sewer Fund	Electric Fund	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalent	\$ 2,884,489	\$ 2,974,250	\$ 6,909,714	\$ 12,768,453
Utility accounts receivable, net	114,797	220,546	953,039	1,288,382
Material and supplies inventory	133,003	-	899,350	1,032,353
Prepaid expenses	3,289	3,459	5,918	12,666
Total Current Assets	<u>3,135,578</u>	<u>3,198,255</u>	<u>8,768,021</u>	<u>15,101,854</u>
Noncurrent assets:				
Restricted assets: Cash and cash equivalents				
Debt service reserve	-	84,797	518,328	603,125
Capital assets:				
Land	116,751	149,255	652,677	918,683
Construction in progress	107,744	218,691	346,098	672,533
Property, plant and equipment (Net of accumulated depreciation)	6,519,504	15,942,395	14,763,364	37,225,263
Net pension assets	20,092	37,588	49,056	106,736
Total Noncurrent Assets	<u>6,764,091</u>	<u>16,432,726</u>	<u>16,329,523</u>	<u>39,526,340</u>
 Total Assets	 <u>9,899,669</u>	 <u>19,630,981</u>	 <u>25,097,544</u>	 <u>54,628,194</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>				
Deferred loss on refunding, net	34,373	46,298	317,098	397,769
Deferred amounts related to pension	29,255	54,474	71,148	154,877
Total Deferred Outflows of Resources	<u>63,628</u>	<u>100,772</u>	<u>388,246</u>	<u>552,646</u>
 <u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	55,502	33,084	1,073,884	1,162,470
Accrued wages	9,464	13,939	20,595	43,998
Accrued sales tax	4,503	-	18,256	22,759
Accrued interest	2,175	1,900	34,575	38,650
Compensated absences	14,797	20,315	24,256	59,368
Debt due within one year:				
Revenue bonds payable	205,000	421,000	635,000	1,261,000
Capital lease obligation	-	105,000	-	105,000
Total Current Liabilities	<u>291,441</u>	<u>595,238</u>	<u>1,806,566</u>	<u>2,693,245</u>
Noncurrent liabilities:				
Revenue bonds payable	1,165,000	3,243,000	4,480,000	8,888,000
Capital lease obligation	-	950,000	-	950,000
Customer deposits	174,640	-	681,710	856,350
Compensated absences	11,427	-	23,336	34,763
Total Noncurrent Liabilities	<u>1,351,067</u>	<u>4,193,000</u>	<u>5,185,046</u>	<u>10,729,113</u>
Total Liabilities	<u>1,642,508</u>	<u>4,788,238</u>	<u>6,991,612</u>	<u>13,422,358</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>				
Deferred gain on refunding, net	-	143,146	134,290	277,436
Deferred amounts related to pensions	1,488	2,771	3,619	7,878
Total Deferred Inflows of Resources	<u>1,488</u>	<u>145,917</u>	<u>137,909</u>	<u>285,314</u>
 <u>NET POSITION</u>				
Net investment in capital assets	5,408,372	11,545,043	10,829,947	27,783,362
Restricted for revenue bond retirement	-	84,797	510,825	595,622
Unrestricted	2,910,929	3,167,758	7,015,497	13,094,184
Total Net Position	<u>\$ 8,319,301</u>	<u>\$ 14,797,598</u>	<u>\$ 18,356,269</u>	<u>\$ 41,473,168</u>

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

CITY OF NIXA, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Waterworks Fund	Sewer Fund	Electric Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 2,000,285	\$ 2,805,166	\$ 15,923,963	\$ 20,729,414
Recycling charges	-	150,155	-	150,155
Hookups, permits, and reconnect fees	20,745	-	48,072	68,817
Miscellaneous income	26,688	21,310	27,383	75,381
Total Operating Revenues	<u>2,047,718</u>	<u>2,976,631</u>	<u>15,999,418</u>	<u>21,023,767</u>
OPERATING EXPENSES:				
Administrative fee to General Fund	366,741	319,562	443,755	1,130,058
Bad debt expense	3,664	13,775	31,487	48,926
Chemicals	21,356	16,215	-	37,571
Computer supplies and expense	22,485	26,290	25,069	73,844
Contract labor	12,752	10,875	77,774	101,401
Depreciation	241,912	650,051	638,163	1,530,126
Dues and licenses	15,215	6,221	12,509	33,945
Electricity purchased	-	-	12,305,745	12,305,745
Employee insurance	53,872	100,889	131,041	285,802
Employee retirement	12,822	18,010	31,664	62,496
Gasoline and diesel	14,582	18,502	16,450	49,534
Insurance	44,167	60,387	60,906	165,460
Merchant card fees	19,849	19,849	19,849	59,547
Miscellaneous	2,741	36,882	8,966	48,589
Office supplies and postage	29,377	30,370	29,542	89,289
Payroll taxes	19,160	29,336	46,559	95,055
Professional fees	13,076	34,865	213,965	261,906
Repairs & maintenance	160,005	413,444	66,329	639,778
Recycle expense	-	136,587	-	136,587
Safety program	657	1,111	10,618	12,386
Salaries	264,123	404,170	650,745	1,319,038
Supplies	151,177	45,994	430,002	627,173
Telephone	6,803	7,731	8,438	22,972
Tests and permits	5,859	18,144	623	24,626
Training	5,888	5,116	21,457	32,461
Tree trimming	-	-	95,787	95,787
Utilities	2,722	11,035	4,498	18,255
Uniforms	2,861	3,371	6,896	13,128
Vehicle expense	3,591	14,831	33,201	51,623
Total Operating Expenses	<u>1,497,457</u>	<u>2,453,613</u>	<u>15,422,038</u>	<u>19,373,108</u>
OPERATING INCOME	<u>550,261</u>	<u>523,018</u>	<u>577,380</u>	<u>1,650,659</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest income	19,591	21,531	62,813	103,935
Tower lease	141,123	-	-	141,123
Interest expense and agent fees	(34,484)	(116,027)	(184,396)	(334,907)
Total Non-operating Revenues (Expenses)	<u>126,230</u>	<u>(94,496)</u>	<u>(121,583)</u>	<u>(89,849)</u>
INCOME BEFORE OPERATING TRANSFERS GRANTS AND CAPITAL CONTRIBUTIONS	<u>676,491</u>	<u>428,522</u>	<u>455,797</u>	<u>1,560,810</u>
OPERATING TRANSFERS, GRANTS, AND CAPITAL CONTRIBUTIONS				
Fee in Lieu of Taxes to General Fund	(93,851)	-	(853,869)	(947,720)
Impact fees	-	99,361	-	99,361
Grants	10,296	-	-	10,296
Capital contributions	-	-	115,973	115,973
Total Capital Contributions and Transfers	<u>(83,555)</u>	<u>99,361</u>	<u>(737,896)</u>	<u>(722,090)</u>
CHANGE IN NET POSITION	592,936	527,883	(282,099)	838,720
TOTAL NET POSITION - BEGINNING (RESTATED)	<u>7,726,365</u>	<u>14,269,715</u>	<u>18,638,368</u>	<u>40,634,448</u>
TOTAL NET POSITION - ENDING	<u>\$ 8,319,301</u>	<u>\$ 14,797,598</u>	<u>\$ 18,356,269</u>	<u>\$ 41,473,168</u>

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

CITY OF NIXA, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Waterworks Fund	Sewer Fund	Electric Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,044,643	\$ 2,927,110	\$ 16,026,342	\$ 20,998,095
Payments to suppliers	(860,796)	(1,273,245)	(13,998,321)	(16,132,362)
Payments to employees	(350,649)	(562,750)	(853,257)	(1,766,656)
Net Cash Provided by Operating Activities	<u>833,198</u>	<u>1,091,115</u>	<u>1,174,764</u>	<u>3,099,077</u>
CASH FLOWS FROM NONCAPITAL ACTIVITIES:				
Transfer out-Fee in Lieu of Taxes	(93,851)	-	(853,869)	(947,720)
Net Cash (Used for) Noncapital Activities	<u>(93,851)</u>	<u>-</u>	<u>(853,869)</u>	<u>(947,720)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Impact fees	-	99,361	-	99,361
Grants	10,296	-	-	10,296
Capital contributions	-	-	115,973	115,973
Payments for capital acquisitions	(496,855)	(528,825)	(810,652)	(1,836,332)
Principal Repayments	(205,000)	(634,000)	(775,000)	(1,614,000)
Interest paid	(30,158)	(82,254)	(146,267)	(258,679)
Net Cash (Used for) Capital and Related Financing Activities	<u>(721,717)</u>	<u>(1,145,718)</u>	<u>(1,615,946)</u>	<u>(3,483,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	19,591	21,531	62,813	103,935
Tower lease	141,123	-	-	141,123
Net Cash Provided by Investing Activities	<u>160,714</u>	<u>21,531</u>	<u>62,813</u>	<u>245,058</u>
NET CASH INCREASE (DECREASE) FOR THE YEAR	178,344	(33,072)	(1,232,238)	(1,086,966)
CASH AT BEGINNING OF YEAR	<u>2,706,145</u>	<u>3,092,119</u>	<u>8,660,280</u>	<u>14,458,544</u>
CASH AT END OF YEAR	<u>\$ 2,884,489</u>	<u>\$ 3,059,047</u>	<u>\$ 7,428,042</u>	<u>\$ 13,371,578</u>
SUMMARY OF CASH				
Cash and cash equivalents	\$ 2,884,489	\$ 2,974,250	\$ 6,909,714	\$ 12,768,453
Restricted assets-Cash	-	84,797	518,328	603,125
	<u>\$ 2,884,489</u>	<u>\$ 3,059,047</u>	<u>\$ 7,428,042</u>	<u>\$ 13,371,578</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating Income	\$ 550,261	\$ 523,018	\$ 577,380	\$ 1,650,659
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	241,912	650,051	638,163	1,530,126
(Increase) Decrease in accounts receivable	(12,329)	(49,521)	13,924	(47,926)
(Increase) Decrease in inventories	(2,699)	-	(56,721)	(59,420)
(Increase) Decrease in prepaid expenses	(655)	(362)	(1,030)	(2,047)
(Increase) Decrease in pension assets	(11,442)	(21,306)	(27,826)	(60,574)
Increase (Decrease) in accounts payable	48,639	(21,472)	(2,773)	24,394
Increase (Decrease) in accrued wages	2,464	3,597	7,630	13,691
Increase (Decrease) in sales tax	3,089	-	(273)	2,816
Increase (Decrease) in accrued interest	(513)	(254)	(13,931)	(14,698)
Increase (Decrease) in customer deposits	6,165	-	13,273	19,438
Increase (Decrease) in compensated absences	8,306	7,364	26,948	42,618
Net Cash Provided by Operating Activities	<u>\$ 833,198</u>	<u>\$ 1,091,115</u>	<u>\$ 1,174,764</u>	<u>\$ 3,099,077</u>

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

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE REPORTING ENTITY

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

FINANCIAL STATEMENTS PRESENTATION

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

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

Fund financial statements. The fund financial statements report information about the City's funds. Separate columns are presented for each major governmental fund and for each major enterprise fund.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following 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.

The City reports the following major proprietary funds:

Waterworks Fund – This fund is used to account for operations of the City’s water department.

Sewer Fund – This fund is used to account for operations of the City’s sewer department.

Electrical Fund—This fund is used to account for operations of the City’s electric department.

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.

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.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable, and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

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 water, sewer, 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.

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.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents-continued

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.

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.

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Accounts Receivable

All receivables were stated at gross because the amounts were collected within the following 30 days except for refuse, electric, water and sewer utilities receivable which had allowances of \$ 15,171 refuse, \$ 232,713 electric, \$ 37,542 water and \$ 74,473 for sewer.

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

Payment made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items in both the government-wide and fund financial statements.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 fair 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 FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 2015 and interest cost information for the enterprise funds for the year ended December 31, 2015 is as follows:

	Waterworks Fund	Sewer Fund	Electric Fund
Total interest costs	\$ 34,484	\$ 116,027	\$ 184,396

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has 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.

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.

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.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015 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.

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

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances-Governmental Funds

As of December 31, 2015, 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.

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 \$ 2,000,000 and the Street Fund \$ 400,000. The Park has set aside \$ 390,018 for future repairs to park pool.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015:

Proprietary Fund Types-Business Type Activities

<u>Fund</u>	<u>Debt Service</u>	<u>Bond Reserve</u>	<u>Total</u>
Sewer	\$ -	\$ 84,797	\$ 84,797
Electric	510,825	-	510,825
	<u>\$ 510,825</u>	<u>\$ 84,797</u>	<u>\$ 595,622</u>

Use of Estimates

In 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.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2015 was \$ 220,116,585 with the levy set at \$.3316 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 (\$ 2,461,554), one-half cent transportation sales tax to be used for street purposes in the Street Fund (\$ 1,230,071) and also in the Street Fund a Christian County sales tax for streets (\$ 125,000).

Fee in Lieu of Taxes

The Water 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 \$ 2,776,079.75 set aside in reserves.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying statement of revenues, expenditures and changes in fund balance-budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) for all governmental funds.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Excess of expenditures over appropriations

For the year ended December 31, 2015, expenditures did not exceed appropriations in any fund.

Bond Reserve Compliance

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Adoption of New Accounting Standard

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record net pension obligation on the government-wide statement of net position and proprietary fund. Net pension obligation equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments.

Negative Fund Balance

With the change in accounting estimate of the current portion of compensated absences that affected the Building Inspection Fund by changing it to a negative \$ (216). The City will increase the transfer for operations in 2016 to correct the deficit fund balance.

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, 2015, was:

Constitutional Debt Limit	\$ 44,023,317
Outstanding G.O. Bonds	<u>(1,540,100)</u>
Legal debt margin	<u><u>\$ 42,483,217</u></u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015, the City was in compliance with this requirement

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, 2015 the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

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

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 FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE C – RESTRICTED ASSETS

For December 31, 2015, restricted cash accounts were as follows:

	<u>Actual Cash</u>	<u>Required Per Bond Agreements</u>
ENTERPRISE FUND		
Sewer		
Debt Reserves	<u>\$ 84,797</u>	<u>\$ 84,797</u>
Electric		
Debt Reserves	<u>\$ 518,328</u>	<u>\$ 510,825</u>
 GRAND TOTAL	 <u>\$ 603,125</u>	 <u>\$ 595,622</u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2015 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,545,798	\$ -	\$ -	\$ 1,545,798
Construction in progress	305,473	809,158	-	1,114,631
Total capital assets not being depreciated	<u>1,851,271</u>	<u>809,158</u>	<u>-</u>	<u>2,660,429</u>
Capital assets, being depreciated:				
Buildings	11,185,924	22,294	-	11,208,218
Improvements	2,517,521	333,830	-	2,851,351
Streets	64,612,785	-	-	64,612,785
Equipment	2,125,130	91,617	19,143	2,197,604
Vehicles	1,378,277	29,683	23,525	1,384,435
Total capital assets being depreciated	<u>81,819,637</u>	<u>477,424</u>	<u>42,668</u>	<u>82,254,393</u>
Less: Accumulated depreciation for:				
Buildings	3,212,794	280,224	-	3,493,018
Improvements	272,682	83,690	-	356,372
Streets	16,031,111	1,062,862	-	17,093,973
Equipment	1,520,387	116,192	21,487	1,615,092
Vehicles	985,423	128,541	18,275	1,095,689
Total accumulated depreciation	<u>22,022,397</u>	<u>1,671,509</u>	<u>39,762</u>	<u>23,654,144</u>
Total capital assets being depreciated, net	<u>59,797,240</u>	<u>(1,194,085)</u>	<u>2,906</u>	<u>58,600,249</u>
Governmental activities capital assets, net	<u>\$ 61,648,511</u>	<u>\$ (384,927)</u>	<u>\$ 2,906</u>	<u>\$ 61,260,678</u>

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

Governmental activities:

General government	\$ 178,278
Police	100,053
Building inspections	126,292
Streets	1,207,390
Parks	59,496
	<u>\$ 1,671,509</u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:

	WATERWORKS FUND			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 116,751	\$ -	\$ -	\$ 116,751
Construction in progress	109,743	-	1,999	107,744
Total capital assets not being depreciated	\$ 226,494	\$ -	\$ 1,999	\$ 224,495
Capital assets being depreciated:				
Buildings	\$ 425,808	\$ 4,459	\$ -	\$ 430,267
Plant	8,531,088	469,833	-	9,000,921
Equipment	154,837	22,563	24,708	152,692
Vehicles	305,930	-	-	305,930
Total capital assets being depreciated	9,417,663	496,855	24,708	9,889,810
Less: Accumulated depreciation:	(3,155,101)	(241,912)	(26,707)	(3,370,306)
Total capital assets being depreciated, net	\$ 6,262,562			\$ 6,519,504
Business-type activities capital assets, net	\$ 6,489,056			\$ 6,743,999

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities :

	SEWER FUND			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 149,255	\$ -	\$ -	\$ 149,255
Construction in progress	124,618	94,073	-	218,691
Total capital assets not being depreciated	\$ 273,873	\$ 94,073	\$ -	\$ 367,946
Capital assets being depreciated:				
Buildings	\$ 1,293,619	\$149,909	\$ -	\$ 1,443,528
Plant	21,103,308	219,306	-	21,322,614
Equipment	366,955	34,992	9,945	392,002
Vehicles	738,540	30,545	-	769,085
Total capital assets being depreciated	23,502,422	434,752	9,945	23,927,229
Less: Accumulated depreciation	(7,341,362)	(650,051)	(6,579)	(7,984,834)
Total capital assets being depreciated, net	\$ 16,161,060			\$ 15,942,395
Business-type activities capital assets, net	\$ 16,434,933			\$ 16,310,341

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business Type Activities:

	ELECTRIC FUND			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 652,677	\$ -	\$ -	\$ 652,677
Construction in progress	58,615	287,483	-	346,098
Total capital assets not being depreciated	<u>\$ 711,292</u>	<u>\$287,483</u>	<u>\$ -</u>	<u>\$ 998,775</u>
Capital assets being depreciated:				
Buildings	\$ 1,078,205	\$ 4,459	\$ -	\$ 1,082,664
Plant	19,926,206	361,376	-	20,287,582
Equipment	506,123	24,220	20,464	509,879
Vehicles	1,008,054	133,114	-	1,141,168
Total capital assets being depreciated	<u>22,518,588</u>	<u>523,169</u>	<u>20,464</u>	<u>23,021,293</u>
Less: Accumulated depreciation	<u>(7,640,230)</u>	<u>(638,163)</u>	<u>(20,464)</u>	<u>(8,257,929)</u>
Total capital assets being depreciated, net	<u>\$ 14,878,358</u>			<u>\$ 14,763,364</u>
Business-type activities capital assets, net	<u>\$ 15,589,650</u>			<u>\$ 15,762,139</u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

Business-type Activities:

	TOTAL BUSINESS-TYPE ACTIVITIES			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 918,683	\$ -	\$ -	\$ 918,683
Construction in progress	292,976	381,556	1,999	672,533
Total capital assets not being depreciated	\$ 1,211,659	\$ 381,556	\$ 1,999	\$ 1,591,216
Capital assets being depreciated:				
Buildings	\$ 2,797,632	\$ 158,827	\$ -	\$ 2,956,459
Plant	49,560,602	1,050,515	-	50,611,117
Equipment	1,027,915	81,775	55,117	1,054,573
Vehicles	2,052,524	163,659	-	2,216,183
Total capital assets being depreciated	55,438,673	1,454,776	55,117	56,838,332
Less: Accumulated depreciation	(18,136,693)	(1,530,126)	(53,750)	(19,613,069)
Total capital assets being depreciated, net	\$ 37,301,980			\$ 37,225,263
Business-type activities capital assets, net	\$ 38,513,639			\$ 38,816,479

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE E – LONG-TERM DEBT (Continued)

Business-type activities

The following is a summary of debt transactions of the City for the year ended December 31, 2015 as it relates to the business type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due Within one Year
Revenue Bonds	\$ 11,663,000	\$ -	\$ 1,514,000	\$ 10,149,000	\$ 1,261,000
Lease Obligations	1,155,000	-	100,000	1,055,000	105,000
Compensated absences	51,513	78,792	36,174	94,131	59,368
Business-type activity long-term liabilities	<u>\$ 12,869,513</u>	<u>\$ 78,792</u>	<u>\$ 1,650,174</u>	<u>\$ 11,298,131</u>	<u>\$ 1,425,368</u>

As reported on the financial statement:

Amount due within one year

Revenue bonds and capital lease obligations
Compensated absences

\$ 1,366,000
59,368

Amount due in more than one year:

Revenue bonds
Capital Lease Obligations
Compensated absences

8,888,000
950,000
34,763
\$ 11,298,131

The bond ordinances require that the City establish rates and charges for its electric, water and sewer services, such that the revenues derived from the electric, water and sewer 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, water and sewer system.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE E – LONG-TERM DEBT (Continued)

The Proprietary Funds long-term debt as of December 31, 2015 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% to 3.125% debt matures April 1, 2023	\$ 5,115,000
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Total Electric Fund	5,115,000
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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	1,370,000
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Total Water Fund	1,370,000
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Sewer 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	219,000
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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	3,445,000
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Total Sewer Fund	3,664,000
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Total Business-type debt revenue bonds	\$ 10,149,000
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CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE E – LONG-TERM DEBT (Continued)

The annual requirements to amortize bonded debt as of December 31, 2015 follow:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,261,000	\$ 344,711	\$ 1,605,711
2017	1,236,000	300,439	1,536,439
2018	1,272,000	255,829	1,527,829
2019	1,307,000	211,975	1,518,975
2020	1,338,000	169,771	1,507,771
2021-2023	<u>3,735,000</u>	<u>238,917</u>	<u>3,973,917</u>
	<u>\$ 10,149,000</u>	<u>\$ 1,521,642</u>	<u>\$ 11,670,642</u>

Governmental activities

The following is a summary of debt transactions of the City for the year ended December 31, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due Within one Year</u>
General Obligation Bonds	\$ 1,797,500	\$ -	\$ 257,400	\$ 1,540,100	\$ 263,300
Capital Lease Obligation	3,214,404	2,885,000	3,397,772	2,701,632	241,632
Compensated absences	197,941	180,344	85,018	293,267	151,060
Government activity long-term liabilities	<u>\$ 5,209,845</u>	<u>\$ 3,065,344</u>	<u>\$ 3,740,190</u>	<u>\$ 4,534,999</u>	<u>\$ 655,992</u>

As reported on the financial statement:

Amount due within one year	
General obligation bonds and capital lease	\$ 504,932
Compensated absences	151,060
Amount due in more than one year:	
General Obligation bonds	1,276,800
Capital Lease Obligations	2,460,000
Compensated absences	142,207
Total	<u>\$ 4,534,999</u>

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

CITY OF NIXA, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE E – LONG-TERM DEBT (Continued)

The Governmental long-term debt as of December 31, 2015 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 \$ 1,540,100

The annual requirement to amortize bonded debt as of December 31, 2015 follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 263,300	\$ 35,211	\$ 298,511
2017	268,900	28,559	297,459
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>\$ 1,540,100</u>	<u>\$ 110,205</u>	<u>\$ 1,650,305</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 \$ 838,865. Issue matures August 1, 2026. \$ 2,680,000

On February 13, 2015, the City entered into a cancelable lease for the fitness equipment. The equipment has been capitalized at cost in the Governmental Activities for the original amount of \$ 255,448 with accumulated depreciation to date of \$ 70,249 March 1, 2016. \$ 21,632

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015 future minimum lease payments by year and the present value of future minimum capital lease payments were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>City Hall</u>	<u>Fitness</u> <u>Equipment</u>
2016	\$ 291,450	\$ 21,699
2017	287,050	-
2018	287,650	-
2019	288,150	-
2020	288,550	-
2021-2025	1,433,550	-
2026	<u>283,250</u>	<u>-</u>
Total minimum lease payment	3,159,650	21,699
Less: amount representing interest	<u>(479,650)</u>	<u>(67)</u>
Present value of future minimum lease payment	<u>\$ 2,680,000</u>	<u>\$ 21,632</u>

Business-type Activities

Sewer Fund

On March 1, 2015, the City entered into a cancelable lease for the refunding 2006 lease for extension of the sewer 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.

\$ 1,055,000

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE F – CAPITALIZED LEASE OBLIGATION (Continued)

At December 31, 2015 future minimum lease payments by year and the present value of future minimum capital lease payments were as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2016	\$ 127,794
2017	125,694
2018	123,594
2019	126,444
2020	129,122
2021-2025	<u>546,024</u>
Total minimum lease payment	1,178,672
Less: amount representing interest	<u>(123,672)</u>
Present value of future minimum lease payment	<u>\$ 1,055,000</u>

NOTE G – OBLIGATION TO PURCHASE ELECTRIC POWER

The City has two electric purchase contracts for its entire electric load. 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.

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 SWPA provides. The City's 2015 peak electric demand was 42 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 \$ 8.72 per kw for demand and \$ 0.0564 per kwh for energy. Terms of the CU contract expire on June 30, 2018; 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.

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 energy of solar power. In June 2015, the City entered into a power purchase agreement with Nixa Solar, LLC. However, the City has yet to make any power purchases under this agreement.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015, the City maintained commercial insurance coverage for building and contents and employee theft. In the past year 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 FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

	<u>2015 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 December 31, 2015, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	54
Active employees	116

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employers contribution rates are 9.8 % General and 8.0% Police of annual covered payroll.

Net Pension Liability

The employer’s net pension liability was measured as December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

The total pension liability in the February 28, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary increase	3.50%	including inflation
Investment rate of return	7.25%	net of investment and administrative expense

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE I- DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 7/1/2014	\$ 13,224,140	\$ 13,731,469	\$ (507,329)
Changes for the year:			
Service Cost	533,393	-	533,393
Interest	962,777	-	962,777
Difference between expected and actual experience	(12,003)	-	(12,003)
Contribution - employer	-	473,749	(473,749)
Contribution - employee	-	185,775	(185,775)
Net investment income	-	293,114	(293,114)
Benefit payments, including refunds	(420,337)	(420,337)	-
Administrative expense	-	(15,939)	15,939
Other changes	-	216,338	(216,338)
Net changes	<u>1,063,830</u>	<u>732,700</u>	<u>331,130</u>
Balances at 6/30/2015	<u>\$ 14,287,970</u>	<u>\$ 14,464,169</u>	<u>\$ (176,199)</u>

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

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

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<u>\$ 2,174,846</u>	<u>\$ (176,199)</u>	<u>\$ (2,097,001)</u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE I – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended December 31, 2015 the employer recognized pension expense of \$ 241,664. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 18,941	\$ (30,184)
Differences in assumptions	-	-
Excess(deficit) in investment returns	574,458	-
Contributions subsequent to the measurement date*	232,753	-
Total	\$ 826,152	\$ (30,184)

*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 Asset for the year ending December 31, 2015.

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

Year ended:		
2016	\$	142,855
2017		142,855
2018		142,855
2019		142,853
2020		(1,484)
Thereafter		(6,719)
Total	\$	563,215

Payable to the Pension Plan

At December 31, 2015, the City of Nixa reported a payable of \$ 2,645.49 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2015.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

NOTE L – INTERFUND TRANSFERS

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

Operation transfers:	<u>To</u>	<u>From</u>
General Fund	\$ -	\$ 456,000
Park Fund	398,000	-
Building Inspection	42,000	-
Storm Water	16,000	-
	<u>\$ 456,000</u>	<u>\$ 456,000</u>

NOTE M – FEE IN LIEU OF TAXES

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

Fee in Lieu of	<u>To</u>	<u>From</u>
General Fund	\$ 947,720	\$ -
Electric Fund	-	853,869
Water Fund	-	93,851
	<u>\$ 947,720</u>	<u>\$ 947,720</u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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	<u>To</u>	<u>From</u>
General Fund	\$ 1,319,826	\$ -
Street Fund	-	189,768
Electric Fund	-	443,755
Waterworks Fund	-	366,741
Sewer Fund	-	319,562
	<u>\$ 1,319,826</u>	<u>\$ 1,319,826</u>

NOTE O – BUILDERS DEPOSITS

Builder's deposits in the Street Fund consist of advances from developers for reimbursement to the City for their cost of improvements to streets adjacent to their projects. As the projects are completed, the deferred revenue will be decreased and credited against the cost of the project.

NOTE P – DEFEASED DEBT

On April 28, 2015, the City issued leasehold refunding revenue bonds of \$ 2,885,000 with an interest rate of 2.00% to 3.00% to advance refund the remaining balance of the 2006 Certificate of Participation debt \$ 2,860,000 with an interest rate of 4.20% to 4.50%. This resulted in an approximate future savings to the City of \$ 318,966.

NOTE Q – PRIOR YEARS' DEBT DEFEASANCE

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, 2015, the amount of defeased debt outstanding amounted to \$ 7,945,000.

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE R – TOWER LEASES

The City leases space on the City’s water towers to various wireless providers for the placement of antennae. A total of \$ 141,123 was received during the year ended December 31, 2015 and is reported in the Water Fund. For the next five years, scheduled payments to receive are:

2016	146,000
2017	152,000
2018	158,000
2019	164,000
2020	170,000

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, 2015 is as follows:

Project	Cost of Project	Construction in Progress	Remaining Cost to Complete
Electric Fund			
SCADA System	\$ 205,000	\$ 125,237	\$ 79,763
Tie NE2, DT1 and D2 Circuits	689,500	129,581	559,919
PW 1111 Kathryn Generator	45,300	7,497	37,803
Equipment Material Building	75,000	392	74,608
DT Distribution Breakers	150,000	78,927	71,073
Pole Racks	5,800	3,348	2,452
Underground line	126,000	1,116	124,884
	<u>1,296,600</u>	<u>346,098</u>	<u>950,502</u>
Waterworks Fund			
Inman Road & M Highway Loop Line	270,000	14,212	255,788
Water SCADA System	85,000	9,897	75,103
PW 1010 Eaglecrest Generator	27,500	957	26,543
SWPA Water Line	200,000	25,720	174,280
Water Tower #8	1,907,000	56,958	1,850,042
	<u>2,489,500</u>	<u>107,744</u>	<u>2,381,756</u>

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE S – CONSTRUCTION IN PROGRESS (Continued)

Project	Cost of Project	Construction in Progress	Remaining Cost to Complete
Sewer Fund			
PW 1010 Eaglecrest Generator	27,500	957	26,543
Wastewater SCADA	415,500	165,515	249,985
Channel Covers	132,500	12,250	120,250
Headworks, Partial Close-in	70,000	39,969	30,031
	<u>645,500</u>	<u>218,691</u>	<u>426,809</u>
 Total Proprietary Funds	 <u>\$ 4,431,600</u>	 <u>\$ 672,533</u>	 <u>\$ 3,759,067</u>
Governmental Activities			
Improvements Tracker & Main	\$ 3,079,000	\$ 616,757	\$ 2,462,243
US 160 & SH 14 Intersections	1,801,000	355,531	1,445,469
Truman BLVD Extension	1,725,000	142,343	1,582,657
Total Governmental Activities	<u>\$ 6,605,000</u>	<u>\$ 1,114,631</u>	<u>\$ 5,490,369</u>

NOTE T – CHANGE IN ACCOUNTING ESTIMATE

In prior years the City had listed all compensated absences as long-term, but with more history available the City was able to determine a reasonable estimate for current portion versus long-term. The following reflect the adjustments to the prior year fund balance for instituting the change in estimate.

	Balance per Prior Period		Balance
	Audit	Adjustment	As Restated
General Fund	\$ 5,438,207	\$ (122,113)	\$ 5,316,094
Street Fund	3,946,642	(15,949)	3,930,693
Building Inspection	5,625	(5,841)	(216)
Park Fund	380,950	(8,219)	372,731

CITY OF NIXA, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE U – ADJUSTMENT DUE TO ADOPTION OF GASB 68

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record net pension obligation on the government-wide statement of net position and proprietary fund. Net pension obligation equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. The following represents changes made beginning net position due to adoption of GASB 68:

	<u>As reported in prior audit</u>	<u>Net Change</u>	<u>Restated Balance</u>
Governmental Activities	<u>\$ 66,196,734</u>	<u>\$ 546,921</u>	<u>\$ 66,743,655</u>
Business-type Activities			
Waterworks Fund	7,689,948	36,417	7,726,365
Sewer Fund	14,201,730	67,985	14,269,715
Electric Fund	<u>18,549,609</u>	<u>88,759</u>	<u>18,638,368</u>
Total Business-type Activities	<u>\$ 40,441,287</u>	<u>\$ 193,161</u>	<u>\$ 40,634,448</u>

NOTE V – RECENT 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.

In February 2015, the GASB approved Statement No. 72 “Fair Value Measurement and Application.” This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair values to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

In June 2015, the GASB approved Statement No. 76 “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.” The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformance with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the

CITY OF NIXA, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE V – RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015.

In August 2015, the GASB approved Statement No. 77 “Tax Abatement Disclosures.” Although many governments offer tax abatements and provide information to the public about them, they do not always provided the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This statement requires disclosures of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

The effects on the City’s financial statements as a result of the adoption of these new pronouncements are unknown.

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Required Supplementary Information

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CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Property taxes	\$ 737,500	\$ 737,500	\$ 766,135	\$ 28,635
Franchise taxes	535,000	535,000	517,433	(17,567)
Sales taxes	2,300,000	2,300,000	2,461,554	161,554
Financial institutional tax	500	500	789	289
Licenses & permits	50,000	50,000	39,315	(10,685)
Charges for services-				
Sanitation	970,000	970,000	984,177	14,177
Plan reviews and inspections	2,000	2,000	2,096	96
Fines & forfeitures	250,000	250,000	182,474	(67,526)
Interest	35,000	35,000	39,705	4,705
Grants	40,500	40,500	44,068	3,568
Impact fees	-	-	64,040	64,040
Miscellaneous	13,000	13,000	25,462	12,462
Total Revenues	<u>4,933,500</u>	<u>4,933,500</u>	<u>5,127,248</u>	<u>193,748</u>
EXPENDITURES				
Current:				
General government	1,000,734	1,064,290	920,402	143,888
Police	2,331,050	2,331,050	2,250,998	80,052
Planning	172,250	172,250	163,516	8,734
Sanitation	864,500	864,500	882,781	(18,281)
Capital outlay	117,111	120,602	96,243	24,359
Debt service:				
Principal	504,740	504,740	534,638	(29,898)
Interest and fees	180,763	180,763	127,581	53,182
Total Expenditures	<u>5,171,148</u>	<u>5,238,195</u>	<u>4,976,159</u>	<u>262,036</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>(237,648)</u>	<u>(304,695)</u>	<u>151,089</u>	<u>455,784</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) other funds	(600,000)	(609,000)	(456,000)	153,000
Transfer in-Fee in Lieu of Taxes	933,000	933,000	947,720	14,720
Proceeds of refunding debt	-	2,885,000	2,885,000	-
Payment to refunded debt escrow agent	-	(3,203,687)	(3,203,687)	-
Total Other Financing Sources (Uses)	<u>333,000</u>	<u>5,313</u>	<u>173,033</u>	<u>167,720</u>
NET CHANGE IN FUND BALANCE	<u>\$ 95,352</u>	<u>\$ (299,382)</u>	<u>324,122</u>	<u>\$ 623,504</u>
FUND BALANCES - BEGINNING			<u>5,316,094</u>	
FUND BALANCES - ENDING			<u>\$ 5,640,216</u>	

See accompanying independent auditors' report.

CITY OF NIXA, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES	Street Fund			Variance With Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Sales tax	\$ 1,150,000	\$ 1,150,000	\$ 1,230,071	\$ 80,071
Missouri motor fuel taxes	720,000	720,000	744,108	24,108
Christian County Sales Tax	150,000	125,000	125,000	-
Interest	24,000	24,000	26,282	2,282
Grants	2,312,462	2,622,726	338,088	(2,284,638)
Miscellaneous	75,500	75,500	85,070	9,570
Total Revenues	<u>4,431,962</u>	<u>4,717,226</u>	<u>2,548,619</u>	<u>(2,168,607)</u>
Current:				
Administration street department	1,600,718	1,529,174	1,407,478	121,696
Capital outlay	5,415,593	5,741,802	1,099,580	4,642,222
Total Expenditures	<u>7,016,311</u>	<u>7,270,976</u>	<u>2,507,058</u>	<u>4,763,918</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,584,349)</u>	<u>\$ (2,553,750)</u>	41,561	<u>\$ 2,595,311</u>
FUND BALANCES - BEGINNING			<u>3,930,693</u>	
FUND BALANCES - ENDING			<u>\$ 3,972,254</u>	

See accompanying independent auditors' report.

CITY OF NIXA, MISSOURI
NOTES TO BUDGETARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2015

Budgets and Budgetary Accounting

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

- a. City department directors prepare departmental operating budgets and departmental meetings are conducted in the month of September with the City Administrator and the Director of Finance in order for departmental directors to support their budgets.
- b. Prior to the first Council meeting in October, the Director of Finance makes revenue projections and Preliminary budget summaries of revenues and expenditures/expenses are prepared for review by the City Administrator and Director of Finance.
- c. Public budget meetings are held for citizen's input in October and November.
- d. The City Administrator submits a proposed budget to City Council in early December.
- e. A public hearing to obtain taxpayer comments on the budget is held by the City Council in December.
- f. Prior to January 1, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus fund balances at the beginning of the year.
- g. Budgets are adopted on a basis generally consistent with U.S. generally accepted accounting principles, except that budgetary basis expenditures include encumbrances.
- h. Approval by the City Council is required to transfer budgeted amounts between funds, or for any revisions that would alter the total expenditures of any fund.

CITY OF NIXA, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Division	Police Division	Total
Total Pension Liability			
Service costs	\$ 407,790	\$ 125,603	\$ 533,393
Interest on Total Pension Liability	752,203	210,574	962,777
Changes in Benefit Terms	-	-	-
Difference between expected and actual experience	(34,877)	22,874	(12,003)
Changes in Assumptions	-	-	-
Benefit payments, including refunds	(368,576)	(51,761)	(420,337)
Net change in total pension liability	756,540	307,290	1,063,830
Total Pension Liability-beginning	10,355,943	2,868,197	13,224,140
Total Pension Liability-ending	<u>\$ 11,112,483</u>	<u>\$3,175,487</u>	<u>\$14,287,970</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 371,347	\$ 102,402	\$ 473,749
Contributions - employee	141,479	44,296	185,775
Net investment income	229,583	63,531	293,114
Benefits payments, including refunds	(368,576)	(51,761)	(420,337)
Pension Plan Administrative Expense	(12,397)	(3,542)	(15,939)
Other (Net Transfer)	133,302	83,036	216,338
Net change in plan fiduciary net position	494,738	237,962	732,700
Plan Fiduciary Net Position-beginning	10,544,947	3,186,522	13,731,469
Plan Fiduciary Net Position-ending	<u>\$ 11,039,685</u>	<u>\$3,424,484</u>	<u>\$14,464,169</u>
 Net Pension Liability/(Asset)	 <u>\$ 72,798</u>	 <u>\$ (248,997)</u>	 <u>\$ (176,199)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 99.34%	 107.84%	
 Covered-employee payroll	 \$ 3,515,827	 \$1,123,260	
 Net Pension liability as a percentage of covered employee payroll	 2.07%	 -22.17%	

Notes to schedule:

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

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

CITY OF NIXA, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
 SCHEDULE OF PENSION PLAN CONTRIBUTIONS
 LAST TEN FISCAL YEARS

FOR THE YEARS ENDED DECEMBER 31

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2005	\$ 221,200	\$ 219,748	\$ 1,452	\$ 3,263,707	6.73%
2006	247,798	354,280	(106,482)	3,676,099	9.64%
2007	258,559	378,302	(119,743)	4,047,609	9.35%
2008	414,759	406,981	7,778	4,426,272	9.19%
2009	418,687	416,810	1,877	4,569,303	9.12%
2010	416,806	462,681	(45,875)	4,587,441	10.09%
2011	465,164	452,559	12,605	4,348,720	10.41%
2012	457,338	475,647	(18,309)	4,334,335	10.97%
2013	506,540	483,988	22,552	4,510,337	10.73%
2014	488,700	469,747	18,953	4,551,541	10.32%
2015	480,119	469,685	10,434	4,656,347	10.09%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2015

Notes: The roll-forward of total pension liability from February 28, 2015 to June 30, 2015 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Multiple bases from 15 to 23 years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Inflation	3.5% wage inflation; 3.0% price inflation
Salary increases	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25%, net of investment and administrative expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.
Other information:	None

See accompanying independent auditors' report.

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Other Supplementary Information

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CITY OF NIXA, MISSOURI
COMBINING BALANCE SHEET-
NON MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

ASSETS	Building Inspection Fund	Storm Water Fund	Park Fund	Total
Cash and cash equivalents	\$ 5,306	\$ 20,107	\$ 400,069	\$ 425,482
Accounts receivable-other	-	-	2,097	2,097
Prepaid expense	1,286	-	2,865	4,151
TOTAL ASSETS	<u>\$ 6,592</u>	<u>\$ 20,107</u>	<u>\$ 405,031</u>	<u>\$ 431,730</u>
LIABILITIES				
LIABILITIES				
Accounts payable	\$ 661	\$ 30	\$ 13,179	\$ 13,870
Accrued wages	4,034	-	15,108	19,142
Compensated absences	6,258	-	10,193	16,451
Deposits and prepaid fees	-	-	9,384	9,384
Total Liabilities	<u>10,953</u>	<u>30</u>	<u>47,864</u>	<u>58,847</u>
FUND BALANCES				
Nonspendable	1,286	-	2,865	4,151
Restricted	(5,647)	20,077	354,302	368,732
Total Fund Balances	<u>(4,361)</u>	<u>20,077</u>	<u>357,167</u>	<u>372,883</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,592</u>	<u>\$ 20,107</u>	<u>\$ 405,031</u>	<u>\$ 431,730</u>

See accompanying independent auditors' report.

CITY OF NIXA, MISSOURI
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Building Inspection Fund	Storm Water Fund	Park Fund	Total
REVENUES;				
Licenses and permits	\$ 119,710	\$ -	\$ -	\$ 119,710
Charges for services:				
Park programs	-	-	738,278	738,278
Plan reviews and inspections	41,194	13,005	-	54,199
Interest	-	-	3,243	3,243
Grants	-	-	1,057	1,057
Donations	-	-	7,594	7,594
Rents	-	-	19,823	19,823
Miscellaneous	2,568		21,460	24,028
Total Revenues	<u>163,472</u>	<u>13,005</u>	<u>791,455</u>	<u>967,932</u>
EXPENDITURES:				
Current: Administration	208,771	14,500	1,028,313	1,251,584
Capital outlay	846	-	89,912	90,758
Debt service:				
Principal	-	-	85,534	85,534
Interest and fees	-	-	1,260	1,260
Total Expenditures	<u>209,617</u>	<u>14,500</u>	<u>1,205,019</u>	<u>1,429,136</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(46,145)	(1,495)	(413,564)	(461,204)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>42,000</u>	<u>16,000</u>	<u>398,000</u>	<u>456,000</u>
NET CHANGE IN FUND BALANCE	(4,145)	14,505	(15,564)	(5,204)
FUND BALANCES - BEGINNING (RESTATED)	<u>(216)</u>	<u>5,572</u>	<u>372,731</u>	<u>378,087</u>
FUND BALANCES - ENDING	<u>\$ (4,361)</u>	<u>\$ 20,077</u>	<u>\$ 357,167</u>	<u>\$ 372,883</u>

See accompanying independent auditors' report.

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, 2015

REVENUES	Building Inspection Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Licenses & permits	\$ 150,000	\$ 110,000	\$ 119,710	\$ 9,710
Charges for services-				
Plan reviews and inspections	43,000	38,000	41,194	3,194
Miscellaneous	1,500	1,500	2,568	1,068
Total Revenues	<u>194,500</u>	<u>149,500</u>	<u>163,472</u>	<u>13,972</u>
EXPENDITURES				
Current:				
Administration	210,950	210,950	208,771	2,179
Capital outlay	921	921	846	75
Total Expenditures	<u>211,871</u>	<u>211,871</u>	<u>209,617</u>	<u>2,254</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>(17,371)</u>	<u>(62,371)</u>	<u>(46,145)</u>	<u>16,226</u>
OTHER FINANCING SOURCES				
Transfers from other funds	20,000	65,000	42,000	(23,000)
Total Other Financing Sources	<u>20,000</u>	<u>65,000</u>	<u>42,000</u>	<u>(23,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,629</u>	<u>\$ 2,629</u>	(4,145)	<u>\$ (6,774)</u>
FUND BALANCES - BEGINNING			(216)	
FUND BALANCES - ENDING			<u>\$ (4,361)</u>	

See accompanying independent auditors' report.

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, 2015

	Storm Water Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services-				
Plan reviews and inspections	\$ 500	\$ 500	\$ 13,005	\$ 12,505
Total Revenues	<u>500</u>	<u>500</u>	<u>13,005</u>	<u>12,505</u>
Current:				
Administration	<u>23,750</u>	<u>23,750</u>	<u>14,500</u>	<u>9,250</u>
Total Expenditures	<u>23,750</u>	<u>23,750</u>	<u>14,500</u>	<u>9,250</u>
EXCESS (DEFICIENCY OF REVENUE OVER EXPENDITURE	(23,250)	(23,250)	(1,495)	21,755
OTHER FINANCING SOURCES				
Transfers from other funds	<u>25,000</u>	<u>25,000</u>	<u>16,000</u>	<u>(9,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,750</u>	<u>\$ 1,750</u>	14,505	<u>\$ 12,755</u>
FUND BALANCES - BEGINNING			<u>5,572</u>	
FUND BALANCES - ENDING			<u>\$ 20,077</u>	

See accompanying independent auditors' report.

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, 2015

REVENUES	Park Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services-				
Park programs	\$ 715,550	\$ 715,550	\$ 738,278	\$ 22,728
Interest	3,000	3,000	3,243	243
Grants	3,000	3,000	1,057	(1,943)
Donations	9,000	9,000	7,594	(1,406)
Rent	20,000	20,000	19,823	(177)
Miscellaneous	1,500	1,500	21,460	19,960
Total Revenues	<u>752,050</u>	<u>752,050</u>	<u>791,455</u>	<u>39,405</u>
Current:				
Administration	1,114,800	1,123,800	1,028,313	95,487
Capital outlay	115,563	115,563	89,912	25,651
Debt service:				
Principal	85,534	85,534	85,534	-
Interest	1,260	1,260	1,260	-
Total Expenditures	<u>1,317,157</u>	<u>1,326,157</u>	<u>1,205,019</u>	<u>121,138</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(565,107)	(574,107)	(413,564)	160,543
OTHER FINANCING SOURCES				
Transfers from other funds	<u>555,000</u>	<u>\$ 564,000</u>	<u>398,000</u>	<u>(166,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,107)</u>	<u>\$ (10,107)</u>	(15,564)	<u>\$ (5,457)</u>
FUND BALANCES - BEGINNING			<u>372,731</u>	
FUND BALANCES - ENDING			<u>\$ 357,167</u>	

See accompanying independent auditors' report.

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SECTION III - STATISTICAL SECTION

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CITY OF NIXA, MISSOURI
STATISTICAL SECTION OVERVIEW

This part of the City’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 City’s overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	69 - 72
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources.	73 - 78
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	80 - 84
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	85 - 87
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	88 - 90

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									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities										
Net investment in capital assets	57,018,946	56,636,607	57,446,516	57,812,524	57,787,203	49,877,250	49,937,491	50,322,873	51,759,338	47,044,066
Restricted	-	318,688	256,377	318,669	318,669	439,819	439,819	1,516,815	668,633	633,676
Unrestricted	10,556,098	9,788,360	8,271,496	8,307,446	8,294,005	16,471,712	16,418,721	7,078,123	6,950,399	9,799,370
Total governmental activities net position	<u>67,575,044</u>	<u>66,743,655</u>	<u>65,974,389</u>	<u>66,438,639</u>	<u>66,399,877</u>	<u>66,788,781</u>	<u>66,796,031</u>	<u>58,917,811</u>	<u>59,378,370</u>	<u>57,477,112</u>
	1.2%	1.2%	-0.7%	0.1%	-0.6%	0.0%	13.4%	-0.8%	3.3%	
Business-type activities										
Net investment in capital assets	27,783,362	25,143,764	24,600,879	21,303,832	20,800,653	17,762,207	15,553,858	14,241,863	12,251,007	8,872,926
Restricted	595,622	712,504	606,694	1,077,565	865,807	1,780,598	1,757,959	1,737,058	1,804,997	1,853,244
Unrestricted	13,094,184	14,778,180	13,490,849	13,916,316	13,733,104	13,462,859	12,192,516	10,043,482	9,372,714	10,901,833
Total business-type activities net position	<u>41,473,168</u>	<u>40,634,448</u>	<u>38,698,422</u>	<u>36,297,713</u>	<u>35,399,564</u>	<u>33,005,664</u>	<u>29,504,333</u>	<u>26,022,403</u>	<u>23,428,718</u>	<u>21,628,003</u>
	2.1%	5.0%	6.6%	2.5%	7.3%	11.9%	13.4%	11.1%	8.3%	
Primary government										
Net investment in capital assets	84,802,308	81,780,371	82,047,395	79,116,356	78,587,856	67,639,457	65,491,349	64,564,736	64,010,345	55,916,992
Restricted	595,622	1,031,192	863,071	1,396,234	1,184,476	2,220,417	2,197,778	3,253,873	2,473,630	2,486,920
Unrestricted	23,650,282	24,566,540	21,762,345	22,223,762	22,027,109	29,934,571	28,611,237	17,121,605	16,323,113	20,701,203
Total primary government net position	<u>109,048,212</u>	<u>107,378,103</u>	<u>104,672,811</u>	<u>102,736,352</u>	<u>101,799,441</u>	<u>99,794,445</u>	<u>96,300,364</u>	<u>84,940,214</u>	<u>82,807,088</u>	<u>79,105,115</u>
	1.6%	2.6%	1.9%	0.9%	2.0%	3.6%	13.4%	2.6%	4.7%	

Source: Basic Financial Statements

CITY OF NIXA, MISSOURI
Changes in Net Position
Last Ten Fiscal Years

Expenses	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Government Activities										
Administration	1,242,757	2,346,453	2,322,352	2,151,679	2,160,212	2,136,652	2,239,548	2,185,151	1,901,529	1,656,921
Public Safety	2,328,959	2,243,976	2,287,874	2,134,982	2,074,845	2,162,527	2,214,899	2,023,110	1,983,383	1,813,233
Building Inspection	336,370	211,108	234,737	215,168	201,065	199,866	202,754	248,136	333,217	-
Storm water	14,500	18,406	24,987	23,884	25,503	23,694	29,877	59,591	-	-
Planning	163,516	157,803	164,477	190,856	181,544	188,749	177,566	171,643	151,390	-
Sanitation	882,781	864,359	843,906	810,214	777,301	736,243	691,910	523,754	483,118	-
Public Services	-	-	-	-	-	-	-	-	-	1,064,291
Parks and recreation	1,065,360	1,169,721	1,156,083	1,012,241	1,045,266	1,240,482	1,376,066	1,410,944	1,460,831	1,267,065
Streets	2,610,494	2,429,810	2,400,347	2,275,191	2,352,741	2,301,974	2,426,261	2,408,831	2,606,196	2,271,526
Interest	99,070	179,794	226,046	254,022	298,460	314,497	373,567	383,375	219,357	267,900
Total Government Activities	8,743,807	9,621,430	9,660,809	9,068,237	9,116,937	9,304,684	9,732,448	9,414,535	9,139,021	8,340,936
Business -type Activities										
Electric	15,606,434	14,367,080	13,534,520	13,791,857	12,718,091	11,894,674	10,352,112	10,840,483	11,467,613	10,525,310
Water	1,531,941	1,067,869	1,060,147	1,132,236	1,091,164	1,259,917	1,287,120	859,253	978,918	942,639
Sewer	2,569,640	2,156,156	2,005,172	2,233,202	2,054,577	2,299,175	2,236,584	1,634,219	1,595,619	1,437,002
Total Business-type Activities	19,708,015	17,591,105	16,599,839	17,157,295	15,863,832	15,453,766	13,875,816	13,333,955	14,042,150	12,904,951
Program Revenues										
Government Activities										
Charges for services	2,140,072	2,127,634	1,833,837	1,664,948	1,651,906	3,289,448	4,166,445	2,118,222	2,348,653	2,340,002
Operating grants and contributions	45,125	26,045	136,127	34,670	32,501	87,754	73,572	101,031	43,563	128,374
Capital grants and contributions	409,722	91,648	129,647	565,534	27,721	337,185	8,554,994	-	902,409	4,671,487
Total Government Activities	2,594,919	2,245,327	2,099,611	2,265,152	1,712,128	3,714,387	12,795,011	2,219,253	3,294,625	7,139,863
Business-type Activities										
Charges for services										
Electric	15,972,035	15,741,500	15,554,823	15,519,118	15,344,506	14,149,516	12,677,779	12,894,398	11,858,480	9,900,809
Water	2,162,153	2,126,982	1,708,429	1,828,508	1,788,103	1,670,332	1,504,051	1,495,073	1,587,586	1,700,989
Sewer	2,955,321	2,967,479	2,791,848	2,584,051	2,577,199	2,573,100	2,503,110	2,486,988	2,502,055	2,206,674
Operating grants and contributions	-	-	-	-	-	-	-	37,228	155,144	-
Capital grants and contributions	225,630	116,796	128,882	65,046	49,552	449,126	59,270	-	144,645	-
Total Business-type Activities	21,315,139	20,952,757	20,183,982	19,996,723	19,759,360	18,842,074	16,744,210	16,913,687	16,247,910	13,808,472
Net (Expense)/Revenue										
Government Activities	(6,148,888)	(7,376,103)	(7,561,198)	(6,803,085)	(7,404,809)	(5,590,297)	3,062,563	(7,195,282)	(5,844,396)	(1,201,073)
Business-type Activities	1,607,124	3,361,652	3,584,143	2,839,428	3,895,528	3,388,308	2,868,394	3,579,732	2,205,760	903,521
Total Net Expense	(4,541,764)	(4,014,451)	(3,977,055)	(3,963,657)	(3,509,281)	(2,201,989)	5,930,957	(3,615,550)	(3,638,636)	(297,552)
General Revenues										
Government Activities										
Taxes	5,828,767	5,656,827	5,194,475	5,062,724	5,632,922	5,337,376	4,650,151	4,976,431	5,412,815	5,244,151
Interest	69,230	62,564	73,986	84,420	102,643	79,205	122,500	169,069	321,159	301,536
Other	134,560	23,939	6,695	21,891	140,825	111,342	10,336	(12,884)	6,922	(231,150)
Transfers In/(out)	947,720	1,884,419	1,821,792	1,779,733	1,140,015	32,830	32,670	1,740,635	1,012,167	877,888
Total Government Activities	6,980,277	7,627,749	7,096,948	6,948,768	7,016,405	5,560,753	4,815,657	6,873,251	6,753,063	6,192,425
Business-type Activities										
Taxes	-	-	-	-	(752,806)	(667,532)	(610,198)	-	-	-
Interest	103,935	266,561	138,358	331,236	345,993	348,358	418,459	331,438	624,810	657,442
Other	75,381	-	500,000	-	45,200	-	-	396,978	-	-
Transfers In/(out)	(947,720)	(1,884,419)	(1,821,792)	(1,779,733)	(1,140,015)	(32,830)	(32,670)	(1,740,635)	(1,012,167)	(877,888)
Total Business-type Activities	(768,404)	(1,617,858)	(1,183,434)	(1,448,497)	(1,501,628)	(352,004)	(224,409)	(1,012,219)	(387,357)	(220,446)
Total Primary Government	6,211,873	6,009,891	5,913,514	5,500,271	5,514,777	5,208,749	4,591,248	5,861,032	6,365,706	5,971,979
Changes in Net Position										
Government Activities	831,389	251,646	(464,250)	145,683	(388,404)	(29,544)	7,878,220	(322,031)	908,667	4,991,352
Business-type Activities	838,720	1,743,794	2,400,709	1,390,931	2,393,900	3,036,304	2,643,985	2,567,513	1,818,403	683,075
Total Change in Net Position	1,670,109	1,995,440	1,936,459	1,536,614	2,005,496	3,006,760	10,522,205	2,245,482	2,727,070	5,674,427

Source: Basic Financial Statements

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 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	436,669	445,083
Assigned	-	-	111,818	710,150	1,960,309	-	-	-	-	-
Unassigned	5,626,047	5,108,565	4,427,057	4,387,394	2,629,864	5,291,967	5,526,710	5,479,648	4,030,357	7,457,110
Total General Fund	<u>\$ 5,640,216</u>	<u>\$ 5,438,207</u>	<u>\$ 4,867,899</u>	<u>\$ 5,417,578</u>	<u>\$ 4,917,070</u>	<u>\$ 5,734,076</u>	<u>\$ 5,972,991</u>	<u>\$ 5,938,674</u>	<u>\$ 4,467,026</u>	<u>\$ 7,902,193</u>
Street Fund										
Nonspendable	\$ 6,925	\$ 5,960	\$ 5,170	\$ 3,708	\$ 4,603	\$ 2,893	\$ 7,865	\$ 19,473	\$ -	\$ -
Restricted	3,965,329	3,940,682	3,041,123	-	2,487,675	-	-	-	266,576	266,576
Assigned	-	-	437,003	330,065	1,048,490	-	-	-	-	-
Unassigned	-	-	-	2,590,965	-	2,910,609	2,563,842	2,177,086	2,159,672	2,279,924
Total Street Fund	<u>\$ 3,972,254</u>	<u>\$ 3,946,642</u>	<u>\$ 3,483,296</u>	<u>\$ 2,924,738</u>	<u>\$ 3,540,768</u>	<u>\$ 2,913,502</u>	<u>\$ 2,571,707</u>	<u>\$ 2,196,559</u>	<u>\$ 2,426,248</u>	<u>\$ 2,546,500</u>
All Other Governmental Funds										
Nonspendable	4,151	4,771	4,653	8,461	4,253	7,055	15,625	54,471	-	-
Restricted	368,732	387,376	-	-	-	340,321	298,698	-	231,964	188,593
Assigned	-	-	344,562	393,861	389,911	-	-	-	-	-
Unassigned	-	-	-	(14,478)	(2,685)	(11,836)	(45,269)	266,237	65,273	62,336
Total All Other Governmental Funds	<u>\$ 372,883</u>	<u>\$ 392,147</u>	<u>\$ 349,215</u>	<u>\$ 387,844</u>	<u>\$ 391,479</u>	<u>\$ 335,540</u>	<u>\$ 269,054</u>	<u>\$ 320,708</u>	<u>\$ 297,237</u>	<u>\$ 250,929</u>
Total Governmental Fund Balances	<u><u>\$ 9,985,353</u></u>	<u><u>\$ 9,776,996</u></u>	<u><u>\$ 8,700,410</u></u>	<u><u>\$ 8,730,160</u></u>	<u><u>\$ 8,849,317</u></u>	<u><u>\$ 8,983,118</u></u>	<u><u>\$ 8,813,752</u></u>	<u><u>\$ 8,455,941</u></u>	<u><u>\$ 7,190,511</u></u>	<u><u>\$ 10,699,622</u></u>

Source: Basic Financial Statements

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Taxes	4,975,982	4,810,904	4,491,949	4,376,161	4,389,833	4,113,957	4,030,705	4,282,014	4,708,959	4,565,882
Intergovernmental taxes	869,108	871,995	690,083	683,480	478,177	555,887	619,446	694,417	703,856	678,269
Licenses and permits	159,025	138,296	144,535	94,907	85,641	455,415	424,531	102,336	125,552	240,984
Charges for services	1,778,750	1,681,012	1,431,333	1,365,614	1,375,722	1,684,879	1,620,543	1,705,925	1,736,543	1,686,009
Fines and forfeitures	182,474	286,009	257,969	182,256	187,446	171,077	234,439	191,962	217,765	252,215
Investment earnings	69,230	62,564	73,986	84,420	102,643	79,205	122,500	169,069	321,159	301,536
Grants and donations	390,807	46,867	40,373	561,173	32,501	150,303	512,713	101,031	102,478	128,374
Rents	19,823	22,317	15,088	22,171	-	115,000	119,350	117,999	141,527	128,859
Impact fees	64,040	70,826	81,071	39,031	27,721	75,848	39,769	57,635	84,503	31,935
Miscellaneous	134,560	22,847	6,698	21,891	24,435	8,937	36,786	17,518	6,983	39,253
Interfund reimbursements	-	1,309,878	1,239,132	1,158,903	1,203,107	1,062,950	1,157,384	1,353,203	1,195,654	995,235
Total Revenues	8,643,799	9,323,515	8,472,217	8,590,007	7,907,226	8,473,458	8,918,166	8,793,109	9,344,979	9,048,551
EXPENDITURES										
Current:										
General government	920,402	2,158,129	2,129,815	1,965,334	1,983,368	1,938,575	2,032,463	1,987,085	1,842,259	1,595,378
Police/Public Safety	2,250,998	2,121,032	2,186,938	2,042,311	1,989,518	2,082,613	2,111,280	1,931,303	1,911,009	1,746,072
Building inspection	208,771	203,936	231,697	216,429	195,892	194,105	194,457	240,288	324,655	307,867
Streets	1,407,478	1,230,304	1,186,874	1,094,029	1,158,864	1,109,328	1,146,842	1,124,277	1,314,013	1,106,738
Planning	163,516	157,803	164,173	190,153	179,565	189,877	176,097	170,840	151,390	143,022
Parks	1,028,313	986,767	991,749	867,474	876,779	1,078,897	1,224,238	1,250,467	1,312,463	1,267,065
Sanitation	882,781	864,359	843,906	810,214	777,301	736,243	691,910	523,754	483,118	452,355
Storm water	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	170,937	131,598
Capital outlay	1,286,581	315,638	1,278,652	1,263,859	345,139	704,446	417,647	542,130	4,462,208	1,386,766
Debt service:										
Principal retirement	620,172	580,253	518,641	365,000	1,130,000	730,000	670,000	650,000	655,131	339,266
Interest and fiscal agent fees	128,841	185,935	243,691	254,314	305,699	339,680	373,567	391,007	214,357	267,900
Total Expenditures	8,912,353	8,996,926	9,959,756	9,231,374	9,118,255	9,143,982	9,172,955	9,062,313	12,841,540	8,744,027
Excess (Deficiency) of Revenues over Expenditures	(268,554)	326,589	(1,487,539)	(641,367)	(1,211,029)	(670,524)	(254,789)	(269,204)	(3,496,561)	304,524
OTHER FINANCING SOURCES (USES)										
Transfer from other funds	456,000	487,500	671,000	1,024,000	2,709,312	2,675,245	2,363,005	2,708,860	1,759,109	1,471,817
Transfer to other funds	(456,000)	(487,500)	(671,000)	(1,024,000)	(2,620,437)	(2,642,415)	(2,330,335)	(2,705,204)	(2,350,829)	(1,990,690)
Capital contribution	-	-	48,576	-	-	-	-	440,684	-	-
Bonds/refunding bonds issued	(318,687)	-	17,700	-	-	-	-	-	-	(125,000)
Debt issuance cost	-	-	(17,700)	-	-	-	-	-	-	(183,186)
Debt proceeds	-	-	468,098	-	-	-	-	-	-	4,205,000
Restitution	-	1,092	80,666	-	116,390	101,320	-	-	-	-
Extraordinary loss	-	-	-	-	-	-	(30,268)	(198,395)	-	(87,217)
Fee in Lieu of Taxes	947,720	748,905	741,293	760,524	752,806	667,532	610,198	614,611	579,170	533,124
Total Other Sources (Uses)	629,033	749,997	1,338,633	760,524	958,071	801,682	612,600	860,556	(12,550)	3,823,848
Net Change in Fund Balances	360,479	1,076,586	(148,906)	119,157	(252,958)	131,158	357,811	591,352	(3,509,111)	4,128,372
Debt service as a percentage of noncapital expenditures	9.82%	8.83%	8.78%	7.77%	16.36%	12.67%	11.92%	12.22%	10.38%	8.25%

Source: Basic Financial Statements

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

Fiscal Year	Property Tax	Sales Tax - City & County	Franchise Tax - Cable & Gas	Missouri Motor Fuel Tax	Other	Total
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
2007	544,078	3,180,901	983,980	511,856	192,000	5,412,815
2006	455,067	3,190,069	920,746	510,769	167,500	5,244,151

Source: Basic Financial Statements

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
City of Nixa (Real Only)	0.3316	0.3316	0.3316	0.3316	0.3284	0.3243	0.3243	0.3257	0.3257	0.3257
Nixa Schools	4.2961	4.3000	4.3100	4.3100	4.3100	4.3100	4.3100	4.3100	4.3100	4.3100
Nixa Fire District	0.7339	0.6549	0.6549	0.6549	0.6483	0.6406	0.6406	0.6349	0.6338	0.6338
Nixa Special Road District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0934	0.0930	0.0930	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	0.0887	0.0887	0.0887	0.0887	0.0882	0.0875	0.0875	0.0870	0.0870	0.0872
Junior College	0.1494	0.1494	0.1479	0.1408	0.1405	0.1396	0.1396	0.1398	0.1412	0.1406
Ambulance	0.1324	0.1324	0.1324	0.1324	0.1305	0.1305	0.1299	0.1300	0.1300	0.1303
Senate Bill 40 Board	0.0799	0.0799	0.0799	0.0799	0.0794	0.0788	0.0788	0.0783	0.0783	0.0785
Health	0.0444	0.0444	0.0444	0.0444	0.0441	0.0438	0.0438	0.0435	0.0435	0.0436
Senior Citizens	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0462	0.0462	0.0462
Total District Overlapping	5.9364	5.8613	5.8698	5.8627	5.8494	5.8351	5.9279	5.9184	5.9187	5.9189

Source: Christian County Clerk

CITY OF NIXA, MISSOURI
Assessed 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
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
2007	142,590,190	63,910	33,035,980	2,870	354,187	176,047,137	855,360,508	20.6%	0.3257
2006	125,993,660	62,470	31,387,740	3,610	337,529	157,785,009	762,797,857	20.7%	0.3257

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.

Source: Christian County Clerk

CITY OF NIXA, MISSOURI
Principal Property Taxpayers
Current Year and 2005

Taxpayer	2015			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Wal-Mart	\$ 2,497,150	1	1.13%	\$ 1,952,540	1	1.42%
Associated Nixa LLC	1,317,220	2	0.60%	824,260	2	0.60%
Peoples Bank of Ozarks	1,179,900	3	0.54%	774,500	3	0.56%
Missouri Gas Energy	1,171,100	4	0.53%	671,230	6	0.49%
Carnahan Investments Enterprise Inc.	1,157,730	5	0.53%	656,740	8	0.48%
St. John's Health Systems	1,114,940	6	0.51%			0.00%
Southernwood Condominium LLC	933,300	7	0.42%			0.00%
Warren Davis Properties XXXIII LLC	803,260	8	0.36%			0.00%
Fountain Plaza Group	779,870	9	0.35%	665,790	7	0.48%
Jared Enterprises	762,050	10	0.35%			0.00%
Park Place Property Investment				772,810	4	0.56%
Crimson Plaza				679,170	5	0.49%
Carnahan LLC				638,530	9	0.46%
HMR Properties				637,240	10	0.46%
Total	\$ 11,716,520		5.32%	\$ 8,272,810		6.02%

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 12/31/15	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 729,122	\$ 702,289	96.3%	\$ -	702,289	96.3%
2014	703,576	673,640	95.7%	21,167	694,807	98.8%
2013	693,817	661,528	95.3%	28,911	690,439	99.5%
2012	665,705	633,110	95.1%	32,219	665,329	99.9%
2011	651,573	603,732	92.7%	44,128	647,860	99.4%
2010	641,960	598,439	93.2%	43,475	641,914	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%
2007	572,362	525,083	91.7%	47,087	572,170	100.0%
2006	515,822	478,574	92.8%	36,585	515,159	99.9%

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.

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
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
2006	1.50%	2,008,635	1,004,318	3,012,953

Source: Missouri Department of Revenue

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Christian County 911</u>	<u>Christian County Rate</u>	<u>State Rate</u>	<u>Total Rate</u>
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%
2007	1.500%	0.000%	1.500%	4.225%	7.225%
2006	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	General	Lease	Certificates of	Revenue	Total	Percentage of	Debt Per
	Obligation	Obligation						
	Governmental			Business-Type				
2015	\$ 2,701,632	\$ 1,540,100	\$ -	\$ 1,055,000	\$ 10,149,000	15,445,732	3.16%	\$ 736
2014	3,214,404	1,797,500	-	1,155,000	11,663,000	17,829,904	3.72%	\$ 849
2013	3,534,457	2,057,700	-	1,250,000	13,137,000	19,979,157	4.26%	\$ 971
2012	3,360,000	2,265,000	-	1,350,000	14,753,000	21,728,000	4.86%	\$ 1,077
2011	3,510,000	2,480,000	-	1,420,000	15,880,000	23,290,000	5.56%	\$ 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
2007	5,040,000	4,130,000	1,259,692	1,630,000	20,931,000	32,990,692	11.17%	\$ 1,985
2006	5,315,131	4,505,000	497,793	1,680,000	22,041,000	34,038,924	12.04%	\$ 2,141

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Fund Balance Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Net Bonded Debt per Capita</u>
2015	\$ 1,540,100	\$ -	1,540,100	0.15%	\$ 73
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
2007	4,130,000	451,855	3,678,145	0.43%	221
2006	4,505,000	445,083	4,059,917	0.53%	255

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, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated share of direct and overlapping debt</u>
Nixa School District	\$ 72,007,066	64.41%	\$ 46,377,487
Nixa Fire District	2,575,000	53.11%	1,367,508
City of Nixa direct long-term debt	4,241,732	100%	<u>4,241,732</u>
Total direct and overlapping debt			<u><u>\$ 50,619,219</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, 2015

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	<u>\$ 220,116,585</u>
Debt limit (20% of assessed value)	<u>\$ 44,023,317</u>
City Debt applicable to debt Limit:	
General obligation bonds	<u>1,540,100</u>
Total net debt applicable to limit	<u>\$ 1,540,100</u>
Legal debt margin	<u>\$ 42,483,217</u>

	Last Ten Fiscal Years									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed valuation, January 1	<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>	<u>\$ 176,047,137</u>	<u>\$ 157,785,009</u>
Debt limit	44,023,317	42,477,446	41,886,805	40,205,356	39,742,813	39,700,104	38,386,170	37,464,006	35,209,427	31,557,002
Total net debt applicable to limit	<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>	<u>3,678,145</u>	<u>4,059,917</u>
Legal debt margin	<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>	<u>\$ 31,531,282</u>	<u>\$ 27,497,085</u>
Total net debt applicable to the limit as a percentage	3.63%	3.61%	4.33%	5.09%	5.73%	6.64%	8.12%	9.66%	11.67%	14.76%

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	
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
2007	11,858,480	10,957,937	900,543	480,000	493,283	973,283	0.93
2006	9,600,980	10,016,643	(415,663)	465,000	488,728	953,728	-0.44

Water system revenue bond coverage (1)

Fiscal Year	Operating Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2007	1,516,622	851,684	664,938	195,000	117,617	312,617	2.13
2006	1,631,630	805,098	826,532	200,500	127,545	328,045	2.52

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	
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
2007	2,502,055	1,322,230	1,179,825	623,101	260,046	883,147	1.34
2006	1,710,211	1,160,205	550,006	541,647	262,690	804,337	0.68
2005	1,505,346	1,127,124	378,222	539,067	469,269	1,008,336	0.38

(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)
2015	20,980	34.2	\$ 23,313	\$ 50,480	6,057	3.3%
2014	20,570	34.2	23,313	50,480	5,926	4.7%
2013	20,135	34.2	23,313	50,480	5,916	4.7%
2012	19,860	34.2	22,524	51,471	5,804	5.1%
2011	19,399	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%
2006	15,900	32	17,774	37,655	4,798	3.6%

Sources:

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

CITY OF NIXA, MISSOURI
Prinicpal Employers
Current Year and 2005

2015				2005		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Nixa School District	800	1	14.15%	555	1	9.59%
Wal-Mart	312	2	5.52%	353	2	6.10%
Diversified	150	3	2.65%	225	3	3.89%
City of Nixa	125	4	2.21%	118	5	2.04%
Christian Health & Rehabilitation	80	5	1.41%	75	6	1.30%
Price Cutter	80	6	1.41%	120	4	2.07%
Nixa Hardware	80	7	1.41%	40	9	0.69%
Southern Bank	60	8	1.06%			
Ample Industries	56	9	0.99%			
Springfield Aluminum	55	10	0.97%	43	7	0.74%
Bass Pro Shops				40	10	0.69%
Meek Lumber Co.				40	8	0.69%
Total	1798		31.79%	1609		27.79%

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

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

Fiscal Year	New Construction (2)							
	Total Estimated Actual Value (1)	Residential Number of Permits	Residential Estimated Cost of Construction	Commercial Number of Permits	Commercial Estimated Cost of Construction	Alterations and Additions Number of Permits	Alterations and Additions Estimated Cost of Construction	Building Demolitions Number of Permits
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
2007	855,360,508	146	28,501,501	6	4,555,000	69	1,125,800	7
2006	762,797,857	268	42,726,856	7	9,789,000	67	1,756,740	3

(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									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
Administrative Services	5	5	5	5	5	4	5	3	3	5
Municipal Court	2	2	2	2	2	2	2	2	2	1
Human Resources	2	2	2	2	2	2	2	2	2	1
Planning & Development	3	3	3	3	3	3	4	4	4	3
Building Inspections	3	3	3	3	3	4	3	3	5	6
Finance	6	7	7	6	6	6	6	6	6	6
Information Technology	0	0	1	0	1	2	2	2	2	2
Municipal property maintenance	2	2	1	1	1	2	2	2	2	1
Police										
Officers	27	27	27	27	25	25	20	21	24	24
Civilians*	6	5	5	5	5	11	12	11	11	12
Parks and recreation	9	8	8	10	10	14	15	15	14	11
Utility Billing	11	11	11	11	11	11	11	10	12	11
Public Works										
Administration	3	3	3	3	3	3	3	3	3	2
Vehicle maintenance	2	2	2	2	2	2	2	2	1	1
Street Maintenance	13	13	13	13	13	13	13	13	10	10
Electric	14	14	14	14	14	14	13	13	14	12
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	9.5	7.5	7.5	6.5	6.5
Recycling	2.2	2.2	2.2	2.2	2.2	2	2	2	2	2
Total	125	124	124	124	123	135	130	127	129	122

* 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									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
Business licenses issued	644	594	574	619	798	735	712	692	665	628
New Residential building permits issued	105	127	133	75	48	90	43	34	159	261
New Commercial building permits issued	5	17	6	3	2	4	6	4	6	7
Building inspections completed	2,589	3,114	2,346	1,922	1,862	2,297	1,488	1,821	5,243	7,303
Rental inspections completed	1,301	1,368	1,378	1,413	1,259	1,588	1,563	1,426	1,474	1,500
Police-Patrol										
Calls for Services	18,899	19,764	18,425	17,476	17,627	15,844	16,652	14,995	13,630	15,945
Arrests	772	865	897	659	735	691	823	822	806	908
City Ordinance Violations	2,263	2,703	2,705	2,433	3,106	2,675	3,445	2,974	2,830	3,775
Accidents	362	349	374	367	337	321	373	356	259	266
Public Works										
Streets resurfaced (miles)*	3.4	4.6	5.9	4.1	5.8	2.7	3.8	-	-	-
Number of water towers	7	7	7	7	7	6	6	6	5	5
Number of wells	9	9	8	8	8	8	8	8	7	7
Number of water meters	8,083	7,945	7,827	7,675	7,638	7,513	7,409	7,400	7,331	7,318
Average daily well production (MGD)	2.8	2.2	2.0	2.3	2.2	2.2	2.1	2.0	2.0	2.3
Number of electric meter accounts	9,539	9,402	9,251	9,064	9,038	8,855	8,796	8,744	8,647	8,446
Number of electric sold (MWh)	147,191	146,361	143,898	145,432	146,099	147,974	133,698	135,859	135,882	130,835
WWTP average daily flow (MGD)	1.6	1.2	1.3	1.1	1.2	1.3	1.4	1.8	1.3	1.2
Recreation										
Number of recreational programs	42	48	44	37	36	36	34	34	33	33
Number of special events offered	10	16	12	10	10	10	9	9	9	9
Number of Fitness Center memberships**	1,351	1,089	475	-	-	-	-	-	-	-

Source: City department records.

*Records not available for 2006-2008

** Fitness Center opened in 2013

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

Function	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
Area (square miles)	8.53	8.53	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	1,950	1,892	1,887	1,882	1,868	1,861	1,807	1,798	1,724	1,680
Miles of water mains*	130.1	130.026	129.0	-	-	-	-	-	-	-
Miles of sanitary sewers	115.5	115.5	109.0	109.0	109.0	109.0	109.0	109.0	108.0	107.0
Miles of sanitary force mains	12.79	12.79	14.00	14.00	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	3	3	3	3	3
Electric Line # of miles	195	188	187.3	187.3	186	186	184.4	183.9	177	166.9
Electric Poles**	4,293	2,986	2,981	2,974	2,974	2,968	2,856	2,847	2,841	2,720
Recreation										
Number of parks	4	4	4	4	3	3	2	2	2	2
Park acreage	101	101	101	101	63	63	60	60	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 2006 - 2012

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

Source: City departmental records.



715 West Mount Vernon, Nixa, Missouri 65714

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