

CITY OF BOLIVAR, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2015

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen
City of Bolivar
Bolivar, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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Honorable Mayor and Board of Aldermen
City of Bolivar
Bolivar, Missouri

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, 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 basic financial statements, the City adopted the provisions of 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*, during the year ended December 31, 2015. 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, pension information and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bolivar, Missouri's basic financial statements. The Combining Non-Major Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Mayor and Board of Aldermen
City of Bolivar
Bolivar, Missouri

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2016, on our consideration of the City of Bolivar, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bolivar, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC
Springfield, Missouri
May 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015

The Management's Discussion and Analysis of the City of Bolivar, Missouri's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the City's financial statements, which begin on page 15.

Financial Highlights

- The net position of the City's governmental activities increased by \$833,379 or 5% for the year as a result of current year activities. The net position of the City's business activities increased by \$152,192 or 2% for the year.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of December 31, 2015, by \$26.9 million (net position). Of this amount \$3,204,131 was unrestricted and may be used to meet future obligations of the City.
- Total long-term liabilities of the City increased by \$3,981,310 during the year primarily due to issuance of a lease for a new fire truck in the amount of \$691,898, a lease for a lift station and sewer lines in the amount of \$4,204,000, and principal payments on debt.

Using This Annual Report

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

Government-Wide Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015

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

- Governmental Activities – Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.
- Business-Type Activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer services are provided here.
- Component Unit – The City has one component unit, which is the Industrial Development Authority whose activities are presented in the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the City's funds and not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the Board of Aldermen establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

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

Notes to the Basic Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015

Government-Wide Financial Analysis

NET POSITION

The following table presents the condensed Statement of Net Position for the City as of December 31, 2015 and 2014, as restated.

	Governmental Activities	Business-Type Activities	Total December 31, 2015	Total December 31, 2014
Assets				
Current and other assets	\$ 4,883,068	\$ 2,079,082	\$ 6,962,150	\$ 6,684,535
Net pension asset	488,075	-	488,075	610,296
Capital assets	19,721,177	13,465,511	33,186,688	28,330,743
	<u>25,092,320</u>	<u>15,544,593</u>	<u>40,636,913</u>	<u>35,625,574</u>
Deferred Outflow of Resources				
Deferred pension outflows	299,044	82,422	381,466	83,562
Liabilities				
Other liabilities	517,934	933,935	1,451,869	1,218,369
Long-term liabilities outstanding	7,270,408	5,261,175	12,531,583	8,550,273
	<u>7,788,342</u>	<u>6,195,110</u>	<u>13,983,452</u>	<u>9,768,642</u>
Deferred Inflow of Resources				
Deferred pension inflows	77,162	31,700	108,862	-
Net Position				
Net investment in capital assets	12,185,841	8,452,410	20,638,251	20,177,833
Restricted				
Non-expendable	384,932	-	384,932	384,607
Expendable	2,698,751	-	2,698,751	2,424,290
Unrestricted	2,256,336	947,795	3,204,131	2,953,764
	<u>\$ 17,525,860</u>	<u>\$ 9,400,205</u>	<u>\$ 26,926,065</u>	<u>\$ 25,940,494</u>

Total net position of the City increased by \$985,571 for the year due to current year activities. Total liabilities for the City have increased by \$4,214,810. Restricted net position of the City totaled \$3,083,683 as of December 31, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015

CHANGES IN NET POSITION

	Governmental Activities	Business-Type Activities	Total Year Ended December 31, 2015	Total Year Ended December 31, 2014
REVENUES AND TRANSFERS				
Program Revenues				
Charges for services	\$ 806,839	\$ 3,118,190	\$ 3,925,029	\$ 3,888,552
Operating grants and contributions	401,772	-	401,772	373,221
Capital grants and contributions	184,196	-	184,196	26,080
General Revenues				
Sales tax	4,713,612	-	4,713,612	4,562,077
Motor vehicle tax	405,012	-	405,012	389,340
Other taxes	31,725	-	31,725	31,736
Franchise fees	211,643	-	211,643	219,278
Interest	7,824	331	8,155	6,988
Other revenue	133,961	-	133,961	131,670
Transfers	(13,331)	13,331	-	-
TOTAL REVENUES AND TRANSFERS	6,883,253	3,131,852	10,015,105	9,628,942
EXPENSES				
Public safety	1,800,336	-	1,800,336	1,647,297
Municipal Court	130,714	-	130,714	132,296
Community development	190,075	-	190,075	112,509
Animal pound	131,411	-	131,411	121,544
Recreation and parks	455,921	-	455,921	487,244
Rails to trails	15,567	-	15,567	24,866
Aquatic center	164,670	-	164,670	252,853
Golf course	202,138	-	202,138	228,735
Fire	928,388	-	928,388	825,041
Cemetery	48,903	-	48,903	71,858
Transportation	1,127,795	-	1,127,795	927,417
Airport	377,807	-	377,807	599,945
Economic development	-	-	-	14,155
Debt service	476,149	-	476,149	329,123
Water and sewer	-	2,979,660	2,979,660	2,862,515
TOTAL EXPENSES	6,049,874	2,979,660	9,029,534	8,637,398
INCREASE IN NET POSITION	\$ 833,379	\$ 152,192	\$ 985,571	\$ 991,544

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015**

Governmental Activities

Governmental activities increased the net position of the City by \$833,379. Tax revenues for the City were \$5,361,992, which represents 78% of the funding of these activities. Program revenues for the functions totaled \$1,392,807 or 20% of the funding. The following table shows the cost of the City's programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**NET COST OF THE CITY OF BOLIVAR'S
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Administrative	\$ -	\$ (49,595)
Public safety	1,800,336	1,579,291
Municipal court	130,714	130,714
Community development	190,075	159,266
Animal pound	131,411	119,377
Recreation and parks	455,921	452,026
Rails to trails	15,567	15,567
Aquatic center	164,670	107,408
Golf course	202,138	106,725
Fire	928,388	553,423
Cemetery	48,903	17,930
Transportation	1,127,795	975,702
Airport	377,807	13,084
Debt service	476,149	476,149
	<u>\$ 6,049,874</u>	<u>\$ 4,657,067</u>

Business-Type Activities

Business-type activities increased the City's net position by \$152,192. This is down from the increase received last year from the City's business-type activities. The increase incurred in the prior year was \$176,106.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of December 31, 2015, were \$4.7 million. The General Fund increased by \$267,965. The Street Fund decreased by \$104,132. The ½ Cent Capital Improvement Fund increased by \$205,832. The Recreation Facility Fund increased by \$85,978. The Fire Fund decreased by \$622,547.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015

General Fund Budgetary Highlights

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

- The original revenue budget of \$2,391,115 was not amended during the year.
- The original expenditures budget of \$2,681,129 was not amended during the year.
- Budgeted revenues were \$96,273 below actual, and budgeted expenditures were \$297,238 above actual.

Capital Assets and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$19,721,177 (net of accumulated depreciation) as of December 31, 2015. This represents a \$1,225,246 increase from the prior year. Capital assets for business-type activities were \$13,465,511 as of December 31, 2015. This represents an increase of \$3,630,699 from the prior year.

Debt

Total debt of the governmental activities as of December 31, 2015, was \$7,561,729, which is up \$421,317 from the prior year, primarily due to the issuance of a lease for a new fire truck in the amount of \$691,898, and principal payments on debt.

Total debt of the business-type activities as of December 31, 2015, was \$5,844,013, which is up \$3,822,197 from the prior year, primarily due to the issuance of a lease for sewer lines and lift station in the amount of \$4,204,000, and principal payments on debt.

Economic Factors and Next Year's Budget

2015 found the City continuing to increase in its capacity for addressing the needs of the community after having dealt with the financial issues with which we were faced in previous years. Although the economy itself has not yet fully rebounded to where it was in pre-recessionary days, there has been a modest comeback, with City revenues being up year after year. Though the tasks presented were not easy, each of the past problems faced by the City of Bolivar has been met head-on by the Elected Officials and the Staff, and the City is in, by far, better financial status than it has been in previous years. The City continues to see benefits in interest rates and leasing terms, in part because of this approach to the City's finances.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF BOLIVAR, MISSOURI
December 31, 2015

The City is anticipating a relatively flat (perhaps 1.5-2%) change in revenues for 2016, however, through continued management of the City resources, and containment of costs wherever possible, the City anticipates the continued expansion of its financial health in 2016. Having met (and exceeded) ahead of the previously projected schedule, the need for the General Revenue Fund to have a balance of 25% of the operational costs of the City, the monies that have been set aside in previous attempts to meet that financial goal will then be freed to meet other objectives in the future.

Contacting the City's Financial Management

For additional information or questions, please contact:

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Darin Chappell, City Administrator
Natalie Scrivner, City Clerk

CITY OF BOLIVAR, MISSOURI
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
ASSETS				
Current				
Cash and cash equivalents	\$ 3,413,993	\$ 691,726	\$ 4,105,719	\$ 114,514
Investments	426,702	148,891	575,593	
Taxes receivable	758,480	-	758,480	-
Court fines receivable, net	54,487	-	54,487	-
Intergovernmental receivable	22,199	-	22,199	-
Utilities receivable, net	-	275,481	275,481	-
Other accounts receivable	53,153	-	53,153	-
Prepaid expenses	41,731	15,123	56,854	-
Noncurrent				
Restricted cash and cash equivalents	20,449	947,861	968,310	-
Restricted investments	91,874	-	91,874	-
Net pension asset	488,075	-	488,075	-
Capital Assets:				
Non-depreciable	822,054	220,461	1,042,515	554,725
Depreciable, net	18,899,123	13,245,050	32,144,173	-
TOTAL ASSETS	25,092,320	15,544,593	40,636,913	669,239
DEFERRED OUTFLOW OF RESOURCES				
Deferred pension outflows	299,044	82,422	381,466	-

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF NET POSITION (continued)
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
LIABILITIES				
Current				
Accounts payable	27,697	136,162	163,859	-
Accrued expenses	68,574	43,827	112,401	-
Customer deposits payable	400	126,430	126,830	-
Court bonds payable	11,718	-	11,718	-
Unearned revenue	65,273	-	65,273	-
Accrued interest payable	52,951	19,416	72,367	-
Current portion of long-term debt	291,321	608,100	899,421	-
	517,934	933,935	1,451,869	-
Noncurrent				
Capital leases payable	1,574,065	5,224,932	6,798,997	-
Certificates of participation payable, net	5,669,950	-	5,669,950	-
Net pension liability	-	25,262	25,262	-
Compensated absences	26,393	10,981	37,374	-
	7,270,408	5,261,175	12,531,583	-
TOTAL LIABILITIES	7,788,342	6,195,110	13,983,452	-
DEFERRED INFLOW OF RESOURCES				
Deferred pension inflows	77,162	31,700	108,862	-
NET POSITION				
Net investment in capital assets	12,185,841	8,452,410	20,638,251	554,725
Restricted				
Non-expendable	384,932	-	384,932	-
Expendable	2,698,751	-	2,698,751	-
Unrestricted	2,256,336	947,795	3,204,131	114,514
TOTAL NET POSITION	\$ 17,525,860	\$ 9,400,205	\$ 26,926,065	\$ 669,239

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses), Revenues and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
Primary Government								
Governmental Activities								
Administrative	\$ -	\$ 49,595	\$ -	\$ -	\$ 49,595	\$ -	\$ 49,595	\$ -
Public safety	(1,800,336)	165,562	53,223	2,260	(1,579,291)	-	(1,579,291)	-
Municipal court	(130,714)	-	-	-	(130,714)	-	(130,714)	-
Community development	(190,075)	30,809	-	-	(159,266)	-	(159,266)	-
Animal pound	(131,411)	6,335	5,699	-	(119,377)	-	(119,377)	-
Recreation and parks	(455,921)	3,895	-	-	(452,026)	-	(452,026)	-
Rails to trails	(15,567)	-	-	-	(15,567)	-	(15,567)	-
Aquatic center	(164,670)	57,262	-	-	(107,408)	-	(107,408)	-
Golf course	(202,138)	95,413	-	-	(106,725)	-	(106,725)	-
Fire	(928,388)	3,095	342,027	29,843	(553,423)	-	(553,423)	-
Cemetery	(48,903)	30,150	823	-	(17,930)	-	(17,930)	-
Transportation	(1,127,795)	-	-	152,093	(975,702)	-	(975,702)	-
Airport	(377,807)	364,723	-	-	(13,084)	-	(13,084)	-
Debt service	(476,149)	-	-	-	(476,149)	-	(476,149)	-
TOTAL GOVERNMENTAL ACTIVITIES	(6,049,874)	806,839	401,772	184,196	(4,657,067)	-	(4,657,067)	-
Business-Type Activities								
Water and Sewer	(2,979,660)	3,118,190	-	-	-	138,530	138,530	-
TOTAL BUSINESS-TYPE ACTIVITIES	(2,979,660)	3,118,190	-	-	-	138,530	138,530	-
TOTAL PRIMARY GOVERNMENT	\$ (9,029,534)	\$ 3,925,029	\$ 401,772	\$ 184,196	(4,657,067)	138,530	(4,518,537)	-
Component Unit								
Industrial Development Authority	\$ (35)	\$ -	\$ -	\$ -	-	-	-	(35)
General Revenues:								
Sales taxes					4,713,612	-	4,713,612	-
Motor vehicle taxes					405,012	-	405,012	-
Other taxes					31,725	-	31,725	-
Franchise fees					211,643	-	211,643	-
Interest					7,824	331	8,155	176
Other revenue					133,961	-	133,961	-
Transfers					(13,331)	13,331	-	-
Total General Revenues and Transfers					5,490,446	13,662	5,504,108	176
Changes in Net Position					833,379	152,192	985,571	141
Net Position, Beginning of year, as restated					16,692,481	9,248,013	25,940,494	669,098
Net Position, End of year					\$ 17,525,860	\$ 9,400,205	\$ 26,926,065	\$ 669,239

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2015

	Special Revenue Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund			
ASSETS								
Cash and cash equivalents - unrestricted	\$ 951,943	\$ 726,519	\$ 1,050,267	\$ 37,146	\$ 95,227	\$ 552,891	\$ 3,413,993	
Investments - unrestricted	41,232	111,968	-	-	-	273,502	426,702	
Taxes receivable	306,786	129,786	153,393	74,545	74,577	19,393	758,480	
Court fines receivable, net	54,487	-	-	-	-	-	54,487	
Intergovernmental receivable	-	-	-	-	22,199	-	22,199	
Other accounts receivable	5,334	-	-	11,853	-	35,966	53,153	
Prepaid expenses	22,173	10,461	-	2,843	6,254	-	41,731	
Due from other funds	-	297,869	-	-	-	-	297,869	
Restricted cash and cash equivalents	20,049	-	-	-	-	400	20,449	
Restricted investments	-	-	-	-	-	91,874	91,874	
TOTAL ASSETS	\$ 1,402,004	\$ 1,276,603	\$ 1,203,660	\$ 126,387	\$ 198,257	\$ 974,026	\$ 5,180,937	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)								
Liabilities								
Accounts payable	\$ 12,110	\$ 10,759	\$ -	\$ 2,627	\$ 1,110	\$ 1,091	\$ 27,697	
Accrued expenses	45,781	8,130	-	3,254	11,386	23	68,574	
Due to other funds	-	-	-	210,048	-	87,821	297,869	
Customer deposits payable	-	-	-	-	-	400	400	
Court bonds payable	11,718	-	-	-	-	-	11,718	
Unearned revenue	-	-	-	65,273	-	-	65,273	
TOTAL LIABILITIES	69,609	18,889	-	281,202	12,496	89,335	471,531	
Deferred Inflows of Resources								
Deferred court fines	40,165	-	-	-	-	-	40,165	
TOTAL DEFERRED INFLOWS OF RESOURCES	40,165	-	-	-	-	-	40,165	

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS (continued)
December 31, 2015

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund		
Fund Balances (Deficit)							
Nonspendable:							
Prepaid items	22,173	10,461	-	2,843	6,254	-	41,731
Cemetery perpetual care	-	-	-	-	-	31,874	31,874
Permanent	-	-	-	-	-	353,058	353,058
Restricted for:							
Public safety - drug forfeiture funds	5,432	-	-	-	-	-	5,432
Shop with a cop	1,464	-	-	-	-	-	1,464
Dog pound	1,435	-	-	-	-	-	1,435
Transportation	-	1,247,253	-	-	-	-	1,247,253
Capital improvements	-	-	1,203,660	-	-	-	1,203,660
Fire	-	-	-	-	179,507	-	179,507
Cemetery	-	-	-	-	-	60,000	60,000
Assigned to:							
Airport	-	-	-	-	-	208,421	208,421
Transportation	-	-	-	-	-	253,363	253,363
Unassigned	1,261,726	-	-	(157,658)	-	(22,025)	1,082,043
TOTAL FUND BALANCES (DEFICIT)	1,292,230	1,257,714	1,203,660	(154,815)	185,761	884,691	4,669,241
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	\$ 1,402,004	\$ 1,276,603	\$ 1,203,660	\$ 126,387	\$ 198,257	\$ 974,026	\$ 5,180,937

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
 NET POSITION
 December 31, 2015

Fund balance - total governmental funds	\$ 4,669,241
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	28,464,850
Less accumulated depreciation	<u>(8,743,673)</u>
	19,721,177
The net pension asset and deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension asset	488,075
Deferred outflows due to pensions	299,044
Deferred inflows due to pensions	<u>(77,162)</u>
	709,957
Adjustment of deferred court fines	40,165
Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due	(52,951)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(7,561,729)</u>
Net Position of Governmental Activities	<u><u>\$ 17,525,860</u></u>

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	Special Revenue Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Street Fund	1/2 Cent Capital Improvement Fund	Recreation Facility Fund	Fire Fund			
REVENUES								
Taxes	\$ 2,166,575	\$ 1,200,769	\$ 961,525	\$ 457,043	\$ 457,174	\$ 118,906	\$ 5,361,992	
Licenses and permits	65,093	-	-	-	-	-	65,093	
Charges for services	-	-	-	156,415	-	387,773	544,188	
Intergovernmental revenues	39,636	152,093	-	-	371,870	-	563,599	
Fines and forfeitures	147,118	-	-	-	-	-	147,118	
Interest	6,710	167	-	-	-	947	7,824	
Other	62,256	2,873	-	36,995	4,690	84,402	191,216	
TOTAL REVENUES	2,487,388	1,355,902	961,525	650,453	833,734	592,028	6,881,030	
EXPENDITURES								
Current								
Public safety	1,927,585	-	-	-	-	-	1,927,585	
Municipal court	132,011	-	-	-	-	-	132,011	
Community development	191,726	-	-	-	-	-	191,726	
Animal pound	132,569	-	-	-	-	-	132,569	
Recreation and parks	-	-	-	321,118	-	-	321,118	
Aquatic center	-	-	-	166,267	-	-	166,267	
Golf course	-	-	-	189,677	-	-	189,677	
Fire	-	-	-	-	2,156,416	339	2,156,755	
Cemetery	-	-	-	-	-	46,588	46,588	
Transportation	-	1,449,538	-	-	-	-	1,449,538	
Airport	-	-	-	-	-	320,583	320,583	
Debt Service								
Principal and interest	-	10,496	-	409,761	80,638	53,677	554,572	
TOTAL EXPENDITURES	2,383,891	1,460,034	-	1,086,823	2,237,054	421,187	7,588,989	
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	103,497	(104,132)	961,525	(436,370)	(1,403,320)	170,841	(707,959)	
OTHER FINANCING SOURCES (USES)								
Lease proceeds	-	-	-	-	691,898	-	691,898	
Operating transfer in (out)	164,468	-	(755,693)	522,348	88,875	(33,329)	(13,331)	
TOTAL OTHER FINANCING SOURCES (USES)	164,468	-	(755,693)	522,348	780,773	(33,329)	678,567	
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	267,965	(104,132)	205,832	85,978	(622,547)	137,512	(29,392)	
FUND BALANCE (DEFICIT), January 1	1,024,265	1,361,846	997,828	(240,793)	808,308	747,179	4,698,633	
FUND BALANCE (DEFICIT), December 31	\$ 1,292,230	\$ 1,257,714	\$ 1,203,660	\$ (154,815)	\$ 185,761	\$ 884,691	\$ 4,669,241	

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ (29,392)

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

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

Capital outlay	1,931,604
Depreciation	<u>(706,358)</u>
	1,225,246

Some revenues reported in the governmental funds represent current financial resources
 and were recognized in the Statement of Activities when earned. 15,554

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

Lease proceeds	(691,898)
Discount on certificates of participation	(11,602)
Accrued interest payable	346
Repayment of principal on leases	<u>286,269</u>
	(416,885)

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

Change in pension related costs	42,942
Change in compensated absences	<u>(4,086)</u>
	38,856

Change in Net Position of Governmental Activities	<u>\$ 833,379</u>
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See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF NET POSITION – ENTERPRISE FUND
December 31, 2015

	<u>Water and Sewer Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 691,726
Investments	148,891
Utilities receivable, net	275,481
Prepaid expenses	<u>15,123</u>
TOTAL CURRENT ASSETS	1,131,221
Restricted Assets	
Cash and cash equivalents	<u>947,861</u>
TOTAL RESTRICTED ASSETS	947,861
Property, Plant and Equipment	
Land	132,231
Construction in progress	88,230
Equipment and furniture	2,294,852
Water and sewer system	20,353,108
Buildings and improvements	582,993
Less Accumulated Depreciation	<u>(9,985,903)</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>13,465,511</u>
TOTAL ASSETS	15,544,593
DEFERRED OUTFLOW OF RESOURCES	
Deferred pension outflows	82,422

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF NET POSITION – ENTERPRISE FUND (continued)
December 31, 2015

	<u>Water and Sewer Fund</u>
LIABILITIES	
Current Liabilities	
Accounts payable	136,162
Accrued expenses	43,827
Customer deposits	126,430
Accrued interest payable	19,416
Current portion of long-term debt	<u>608,100</u>
TOTAL CURRENT LIABILITIES	933,935
Long-Term Liabilities	
Capital leases payable	5,224,932
Net pension liability	25,262
Compensated absences payable	<u>10,981</u>
TOTAL LONG-TERM LIABILITIES	<u>5,261,175</u>
TOTAL LIABILITIES	6,195,110
DEFERRED INFLOW OF RESOURCES	
Deferred pension inflows	31,700
NET POSITION	
Net investment in capital assets	8,452,410
Unrestricted	<u>947,795</u>
TOTAL NET POSITION	<u><u>\$ 9,400,205</u></u>

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUND
Year Ended December 31, 2015

	<u>Water and Sewer Fund</u>
OPERATING REVENUES	
Charges for services	\$ 2,995,426
Other charges	<u>122,764</u>
TOTAL OPERATING REVENUES	3,118,190
OPERATING EXPENSES	
Salaries and wages	818,837
Employee Benefits	184,436
Materials and supplies	267,352
Utilities	638,633
Insurance	68,274
Repairs and maintenance	200,749
Travel and conferences	5,771
Depreciation	592,628
Miscellaneous	<u>39,474</u>
TOTAL OPERATING EXPENSES	<u>2,816,154</u>
OPERATING INCOME	302,036
NONOPERATING REVENUES (EXPENSES)	
Interest income	331
Interest expense	(60,070)
Debt issuance expense	<u>(103,436)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(163,175)</u>
INCOME BEFORE OPERATING TRANSFERS	138,861
OPERATING TRANSFERS IN	<u>13,331</u>
NET INCOME	152,192
NET POSITION, January 1, as restated	<u>9,248,013</u>
NET POSITION, December 31	<u><u>\$ 9,400,205</u></u>

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
Year Ended December 31, 2015

	<u>Water and Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,113,599
Cash paid to employees	(999,636)
Cash paid to suppliers	<u>(1,226,585)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	887,378
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>13,331</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	13,331
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(4,160,522)
Capital lease proceeds	4,204,000
Payment of principal on capital leases	(385,239)
Payment of debt issuance expense	(103,436)
Payment of interest expense	<u>(46,155)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(491,352)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	331
Purchase of investments	<u>(222)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>109</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	409,466
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,230,121</u>
CASH AND CASH EQUIVALENTS, End of year	1,639,587
LESS RESTRICTED CASH AND CASH EQUIVALENTS	<u>(947,861)</u>
UNRESTRICTED CASH AND CASH EQUIVALENTS	<u><u>\$ 691,726</u></u>

See accompanying notes.

CITY OF BOLIVAR, MISSOURI
STATEMENT OF CASH FLOWS – ENTERPRISE FUND (continued)
Year Ended December 31, 2015

	<u>Water and Sewer Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 302,036
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	592,628
(Increase) decrease in:	
Utilities receivable	(8,561)
Prepaid expenses	12,050
Net pension asset	5,027
Deferred pension outflows	(60,606)
Increase (decrease) in:	
Accounts payable	(18,382)
Accrued expenses	(1,182)
Compensated absences	3,436
Customer deposits payable	3,970
Net pension liability	25,262
Deferred pension inflows	31,700
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 887,378</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bolivar, Missouri (the City) is a fourth class City under Missouri State Statutes and is governed under a Mayor/Board of Aldermen form of government. The City provides a range of municipal services, including general government administration, public safety, fire, recreation, cemetery, community development, street maintenance, airport facilities, and waterworks and sewerage operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Financial Reporting Entity

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

The City of Bolivar, Missouri, is a primary government, which is governed by an elected Board of Aldermen. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that the entity described in the following paragraph meets the above criteria and therefore, has been included as a component unit in the City's basic financial statements.

Component Unit

Industrial Development Authority

The IDA is a not-for-profit corporation established by resolution of the Board of Aldermen and formed under RSMo Chapter 349, the Industrial Development Corporations Act. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. The IDA Board of Directors is appointed by the Board of Aldermen of the City of Bolivar, Missouri. The City provides the IDA financial and administrative support.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

Street Fund: The Street Fund of the City is used to account for resources restricted, committed or assigned for City streets.

½ Cent Capital Improvement Fund: This fund is used to account for financial resources restricted, committed or assigned for the acquisition, construction, and maintenance of major capital assets of the City.

Recreation Facility Fund: The Recreation Facility Fund is used to account for financial resources restricted, committed or assigned for City recreation and parks.

Fire Fund: The Fire Fund is used to account for financial resources restricted, committed or assigned for the City Fire Department.

The City reports the following major proprietary fund:

Water and Sewer Fund: The Water and Sewer Fund accounts for the activities and capital improvements of the City's water and sewer operations.

Capital Assets

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the city elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings	40 - 50 years
Equipment	5 - 20 years
Vehicles	10 - 20 years
Water and sewer plant	20 - 50 years
Infrastructure	30 - 50 years

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

Pooled Cash and Cash Equivalents

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

Compensated Absences

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

Use of Estimates

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest Capitalization

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

Net Position

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

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

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – Consists of net position that does not meet the determination of restricted or net investment in capital assets.

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

Fund Balance Classification

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed fund balance – This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City’s Board of Aldermen.

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

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Balance Sheet and Statement of Net 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 that time. The City has two items that qualify for reporting in this category, deferred amounts relating to court fines on the Balance Sheet and deferred pension inflows relating to the retirement plan on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

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

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Pronouncement

The Government Accounting Standards Board (GASB) issued 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, for reporting periods beginning after June 15, 2014. The statement establishes standards for measuring and recognizing assets and liabilities, deferred inflow and outflow of resources, and expenses relating to pensions, note disclosures, and required supplementary information. The City adopted GASB Statement Nos. 68 and 71 for the year ended December 31, 2015.

Certain January 1, 2015, amounts have been reclassified to the December 31, 2015, presentation.

Unearned Revenue

This is future revenue received in advance for the interest subsidy on the 2010B Certificates of Participation to offset interest expense. This revenue will be recognized as income when the interest payment is due on the certificates.

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the City’s deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all bank balances on deposit are entirely insured or collateralized.

NOTE C – INVESTMENTS

The City’s investments as of December 31, 2015, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Series EE Treasury bonds	12/1/2032	\$ 9,624
Certificates of Deposit	4/7/2016 - 7/10/2016	657,843
		<u>\$ 667,467</u>

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE C – INVESTMENTS (continued)

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the City’s deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The City does not have a policy on interest rate risk.

NOTE D – RESTRICTED ASSETS

Governmental Activities

Cash and investments and net position have been restricted in the following funds:

	<u>Restricted Cash and Investments</u>	<u>Restricted Net Position</u>
GENERAL FUND		
Court bonds	\$ 11,718	\$ -
Drug forfeiture	5,432	5,432
Shop with a cop	1,464	1,464
Dog pound fund	1,435	1,435
	<u>\$ 20,049</u>	<u>\$ 8,331</u>
STREET FUND		
Transportation taxes	<u>\$ -</u>	<u>\$ 1,247,253</u>
1/2 CENT CAPITAL IMPROVEMENT FUND		
Capital improvement taxes	<u>\$ -</u>	<u>\$ 1,203,660</u>
FIRE FUND		
Fire taxes	<u>\$ -</u>	<u>\$ 179,507</u>

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE D – RESTRICTED ASSETS (continued)

	Restricted Cash and Investments	Restricted Net Position
	<u> </u>	<u> </u>
NON-MAJOR GOVERNMENTAL FUNDS		
Cemetery perpetual care	\$ 31,874	\$ 31,874
Cemetery donations	60,000	60,000
Airport deposits	400	-
Corbett donation	-	282,607
Bolivar Charitable Trust	-	28,565
Plaza of the Americas	-	41,886
	<u>\$ 92,274</u>	<u>\$ 444,932</u>

Business-Type Activities

Restricted cash and cash equivalents and net position include cash restricted for wastewater improvements, customer deposits and performance bonds. These restrictions are as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
	<u> </u>	<u> </u>
Wastewater Improvements Lease Proceeds	\$ 469,258	\$ -
Sewer System Lease Proceeds	350,673	-
Utility Deposits	126,430	-
Performance Bonds	1,500	-
	<u>\$ 947,861</u>	<u>\$ -</u>

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable are presented net of an allowance for doubtful accounts as follows:

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net Accounts Receivable</u>
UTILITIES RECEIVABLE			
Water and Sewer Fund	<u>\$ 276,801</u>	<u>\$ 1,320</u>	<u>\$ 275,481</u>
COURT FINES RECEIVABLE			
General Fund	<u>\$ 66,447</u>	<u>\$ 11,960</u>	<u>\$ 54,487</u>

NOTE F – LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES

The business-type activities long-term debt at December 31, 2015, consists of four capital lease obligations and compensated absences.

Capital Lease Agreement – Water Tower

During 2002, the City entered into a lease purchase agreement with the Industrial Development Authority of the City of Bolivar, Inc. to finance the purchase of a water tower, well, and the land on which the aforementioned is located. During 2007, the City refinanced this lease under the City’s name.

The City's lease/purchase agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancellable capital lease in accordance with GASB Section L20, “Leases”.

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE F – LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES (continued)

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

Year Ended December 31,	IDA Water Tower Lease Purchase
2016	\$ 116,005
2017	87,004
TOTAL MINIMUM LEASE PAYMENTS	203,009
LESS AMOUNT REPRESENTING INTEREST	(3,059)
PRINCIPAL BALANCE, DECEMBER 31, 2015	\$ 199,950

Capital Lease Agreement – Public Works Building

On April 30, 2009, the City entered into a lease purchase agreement to finance the purchase of a building. On April 10, 2014, this lease was refinanced. The lease is split between the street, water, sewer and utilities departments. Three-fourths of the lease activity is included in the business-type activities and one-fourth of the lease activity is included in the governmental activities. The agreement requires monthly payments of \$2,624 including interest at 2.509%, with a final principal payment of \$150,135 in April 2019.

The City's lease/purchase agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancellable capital lease in accordance with GASB Section L20, "Leases".

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

Year Ended December 31,	Principal	Interest	Total
2016	\$ 25,849	\$ 5,640	\$ 31,489
2017	26,506	4,983	31,489
2018	27,178	4,311	31,489
2019	157,037	1,285	158,322
	\$ 236,570	\$ 16,219	\$ 252,789

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE F – LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES (continued)

Capital Lease Agreement – Wastewater Treatment Plant Improvements

On April 30, 2013, the City entered into a lease agreement with Clayton Holdings, LLC (Commerce Bank) in the amount of \$1,804,084 to pay off an existing lease for wastewater treatment plant improvements in the amount of \$386,493 and to finance new wastewater treatment plant improvements. The agreement requires semi-annual payments of \$140,202 including interest at 2.29%.

The City’s lease/purchase agreement provides for the cancellation of the lease at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancellable capital lease in accordance with GASB Section L20, “Leases”.

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

Year Ended December 31,	Principal	Interest	Total
2016	\$ 254,545	\$ 25,859	\$ 280,404
2017	260,407	19,997	280,404
2018	266,405	13,999	280,404
2019	272,540	7,864	280,404
2020	138,615	1,588	140,203
	<u>\$ 1,192,512</u>	<u>\$ 69,307</u>	<u>\$ 1,261,819</u>

Capital Lease Agreement – Sewer Lines and Lift Station

On October 30, 2015, the City entered into a lease agreement with Branch Banking and Trust Company in the amount of \$4,204,000 to purchase sewer lines and a lift station. The agreement requires semi-annual principal and interest payments with interest at 2.63%.

The City’s lease/purchase agreement provides for the cancellation of the lease at the City’s option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancellable capital lease in accordance with GASB Section L20, “Leases”.

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE F – LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES (continued)

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

Year Ended December 31,	Principal	Interest	Total
2016	\$ 214,500	\$ 91,165	\$ 305,665
2017	239,100	103,362	342,462
2018	245,400	97,033	342,433
2019	252,000	90,535	342,535
2020	258,700	83,864	342,564
2021	265,500	77,016	342,516
2022	272,500	69,987	342,487
2023	279,700	62,774	342,474
2024	287,100	55,369	342,469
2025	294,700	47,769	342,469
2026	302,500	39,967	342,467
2027	310,600	31,958	342,558
2028	318,700	23,737	342,437
2029	327,200	15,300	342,500
2030	335,800	6,638	342,438
	<u>\$ 4,204,000</u>	<u>\$ 896,474</u>	<u>\$ 5,100,474</u>

A summary of the changes in long-term debt – business-type activities for the year ended December 31, 2015, is as follows:

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015	Amounts Due Within One Year
Capital Leases Payable	\$ 2,014,271	\$ 4,204,000	\$ 385,239	\$ 5,833,032	\$ 608,100
Compensated Absences Payable	7,545	3,436	-	10,981	-
	<u>\$ 2,021,816</u>	<u>\$ 4,207,436</u>	<u>\$ 385,239</u>	<u>\$ 5,844,013</u>	<u>\$ 608,100</u>

NOTE G – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES

Long-term debt for governmental activities at December 31, 2015, consists of five capital lease obligations, Series 2010A and 2010B Certificates of Participation, and compensated absences.

Capital Lease Agreement – Airport Land

During 2007, the City entered into a lease purchase agreement with Commerce Bank, N.A. to finance the purchase of land to be used for the airport. The property has been accounted for in the Airport Fund. The lease agreement requires monthly payments through 2017 including an interest rate of 2.36%.

Capital Lease Agreement – Public Works Building

On April 30, 2009, the City entered into a lease purchase agreement to finance the purchase of a building. On April 10, 2014, this lease was refinanced. The lease is split between the street, water, sewer and utilities departments. One-fourth of the lease activity is included in the governmental activities and three-fourths of the lease activity is included in the business-type activities. The agreement requires monthly payments of \$875 including interest at 2.509% with a final principal payment of \$50,045 in April 2019.

Capital Lease Agreement – Fire Truck

On December 18, 2014, the City entered into a lease purchase agreement to finance the purchase of a fire truck in the amount of \$509,958. The agreement requires monthly payments of \$5,033 including interest at 4%.

Capital Lease Agreement – Public Safety Building

On January 30, 2014, the City entered into a lease purchase agreement to finance the purchase of a Public Safety Building and land in the amount of \$500,000. The agreement requires monthly payments of \$3,325 including interest at 2.46% with a final principal payment of \$355,962 in January 2019.

Capital Lease Agreement – Fire Truck

On September 29, 2015, the City entered into a lease purchase agreement to finance the purchase of a fire truck in the amount of \$691,898. The agreement requires monthly payments of \$6,446 including interest at 2.25%.

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE G – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (continued)

The City's lease/purchase agreements provide for the cancellation of the leases at the City's option on the renewal dates each year per State statute, however the City does not foresee exercising its option to cancel. Therefore, these leases are accounted for as noncancellable capital leases in accordance with GASB Section L20, "Leases".

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

Year Ended December 31,	Airport Land Lease	Public Works Building Lease	Fire Truck Lease	Public Safety Building Lease	Fire Truck Lease	Total
2016	\$ 53,677	\$ 10,500	\$ 60,396	\$ 39,900	\$ 77,352	\$ 241,825
2017	40,257	10,500	60,396	39,900	77,352	228,405
2018	-	10,500	60,396	39,900	77,352	188,148
2019	-	52,670	60,396	356,692	77,352	547,110
2020	-	-	60,396	-	77,352	137,748
2021	-	-	60,396	-	77,352	137,748
2022	-	-	60,396	-	77,352	137,748
2023	-	-	60,396	-	77,352	137,748
2024	-	-	50,330	-	77,352	127,682
2025	-	-	-	-	64,460	64,460
TOTAL MINIMUM LEASE PAYMENTS	93,934	84,170	533,498	476,392	760,628	1,948,622
LESS AMOUNT REPRESENTING INTEREST	(2,002)	(5,313)	(56,429)	(30,461)	(79,031)	(173,236)
PRINCIPAL BALANCE, DECEMBER 31, 2015	\$ 91,932	\$ 78,857	\$ 477,069	\$ 445,931	\$ 681,597	\$ 1,775,386

Series 2010A and 2010B Certificates of Participation

On December 23, 2010, the City issued \$1,675,000 Tax Exempt Certificates of Participation, Series 2010A and \$4,775,000 Taxable Certificates of Participation (Build America Bonds – Direct Pay), Series 2010B. The Certificates were issued to provide financing of the costs related to the acquisition, construction, improvement, furnishing and equipping of an aquatic center, certain improvements to the City's golf course and parks and for six police vehicles. The Certificates of Participation bear interest from 1.25% to 8.50% with principal payments due November 1 and interest payments due May 1 and November 1 each year. The City will receive an interest subsidy from the U.S. Treasury semi-annually to offset approximately 35% of the cost of interest payments on the Series 2010B Certificates of Participation. The City is required to file specific forms with the IRS before each interest payment is due in order to receive the subsidy. The Certificates of Participation outstanding at December 31, 2015, are due as follows:

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE G – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (continued)

Year Ended December 31,	Principal	Interest	Interest Subsidy	Total
2016	\$ 90,000	\$ 459,113	\$ (141,409)	\$ 407,704
2017	95,000	456,413	(141,409)	410,004
2018	105,000	453,206	(141,409)	416,797
2019	110,000	449,400	(141,409)	417,991
2020	120,000	445,000	(141,409)	423,591
2021	130,000	439,900	(141,409)	428,491
2022	140,000	434,180	(141,409)	432,771
2023	150,000	427,740	(141,409)	436,331
2024	160,000	420,615	(141,409)	439,206
2025	175,000	412,775	(141,409)	446,366
2026	185,000	404,025	(141,409)	447,616
2027	200,000	390,150	(136,553)	453,597
2028	215,000	373,150	(130,603)	457,547
2029	230,000	354,875	(124,206)	460,669
2030	250,000	335,325	(117,364)	467,961
2031	270,000	314,075	(109,926)	474,149
2032	285,000	291,125	(101,894)	474,231
2033	305,000	266,900	(93,415)	478,485
2034	330,000	240,975	(84,341)	486,634
2035	350,000	212,925	(74,524)	488,401
2036	375,000	183,175	(64,111)	494,064
2037	400,000	151,300	(52,955)	498,345
2038	430,000	117,300	(41,055)	506,245
2039	460,000	80,750	(28,263)	512,487
2040	490,000	41,650	(14,578)	517,072
	<u>\$ 6,050,000</u>	<u>\$ 8,156,042</u>	<u>\$ (2,729,287)</u>	<u>\$ 11,476,755</u>

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE G – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (continued)

A summary of the changes in the long-term debt-governmental activities for the year ended December 31, 2015, is as follows:

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015	Amounts Due Within One Year
Capital Leases Payable	\$ 1,289,757	\$ 691,898	\$ 206,269	\$ 1,775,386	\$ 201,321
Certificates of Participation	6,130,000	-	80,000	6,050,000	90,000
Less: Discount on Certificates of Participation	(301,652)	-	(11,602)	(290,050)	-
	5,828,348	-	68,398	5,759,950	90,000
Compensated Absences Payable	22,307	4,086	-	26,393	-
	<u>\$ 7,140,412</u>	<u>\$ 695,984</u>	<u>\$ 274,667</u>	<u>\$ 7,561,729</u>	<u>\$ 291,321</u>

NOTE H – CAPITAL ASSETS

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

Primary Government

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
GOVERNMENTAL ACTIVITIES				
Non-depreciable Capital Assets:				
Land	\$ 762,020	\$ 14,374	\$ -	\$ 776,394
Construction in progress	25,449	20,211	-	45,660
Total Non-depreciable Capital Assets	787,469	<u>\$ 34,585</u>	<u>\$ -</u>	822,054

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE H – CAPITAL ASSETS (continued)

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Depreciable Capital Assets:				
Buildings and land improvements	10,827,014	\$ 26,145	\$ -	10,853,159
Equipment and furniture	4,863,203	1,481,396	-	6,344,599
Infrastructure	10,055,560	389,478	-	10,445,038
Total Depreciable Capital Assets	25,745,777	<u>\$ 1,897,019</u>	<u>\$ -</u>	27,642,796
Less Accumulated Depreciation	(8,037,315)	<u>\$ (706,358)</u>	<u>\$ -</u>	(8,743,673)
Total Depreciable Capital Assets, net	<u>17,708,462</u>			<u>18,899,123</u>
Total Governmental Activities Capital Assets, net	<u>\$ 18,495,931</u>			<u>\$ 19,721,177</u>

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

Fire	\$ 87,116
Public safety	61,607
Recreation and parks	154,232
Rails to trails	16,717
Golf course	15,156
Transportation	226,946
Airport	141,617
Cemetery	2,967
	<u>\$ 706,358</u>

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE H – CAPITAL ASSETS (continued)

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
BUSINESS-TYPE ACTIVITIES				
Non-depreciable Capital Assets:				
Land	\$ 132,231	\$ -	\$ -	\$ 132,231
Construction in progress	-	88,230	-	88,230
Total Non-depreciable Capital Assets	132,231	<u>\$ 88,230</u>	<u>\$ -</u>	220,461
Depreciable Capital Assets:				
Equipment and furniture	2,082,884	\$ 211,968	\$ -	2,294,852
Water and sewer system	16,429,979	3,923,129	-	20,353,108
Buildings and improvements	582,993	-	-	582,993
Total Depreciable Capital Assets	19,095,856	<u>\$ 4,135,097</u>	<u>\$ -</u>	23,230,953
Less Accumulated Depreciation	(9,393,275)	<u>\$ (592,628)</u>	<u>\$ -</u>	(9,985,903)
Total Depreciable Capital Assets, net	<u>9,702,581</u>			<u>13,245,050</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 9,834,812</u>			<u>\$ 13,465,511</u>

Industrial Development Authority

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Non-depreciable Capital Assets:				
Land	\$ 554,725	\$ -	\$ -	\$ 554,725
Total Non-Depreciable Capital Assets	<u>\$ 554,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,725</u>

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE I – ASSESSED VALUATION AND LEGAL DEBT MARGIN

The assessed valuation of the tangible property is as follows:

	<u>2015</u>
Assessed Valuation	
Real estate	\$ 80,474,152
Personal property	<u>15,038,512</u>
TOTAL	<u><u>\$ 95,512,664</u></u>

The legal debt margin at December 31, 2015, was computed as follows:

	<u>General Obligation Bonds</u>		
	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
Constitutional Debt Limit	\$ 9,551,266	\$ 9,551,266	\$ 19,102,532
General Obligation Bonds Payable	-	-	-
LEGAL DEBT MARGIN	<u><u>\$ 9,538,937</u></u>	<u><u>\$ 9,538,937</u></u>	<u><u>\$ 19,077,874</u></u>

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

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

NOTE J – EMPLOYEE PENSION PLAN

General Information about the Pension Plan

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

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

	<u>2015 Valuation</u>
Benefit Multiplier	1.50% for life
Final Average Salary	3 Years
Member Contributions	4%

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

Employees Covered by Benefit Terms. At June 30, 2015, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	33	11	2	46
Inactive employees entitled to but not yet receiving benefits	10	18	1	29
Active employees	45	18	13	76
	<u>88</u>	<u>47</u>	<u>16</u>	<u>151</u>

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – EMPLOYEE PENSION PLAN (continued)

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% to the pension plan. Employer contribution rates are 8.9% (General), 1.7% (Police), and 7.1% (Fire) of annual covered payroll.

Net Pension Asset/Liability. The employer’s net pension asset/liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of February 28, 2015.

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	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation for general and police 3.5% to 8.6% including wage inflation for fire
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<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%

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – EMPLOYEE PENSION PLAN (continued)

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

Changes in the Net Pension (Asset)/Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
<i>General Division</i>			
Balances at June 30, 2014	\$ 4,016,522	\$ 4,030,964	\$ (14,442)
Changes for the year:			
Service Cost	134,830	-	134,830
Interest	287,640	-	287,640
Difference between expected and actual experiences	(110,105)	-	(110,105)
Contributions - employer	-	125,895	(125,895)
Contributions - employee	-	59,904	(59,904)
Net investment income	-	76,866	(76,866)
Benefits paid, including refunds	(234,715)	(234,715)	-
Administrative expenses	-	(8,109)	8,109
Other changes	-	(29,205)	29,205
Net Changes	77,650	(9,364)	87,014
Balances at June 30, 2015	4,094,172	4,021,600	72,572

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE J – EMPLOYEE PENSION PLAN (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
<i>Police Division</i>			
Balances at June 30, 2014	1,624,098	2,182,212	(558,114)
Changes for the year:			
Service Cost	64,576	-	64,576
Interest	117,541	-	117,541
Difference between expected and actual experiences	(22,394)	-	(22,394)
Contributions - employer	-	18,938	(18,938)
Contributions - employee	-	27,969	(27,969)
Net investment income	-	42,446	(42,446)
Benefits paid, including refunds	(70,361)	(70,361)	-
Administrative expenses	-	(2,889)	2,889
Other changes	-	33,787	(33,787)
Net Changes	89,362	49,890	39,472
Balances at June 30, 2015	1,713,460	2,232,102	(518,642)
<i>Fire Division</i>			
Balances at June 30, 2014	127,336	165,076	(37,740)
Changes for the year:			
Service Cost	28,727	-	28,727
Interest	10,047	-	10,047
Difference between expected and actual experiences	24,097	-	24,097
Contributions - employer	-	23,586	(23,586)
Contributions - employee	-	12,380	(12,380)
Net investment income	-	3,553	(3,553)
Benefits paid, including refunds	(5,830)	(5,830)	-
Administrative expenses	-	(1,119)	1,119
Other changes	-	3,474	(3,474)
Net Changes	57,041	36,044	20,997
Balances at June 30, 2015	184,377	201,120	(16,743)
Total Plan Balances at June 30, 2015	\$ 5,992,009	\$ 6,454,822	\$ (462,813)

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE J – EMPLOYEE PENSION PLAN (continued)

The net pension (asset)/liability have been allocated as follows:

Governmental Activities	\$ (488,075)
Business-Type Activities	<u>25,262</u>
	<u>\$ (462,813)</u>

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<i>General Division</i>			
Total Pension Liability	\$ 4,646,953	\$ 4,094,172	\$ 3,637,926
Fiduciary Net Position	<u>4,021,600</u>	<u>4,021,600</u>	<u>4,021,600</u>
Net Pension (Asset)/Liability	625,353	72,572	(383,674)
<i>Police Division</i>			
Total Pension Liability	2,013,400	1,713,460	1,474,444
Fiduciary Net Position	<u>2,232,102</u>	<u>2,232,102</u>	<u>2,232,102</u>
Net Pension (Asset)	(218,702)	(518,642)	(757,658)
<i>Fire Division</i>			
Total Pension Liability	221,764	184,377	155,097
Fiduciary Net Position	<u>201,120</u>	<u>201,120</u>	<u>201,120</u>
Net Pension (Asset)/Liability	<u>20,644</u>	<u>(16,743)</u>	<u>(46,023)</u>
Total Net Pension (Asset)/Liability	<u>\$ 427,295</u>	<u>\$ (462,813)</u>	<u>\$ (1,187,355)</u>

CITY OF BOLIVAR, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE J – EMPLOYEE PENSION PLAN (continued)

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

For the year ended 2015, the employer recognized pension expense of \$126,860 in all divisions. The employer reported deferred outflows and inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
<i>General Division</i>			
Differences in experiences	\$ -	\$ (91,067)	\$ (91,067)
Excess (deficit) investment returns	169,846	-	169,846
Contributions subsequent to the measurement date*	<u>66,929</u>	<u>-</u>	<u>66,929</u>
	236,775	(91,067)	145,708
<i>Police Division</i>			
Differences in experiences	-	(17,795)	(17,795)
Excess (deficit) investment returns	92,823	-	92,823
Contributions subsequent to the measurement date*	<u>9,816</u>	<u>-</u>	<u>9,816</u>
	102,639	(17,795)	84,844
<i>Fire Division</i>			
Differences in experiences	21,901	-	21,901
Excess (deficit) investment returns	7,658	-	7,658
Contributions subsequent to the measurement date*	<u>12,493</u>	<u>-</u>	<u>12,493</u>
	<u>42,052</u>	<u>-</u>	<u>42,052</u>
Total	<u>\$ 381,466</u>	<u>\$ (108,862)</u>	<u>\$ 272,604</u>

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE J – EMPLOYEE PENSION PLAN (continued)

Deferred outflows and inflows have been allocated as follows:

Governmental Activities	\$ 299,044	\$ (77,162)	\$ 221,882
Business-Type Activities	82,422	(31,700)	50,722
	<u>\$ 381,466</u>	<u>\$ (108,862)</u>	<u>\$ 272,604</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending December 31, 2016.

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

Year Ending December 31,	General Net Deferred Outflow of Resources	Police Net Deferred Outflow of Resources	Fire Net Deferred Outflow of Resources	Total Net Deferred Outflow of Resources
2016	\$ 90,353	\$ 28,423	\$ 16,603	\$ 135,379
2017	23,424	18,607	4,110	46,141
2018	23,424	18,607	4,110	46,141
2019	23,422	19,207	4,112	46,741
2020	(14,915)	-	2,196	(12,719)
Thereafter	-	-	10,921	10,921
Total	<u>\$ 145,708</u>	<u>\$ 84,844</u>	<u>\$ 42,052</u>	<u>\$ 272,604</u>

Payable to the Pension Plan

At December 31, 2015, the City had no outstanding amounts of contributions to the pension plan required, therefore no payable was reported.

NOTE K – RISK MANAGEMENT

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

NOTE L – CLAIMS AND ADJUSTMENTS

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of December 31, 2015, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

NOTE M – INTERFUND TRANSFERS

Transfers between funds of the City for the year ended December 31, 2015, were as follows:

	Transfers In (Out)
General Fund	\$ 164,468
1/2 Cent Capital Improvement Fund	(755,693)
Recreation Facility Fund	522,348
Fire Fund	88,875
Non-major Funds	(33,329)
Water and Sewer Fund	13,331
	<u>\$ -</u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them.

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE N– INTERNAL BALANCES

Internal balances as of December 31, 2015, consisted of the following:

	Greenwood Cemetery Fund	Recreation Facility Fund	Street Fund
Internal balances	\$ (87,821)	\$ (210,048)	\$ 297,869

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of December 31, 2015, balances of interfund amounts receivable or payable have been recorded within the fund financial statements.

NOTE O – COMMITMENTS

At December 31, 2015, the City was committed to Smith & Edwards Construction, Inc. in the amount of \$161,105 for a sewer line project.

In November 2015, the City entered into a five year service and technology agreement with JMark Business Solutions, Inc. The agreements require monthly payments of \$7,042 through October 2020.

Future payments are due as follows:

Year Ended December 31,	Amount
2016	\$ 84,501
2017	84,501
2018	84,501
2019	84,501
2020	73,938
TOTAL MINIMUM PAYMENTS	\$ 411,942

CITY OF BOLIVAR, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE P – DEFICIT FUND BALANCE

As of December 31, 2015, the City had a deficit fund balance of \$154,815 in the Recreation Facility Fund.

NOTE Q – RESTATEMENT

Net position as of December 31, 2015, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71.

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Funds
NET POSITION, as previously stated, December 31, 2014	\$ 15,902,652	\$ 9,221,170	\$ 25,123,822
Deferred pension outflow	61,746	21,816	83,562
Net pension asset	605,269	5,027	610,296
Post employment pension liability	122,814	-	122,814
NET POSITION, as restated, January 1, 2015	<u>\$ 16,692,481</u>	<u>\$ 9,248,013</u>	<u>\$ 25,940,494</u>

NOTE R – UNEARNED REVENUE

Revenue received but not considered earned is deferred until the appropriate expenses have been incurred. At December 31, 2015, unearned revenue in the Recreation Facility Fund in the amount of \$65,273 is related to an interest subsidy received in advance to offset interest expense on the 2010B Certificates of Participation and will be recognized as revenue when the interest payment is due.

NOTE S – DEFERRED COURT FINES

Revenues from receivables not expected to be collected in time to pay current operating expenses are deferred until received in the governmental funds. As of December 31, 2015, deferred court fines in the General Fund in the amount of \$40,165 are related to fines to be collected over several years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOLIVAR, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
Year Ended December 31, 2015

Missouri Local Government Employees Retirement System (LAGERS)

	June 30, 2015
TOTAL PENSION LIABILITY	
Service Cost	\$ 228,133
Interest on the Total Pension Liability	415,228
Difference between expected and actual experience	(108,402)
Benefit payments including refunds	(310,906)
	<hr/>
NET CHANGE IN TOTAL PENSION LIABILITY	224,053
TOTAL PENSION LIABILITY, BEGINNING	5,767,956
	<hr/>
TOTAL PENSION LIABILITY, ENDING	5,992,009
 PLAN FIDUCIARY NET POSITION	
Contributions - employer	168,419
Contributions - employee	100,253
Pension Plan Net Investment Income	122,865
Benefit payments, including refunds	(310,906)
Pension Plan Administrative Expense	(12,117)
Other	8,056
	<hr/>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	76,570
PLAN FIDUCIARY NET POSITION, BEGINNING	6,378,252
	<hr/>
PLAN FIDUCIARY NET POSITION, ENDING	6,454,822
	<hr/>
EMPLOYER NET PENSION (ASSET)	\$ (462,813)
	<hr/> <hr/>
 Plan fiduciary net position as a percentage of the total pension liability	 107.72%
 Covered employee payroll	 \$ 2,524,321
 Employer's net pension asset as a percentage of covered employee payroll	 (18.33)%

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

CITY OF BOLIVAR, MISSOURI
 SCHEDULE OF CONTRIBUTIONS
 Year Ended December 31, 2015

**Missouri Local Government Employees Retirement System (LAGERS)
 Schedule of Contributions
 Last 10 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>
Actuarially determined contribution	\$ 174,153	\$ 189,159	\$ 140,171	\$ 131,499	\$ 164,609	\$ 162,909	\$ 55,891	\$ 49,735	\$ 64,397	\$ 69,747
Contributions in relation to the actuarially determined contribution	<u>174,153</u>	<u>162,567</u>	<u>133,883</u>	<u>99,391</u>	<u>109,391</u>	<u>86,782</u>	<u>55,891</u>	<u>49,735</u>	<u>64,390</u>	<u>69,747</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ (26,592)</u>	<u>\$ (6,288)</u>	<u>\$ (32,108)</u>	<u>\$ (55,218)</u>	<u>\$ (76,127)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,596,676	\$ 2,422,580	\$ 2,059,056	\$ 1,833,726	\$ 2,284,923	\$ 2,288,817	\$ 2,131,171	\$ 1,915,522	\$ 1,870,148	\$ 1,804,556
Contributions as a percentage of covered-employee payroll	6.71%	6.71%	6.50%	5.42%	4.79%	3.79%	2.62%	2.60%	3.44%	3.87%

CITY OF BOLIVAR, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS
Year Ended December 31, 2015

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 14 to 15 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 for the general and police divisions
3.5% to 8.6% including wage inflation for the fire division

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

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

Mortality – 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

CITY OF BOLIVAR, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Taxes				
Sales tax	\$ 1,810,326	\$ 1,810,326	\$ 1,923,207	\$ 112,881
Utility franchise tax	205,150	205,150	211,643	6,493
Surtax	30,000	30,000	31,725	1,725
	<u>2,045,476</u>	<u>2,045,476</u>	<u>2,166,575</u>	<u>121,099</u>
Licenses and Permits				
Merchant licenses	20,200	20,200	20,657	457
Building permits	2,020	2,020	5,398	3,378
Solicitor permits	7,070	7,070	6,728	(342)
Inspection fees	33,330	33,330	23,413	(9,917)
Zoning fees	2,000	2,000	1,997	(3)
Animal license and fees	5,165	5,165	6,900	1,735
	<u>69,785</u>	<u>69,785</u>	<u>65,093</u>	<u>(4,692)</u>
Intergovernmental Revenues				
Law enforcement grants	27,500	27,500	39,636	12,136
	<u>27,500</u>	<u>27,500</u>	<u>39,636</u>	<u>12,136</u>
Fines and Forfeitures				
City court fines	116,100	116,100	144,471	28,371
Miscellaneous fines and forfeitures	3,755	3,755	2,647	(1,108)
	<u>119,855</u>	<u>119,855</u>	<u>147,118</u>	<u>27,263</u>
Miscellaneous				
Interest	5,050	5,050	6,710	1,660
Other	123,449	123,449	62,256	(61,193)
	<u>128,499</u>	<u>128,499</u>	<u>68,966</u>	<u>(59,533)</u>
TOTAL REVENUES	<u>2,391,115</u>	<u>2,391,115</u>	<u>2,487,388</u>	<u>96,273</u>

CITY OF BOLIVAR, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
EXPENDITURES				
Current				
Public safety	1,988,205	1,988,205	1,927,585	60,620
Municipal court	270,715	270,715	132,011	138,704
Community development	284,357	284,357	191,726	92,631
Animal pound	137,852	137,852	132,569	5,283
TOTAL EXPENDITURES	<u>2,681,129</u>	<u>2,681,129</u>	<u>2,383,891</u>	<u>297,238</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(290,014)	(290,014)	103,497	393,511
OTHER FINANCING SOURCES (USES)				
Operating transfers in	347,000	347,000	264,468	(82,532)
Operating transfers (out)	-	(100,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>347,000</u>	<u>247,000</u>	<u>164,468</u>	<u>(82,532)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	56,986	(43,014)	267,965	310,979
FUND BALANCE, January 1	<u>1,024,265</u>	<u>1,024,265</u>	<u>1,024,265</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 1,081,251</u></u>	<u><u>\$ 981,251</u></u>	<u><u>\$ 1,292,230</u></u>	<u><u>\$ 310,979</u></u>

CITY OF BOLIVAR, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – STREET FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Taxes				
Sales tax	\$ 770,000	\$ 770,000	\$ 795,756	\$ 25,756
Motor vehicle tax	385,300	385,300	405,013	19,713
	<u>1,155,300</u>	<u>1,155,300</u>	<u>1,200,769</u>	<u>45,469</u>
Permits and fees				
Storm water drain fees	1,010	1,010	-	(1,010)
Intergovernmental revenues	-	-	152,093	152,093
Miscellaneous				
Interest	200	200	167	(33)
Other	2,000	2,000	2,873	873
	<u>2,200</u>	<u>2,200</u>	<u>3,040</u>	<u>840</u>
TOTAL REVENUES	1,158,510	1,158,510	1,355,902	197,392
EXPENDITURES				
Current				
Transportation	925,695	1,445,195	1,449,538	(4,343)
Debt service				
Principal and interest	15,000	15,000	10,496	4,504
TOTAL EXPENDITURES	<u>940,695</u>	<u>1,460,195</u>	<u>1,460,034</u>	<u>161</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	217,815	(301,685)	(104,132)	197,553
OTHER FINANCING SOURCES				
Operating transfers in	92,500	92,500	-	(92,500)
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	310,315	(209,185)	(104,132)	105,053
FUND BALANCE, January 1	<u>1,361,846</u>	<u>1,361,846</u>	<u>1,361,846</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 1,672,161</u>	<u>\$ 1,152,661</u>	<u>\$ 1,257,714</u>	<u>\$ 105,053</u>

CITY OF BOLIVAR, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ½ CENT CAPITAL IMPROVEMENT FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Sales tax	\$ 905,000	\$ 905,000	\$ 961,525	\$ 56,525
TOTAL REVENUES	905,000	905,000	961,525	56,525
EXPENDITURES				
Capital improvement	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	905,000	905,000	961,525	56,525
OTHER FINANCING (USES)				
Operating transfers (out)	(990,000)	(990,000)	(755,693)	234,307
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES AND OTHER (USES)	(85,000)	(85,000)	205,832	290,832
FUND BALANCE, January 1	997,828	997,828	997,828	-
FUND BALANCE, December 31	\$ 912,828	\$ 912,828	\$ 1,203,660	\$ 290,832

CITY OF BOLIVAR, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – RECREATION FACILITY FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Sales tax	\$ 428,000	\$ 428,000	\$ 457,043	\$ 29,043
Charges for services	174,640	174,640	156,415	(18,225)
Other	180,805	180,805	36,995	(143,810)
TOTAL REVENUES	783,445	783,445	650,453	(132,992)
EXPENDITURES				
Current				
Recreation and parks	407,313	407,313	321,118	86,195
Aquatic center	239,101	239,101	166,267	72,834
Golf course	224,033	224,033	189,677	34,356
Debt service				
Principal and interest	458,000	458,000	409,761	48,239
TOTAL EXPENDITURES	1,328,447	1,328,447	1,086,823	241,624
(DEFICIT) OF REVENUES OVER EXPENDITURES				
	(545,002)	(545,002)	(436,370)	108,632
OTHER FINANCING SOURCES				
Operating transfers in	581,500	597,182	522,348	(74,834)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES				
	36,498	52,180	85,978	33,798
FUND BALANCE (DEFICIT), January 1				
	-	-	(240,793)	(240,793)
FUND BALANCE (DEFICIT), December 31				
	<u>\$ 36,498</u>	<u>\$ 52,180</u>	<u>\$ (154,815)</u>	<u>\$ (206,995)</u>

CITY OF BOLIVAR, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – FIRE FUND
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Sales tax	\$ 430,000	\$ 430,000	\$ 457,174	\$ 27,174
Intergovernmental revenue	399,150	399,150	371,870	(27,280)
Charges for services	30,000	30,000	-	(30,000)
Other	6,288	6,288	4,690	(1,598)
TOTAL REVENUES	865,438	865,438	833,734	(31,704)
EXPENDITURES				
Current				
Fire	948,369	2,162,609	2,156,416	6,193
Debt service				
Principal and interest	14,400	75,400	80,638	(5,238)
TOTAL EXPENDITURES	962,769	2,238,009	2,237,054	955
(DEFICIT) OF REVENUES OVER EXPENDITURES				
	(97,331)	(1,372,571)	(1,403,320)	(30,749)
OTHER FINANCING SOURCES				
Operating transfers in	137,565	141,374	88,875	(52,499)
Lease proceeds	-	695,000	691,898	(3,102)
TOTAL OTHER FINANCING SOURCES	137,565	836,374	780,773	(55,601)
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES				
	40,234	(536,197)	(622,547)	(86,350)
FUND BALANCE, January 1	808,308	808,308	808,308	-
FUND BALANCE, December 31	<u>\$ 848,542</u>	<u>\$ 272,111</u>	<u>\$ 185,761</u>	<u>\$ (86,350)</u>

CITY OF BOLIVAR, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
Year Ended December 31, 2015

Budgets and Budgetary Accounting

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

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

OTHER FINANCIAL INFORMATION

CITY OF BOLIVAR, MISSOURI
 COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2015

	Special Revenue Funds			Permanent Funds			Total
	Airport Fund	Greenwood Cemetery Fund	Special Road District Fund	Corbett Donation Fund	Bolivar Charitable Trust Fund	Plaza of the Americas Fund	
ASSETS							
Cash and cash equivalents - unrestricted	\$ 154,381	\$ 43,872	\$ 253,363	\$ 32,607	\$ 28,565	\$ 40,103	\$ 552,891
Investments - unrestricted	-	21,719	-	250,000	-	1,783	273,502
Taxes receivable	19,393	-	-	-	-	-	19,393
Other accounts receivable	35,559	407	-	-	-	-	35,966
Restricted cash and cash equivalents	400	-	-	-	-	-	400
Restricted investments	-	91,874	-	-	-	-	91,874
TOTAL ASSETS	\$ 209,733	\$ 157,872	\$ 253,363	\$ 282,607	\$ 28,565	\$ 41,886	\$ 974,026
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 912	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ 1,091
Customer deposits payable	400	-	-	-	-	-	400
Accrued expenses	-	23	-	-	-	-	23
Due to other funds	-	87,821	-	-	-	-	87,821
TOTAL LIABILITIES	1,312	88,023	-	-	-	-	89,335
Fund Balances							
Nonspendable:							
Cemetery perpetual care	-	31,874	-	-	-	-	31,874
Permanent	-	-	-	282,607	28,565	41,886	353,058
Restricted for:							
Cemetery	-	60,000	-	-	-	-	60,000
Assigned to:							
Airport	208,421	-	-	-	-	-	208,421
Transportation	-	-	253,363	-	-	-	253,363
Unassigned	-	(22,025)	-	-	-	-	(22,025)
TOTAL FUND BALANCES	208,421	69,849	253,363	282,607	28,565	41,886	884,691
TOTAL LIABILITIES AND FUND BALANCES	\$ 209,733	\$ 157,872	\$ 253,363	\$ 282,607	\$ 28,565	\$ 41,886	\$ 974,026

CITY OF BOLIVAR, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2015

	Special Revenue Funds			Permanent Funds			Total
	Airport Fund	Greenwood Cemetery Fund	Special Road District Fund	Corbett Donation Fund	Bolivar Charitable Trust Fund	Plaza of the Americas Fund	
REVENUES							
Taxes	\$ 118,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,906
Charges for services	364,723	23,050	-	-	-	-	387,773
Interest	-	284	-	626	-	37	947
Other	11,199	39,874	-	-	33,329	-	84,402
TOTAL REVENUES	494,828	63,208	-	626	33,329	37	592,028
EXPENDITURES							
Current							
Airport	320,583	-	-	-	-	-	320,583
Cemetery	-	46,588	-	-	-	-	46,588
Fire	-	-	-	339	-	-	339
Debt service							
Principal and interest	53,677	-	-	-	-	-	53,677
TOTAL EXPENDITURES	374,260	46,588	-	339	-	-	421,187
EXCESS OF REVENUES OVER EXPENDITURES	120,568	16,620	-	287	33,329	37	170,841
OTHER FINANCING (USES)							
Operating transfers (out)	-	-	-	-	(33,329)	-	(33,329)
TOTAL OTHER FINANCING (USES)	-	-	-	-	(33,329)	-	(33,329)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER (USES)	120,568	16,620	-	287	-	37	137,512
FUND BALANCE, January 1	87,853	53,229	253,363	282,320	28,565	41,849	747,179
FUND BALANCE, December 31	\$ 208,421	\$ 69,849	\$ 253,363	\$ 282,607	\$ 28,565	\$ 41,886	\$ 884,691