

CITY OF LOCKWOOD, MISSOURI

BASIC FINANCIAL STATEMENTS
WITH REQUIRED SUPPLEMENTARY
INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2016

CONTENTS

	<u>PAGE NO.</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis Letter	3-7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of Balance Sheet to the Government-Wide Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	13
Statement of Net Position – Proprietary Funds	14
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	15
Statement of Cash Flows – Proprietary Funds	16
Notes to Financial Statements	17-33
 REQUIRED SUPPLEMENTARY INFORMATION SECTION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Modified Accrual Basis) Major Governmental Funds	34-35
Schedule of Pension Plan Contributions	36
Schedule of Changes in Net Pension Liability Related Ratios	37

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Lockwood, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lockwood, Missouri, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the City of Lockwood, Missouri, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis letter on pages 3 to 7, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 regarding 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.



Decker & DeGood
Springfield, Missouri
October 24, 2016

CITY OF LOCKWOOD
Management's Discussion and Analysis
Year Ended June 30, 2016

This section of the City of Lockwood, Missouri's annual financial report represents a review of the City's financial activities for the fiscal year ended June 30, 2016. The financial statements presented herein include all the activities of the City of Lockwood using the integrated approach as prescribed by GASB Statement 34. This discussion and analysis is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The City purchased property formerly occupied by a bank in March, 2016 for \$ 117,547 and promptly relocated City Hall operations to their new property.
- Improvements to the City Library building was completed in May, 2016, costing \$ 15,215.
- City acquired a new Z9610M zero turn mower for the golf course in May 2016, costing \$ 9,470.
- The City purchased a thermal camera and charger for the fire department in June, 2016 costing \$ 6,012.
- The City was awarded an 80% grant from the State of Missouri to reimburse \$ 48,000 of the approved \$ 60,000 of engineering costs incurred to study the City's sewer system and recommend improvements. This study was completed by June 30, 2016 and the City management is considering the recommendations.
- The City was also awarded a 90% grant from the State of Missouri to reimburse \$ 27,000 of the approved \$ 30,000 if engineering costs incurred to study the City's waterworks system and recommend improvements. This study was also completed by June 30, 2016 and City management is considering the recommendations.
- Design costs of \$ 15,580 were incurred for an upcoming sidewalk project along Highway 97 in the south part of the City.
- Total net position at the fiscal year ended June 30, 2016 was \$ 3,183,129. The Governmental activities net position was \$ 1,437,067 and the Business-type Activities net position was \$ 1,746,062.
- The City had no long term debt at year end June 30, 2016.

OVERVIEW OF FINANCIAL STATEMENTS

The City of Lockwood is a fourth-class city in which citizens elect the mayor at large and four council members by wards. This body has financial accountability and control over all activities related to the City. The City's basic financial statements include the accounts of all City operations.

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

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status and are found on pages 8-9.
- The remaining statements are *fund financial statements* that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
 - *Governmental fund statements* tell how general government services were financed in the short-term as well as what remains for future spending and are found on pages 10-13.
 - *Proprietary fund statements* offer short- and long-term financial information about the activities the government operates like businesses and are found on pages 14-16.

Governmental Activities

Most of the City's services are reported in this category, including administration, police, and fire. Property tax, sales tax, and franchise taxes finance these activities.

Special Revenue Funds are Park, Library, and Street. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Such resources are derived from specific taxes and grants.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Expenditures are recorded when the related fund liability is incurred.

Business-type Activities

The City charges a fee to customers to cover all or most of the cost of services it provides. The Electric Fund and Combined Waterworks and Sewer System Fund are reported in these activities.

The accrual basis of accounting is used by the proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 17-33.

Required supplementary information – RSI can be found on pages 34-37.

THE CITY AS A WHOLE

As year-to-year financial information is accumulated, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position at the fiscal year-end is \$3,183,129. This is a \$ 58,000 decrease from last year's net position of \$3,241,129. The following table provides a summary of the City's net position at June 30:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 195,203	\$ 129,793	\$ 771,248	\$ 872,638	\$ 966,451	\$ 1,002,431
Capital assets	1,268,259	1,178,125	1,134,191	1,230,228	2,402,450	2,408,353
Deferred outflows of resources	2,745	2,938	6,420	9,799	9,165	12,737
	<u>1,466,207</u>	<u>1,310,856</u>	<u>1,911,859</u>	<u>2,112,665</u>	<u>3,378,066</u>	<u>3,423,521</u>
Other liabilities	29,140	16,764	165,797	166,571	194,937	183,335
	<u>29,140</u>	<u>16,764</u>	<u>165,797</u>	<u>166,571</u>	<u>194,937</u>	<u>183,335</u>
Net position						
Net investment in capital assets	1,268,259	1,178,125	1,134,191	1,230,228	2,402,450	2,408,353
Restricted	55,668	15,356	188,151	127,876	243,819	143,232
Unrestricted	113,140	100,611	423,720	587,990	536,860	688,601
	<u>\$ 1,437,067</u>	<u>\$ 1,294,092</u>	<u>\$ 1,746,062</u>	<u>\$ 1,946,094</u>	<u>\$ 3,183,129</u>	<u>\$ 3,240,186</u>

Net position in the Business-type activities decreased \$ 200,975 while Governmental activities net position decreased \$ 142,975.

Unaudited

GOVERNMENTAL ACTIVITIES

In comparing the current to the past year on the governmental activities, we note the following:

	Governmental Activities	
	<u>2015</u>	<u>2015</u>
Revenues:		
Charges for services	\$ 79,268	\$ 68,839
Operating grants and contributions	36,922	73,436
Capital grants and contributions	1,406	4,438
Sales, property, franchise and other taxes	186,591	197,314
Other	6,327	7,148
	<u>310,514</u>	<u>351,175</u>
Expenses:		
General government	72,477	62,126
Public safety	55,533	117,130
Transportation	53,494	59,327
Culture and recreation	159,927	154,952
Public services	30,814	25,628
	<u>372,245</u>	<u>419,163</u>
Excess (Deficiency) before special items and transfers	(61,731)	(67,988)
Special items	(3,159)	50
Transfers	<u>207,865</u>	<u>63,906</u>
Change in net position	142,975	(4,032)
Prior period adjustment	-	3,500
Net position - beginning	<u>1,294,092</u>	<u>1,294,624</u>
Net position - ending	<u>\$ 1,437,067</u>	<u>\$ 1,294,092</u>

Lower revenues can be attributed to a \$ 5,039 decrease in sales tax revenue, also in the previous fiscal year the City received \$ 25,107 FEMA aid and \$ 4,438 capital grant for library equipment. Total revenues decreased \$ 40,661. Total expenses decreased \$ 46,918 attributable to a \$ 61,597 reduction in public safety expenses.

Unaudited

BUSINESS-TYPE ACTIVITIES

In comparing the Electric and Water/Sewer department's current activities to the past year, we note the following:

	Business-type Activities	
	2016	2015
Revenues:		
Charges for services	\$ 1,503,256	\$ 1,554,972
Other	2,335	3,716
	<u>1,505,591</u>	<u>1,558,688</u>
Expenses:		
Electric	1,154,861	1,158,993
Water	418,840	352,649
	<u>1,573,701</u>	<u>1,511,642</u>
Excess (Deficiency) before transfers	(68,110)	47,046
Capital contributions-grant	75,000	-
Transfers	<u>(207,865)</u>	<u>(63,906)</u>
Change in net position	(200,975)	(16,860)
GASB 68 adjustment	-	11,208
Net position - beginning	<u>1,947,037</u>	<u>1,952,689</u>
Net position - ending	<u>\$ 1,746,062</u>	<u>\$ 1,947,037</u>

The business-type activities revenues increased \$ 21,903, grant revenues increased \$ 75,000 while charges for services decreased \$ 51,716. However, operating expenses also increased \$ 62,059 resulting in \$ 40,156 less excess than the previous year. The Electric Fund charges for service revenue decreased \$ 67,069 due to lower usage, however, the power purchased cost increased \$ 8,640 despite less usage primarily due to the supplier increasing their rates effective June 1, 2015.

GENERAL BUDGETARY HIGHLIGHTS

Budget and actual comparison is provided in the Budgetary Comparison Schedules-Major Governmental Funds. These schedules show the original budget, amended budget, actual amounts, and the variances between actual and budget amounts. An unfavorable variance of excess revenues over expenditures in the General Fund was (\$ 101,333) due primarily to the unbudgeted purchase of a new City Hall building for \$ 117,547. A favorable variance of excess revenues over expenditures for the Park Fund in the amount of \$ 13,417 was due to higher than expected charges for services and lower than anticipated employee and related costs. The Street Fund incurred an unfavorable variance of excess revenues over expenditures of (\$ 6,513) due to higher capital outlay expenditures incurred than budgeted.

CAPITAL ASSETS

The amount invested in capital assets at June 30, 2016 is \$2,402,450 net of accumulated depreciation. General infrastructure assets such as streets, bridges, curbs and sidewalks acquired after July 1, 2004 will be capitalized and depreciated over their useful lives. The City is not required and has not reported general infrastructure assets acquired prior to such date. Equipment, and infrastructure improvements acquired by the City during the year ended June 30, 2016 totaled \$ 163,284.

DEBT ADMINISTRATION

As of June 30, 2016 the City had no long term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City received \$ 75,000 in grants this past year to help fund \$ 90,000 of engineering costs to have the waterworks and sewerage systems inspected, tested and recommendations offered to improve operations necessary to meet Missouri Department of Natural Resources standards. The City Council will be reviewing these recommendations and implementing a plan accordingly.

The City was approved for a Missouri Department of Transportation Enhancement Funds to place a sidewalk along Highway 97 from 10th Street to the Mercy Clinic and from Good Shepherd Nursing Home to Highway 97. The Missouri Department of Transportation will reimburse 30% of the cost up to \$ 33,000. The City will be responsible for the remaining \$ 77,000 or 70%. The estimated total cost of the project is \$ 110,000. Management of the City expects this project to be completed during the upcoming fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to the City Clerk, 107 E 8th Street, PO Box O, Lockwood, Missouri 65682

CITY OF LOCKWOOD, MISSOURI

STATEMENT OF NET POSITION

JUNE 30, 2016

	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Pooled cash in bank	\$ 89,552	\$ 151,763	\$ 241,315
Non-pooled cash in bank	-	40	40
Investments	-	114,815	114,815
Inventory	-	60,617	60,617
Receivables (net of allowance for uncollectibles)			
Accounts	-	207,307	207,307
Taxes	37,793	-	37,793
Grant	-	48,000	48,000
Interest	-	50	50
Prepaid expense	14,935	6,925	21,860
Total current assets	<u>142,280</u>	<u>589,517</u>	<u>731,797</u>
Non-current assets:			
Restricted assets			
Non-pooled cash in bank	-	70,978	70,978
Capital assets			
Land	23,797	-	23,797
Library books	147,490	-	147,490
Construction in progress	18,080	45,000	63,080
Plant and equipment	2,616,152	3,643,708	6,259,860
Accumulated depreciation	<u>(1,537,260)</u>	<u>(2,509,517)</u>	<u>(4,046,777)</u>
Capital assets (net)	<u>1,268,259</u>	<u>1,179,191</u>	<u>2,447,450</u>
Net pension assets	<u>48,254</u>	<u>79,604</u>	<u>127,858</u>
Total non-current assets	<u>1,316,513</u>	<u>1,329,773</u>	<u>2,646,286</u>
Total assets	<u>1,458,793</u>	<u>1,919,290</u>	<u>3,378,083</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred outflows related to pensions	<u>62,099</u>	<u>102,445</u>	<u>164,544</u>
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	23,743	90,911	114,654
Accrued expenses	<u>5,397</u>	<u>8,456</u>	<u>13,853</u>
Total current liabilities	<u>29,140</u>	<u>99,367</u>	<u>128,507</u>
Non-current liabilities:			
Customer deposits payable	-	66,430	66,430
Total liabilities	<u>29,140</u>	<u>165,797</u>	<u>194,937</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred inflows related to pensions	<u>33,572</u>	<u>55,385</u>	<u>88,957</u>
 <u>NET POSITION</u>			
Investment in capital assets	1,268,259	1,134,191	2,402,450
Restricted for maintenance-expendable	-	70,978	70,978
Unrestricted	189,921	595,384	785,305
Total net position	<u>\$ 1,458,180</u>	<u>\$ 1,800,553</u>	<u>\$ 3,258,733</u>

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

CITY OF LOCKWOOD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 72,477	\$ 7,844	\$ -	\$ -	\$ (64,633)	\$ -	\$ (64,633)
Public safety:							
Police	32,758	-	-	-	(32,758)	-	(32,758)
Fire	12,219	-	-	-	(12,219)	-	(12,219)
Streets	53,494	-	36,922	-	(16,572)	-	(16,572)
Culture and recreation-Parks	149,370	69,601	-	-	(79,769)	-	(79,769)
Library	30,814	1,823	-	1,406	(27,585)	-	(27,585)
Total governmental activities	351,132	79,268	36,922	1,406	(233,536)	-	(233,536)
Business-type activities:							
Electric	1,148,540	1,204,384	-	-	-	55,844	55,844
Water	188,538	151,503	-	27,000	-	(10,035)	(10,035)
Sewer	182,132	147,369	-	48,000	-	13,237	13,237
Total business-type activities	1,519,210	1,503,256	-	75,000	-	59,046	59,046
Total	\$ 1,870,342	\$ 1,582,524	\$ 36,922	\$ 76,406	(233,536)	59,046	(174,490)

General Revenues:			
Property taxes	66,237	-	66,237
Sales tax	62,373	-	62,373
Franchise tax	18,491	-	18,491
Intangible tax	222	-	222
Interest	516	751	1,267
Motor Fuel Taxes	36,922	-	36,922
Miscellaneous	8,157	1,584	9,741
Transfers	207,865	(207,865)	-
Sale of property	(3,159)	-	(3,159)
Total general revenues	397,624	(205,530)	192,094
Change in net position	164,088	(146,484)	17,604
Net position-beginning	1,294,092	1,947,037	3,241,129
Net position-ending	1,458,180	1,800,553	3,258,733

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

CITY OF LOCKWOOD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Park Fund	Non-Major		Total Governmental Funds
			Street Fund	Library Fund	
<u>ASSETS</u>					
Pooled cash in bank	\$ -	\$ 5,476	\$ 82,813	\$ 1,263	\$ 89,552
Receivables (net of allowance for uncollectibles)					
Taxes	29,734	821	6,263	975	37,793
Due from other funds	-	-	35,604	-	35,604
Prepaid insurance	13,241	774	620	300	14,935
	<u>13,241</u>	<u>774</u>	<u>620</u>	<u>300</u>	<u>14,935</u>
Total assets	<u>\$ 42,975</u>	<u>\$ 7,071</u>	<u>\$ 125,300</u>	<u>\$ 2,538</u>	<u>\$ 177,884</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable	\$ 3,540	\$ 2,916	\$ 15,776	\$ 1,511	\$ 23,743
Accrued expenses	1,547	3,545	-	305	5,397
Due to other funds	35,604	-	-	-	35,604
Total liabilities	<u>40,691</u>	<u>6,461</u>	<u>15,776</u>	<u>1,816</u>	<u>64,744</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	2,284	610	-	722	3,616
	<u>2,284</u>	<u>610</u>	<u>-</u>	<u>722</u>	<u>3,616</u>
FUND BALANCES					
Non-spendable-prepays	13,241	774	620	300	14,935
Restricted	-	-	108,904	-	108,904
Unassigned	(13,241)	(774)	-	(300)	(14,315)
Total fund balances	<u>-</u>	<u>-</u>	<u>109,524</u>	<u>-</u>	<u>109,524</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 42,975</u>	<u>\$ 7,071</u>	<u>\$ 125,300</u>	<u>\$ 2,538</u>	<u>\$ 177,884</u>

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

CITY OF LOCKWOOD, MISSOURI
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2016

Total Fund Balances-Governmental Funds		\$ 109,524
Capital assets, net of accumulated depreciation, used in governmental activities not financial resources and, therefore, are not reported as assets in the governmental funds.		
Non-depreciable assets	2,805,519	
Depreciable assets	<u>(1,537,260)</u>	
		1,268,259
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.		
		3,616
Net pension asset is not a financial resource and, therefore is not reported in the funds.		
		48,254
Pension related deferred outflows or resources and deferred inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds, as follows:		
Deferred outflows of resources		62,099
Deferred inflows of resources		<u>(33,572)</u>
Net position of governmental activities		<u><u>\$ 1,458,180</u></u>

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

CITY OF LOCKWOOD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Park Fund	Non-Major		Total Governmental Funds
			Street Fund	Library Fund	
REVENUES					
Taxes-					
Property taxes including penalty and interest	\$ 53,066	\$ 11,116	\$ -	\$ 13,309	\$ 77,491
Sales tax	91,347	-	-	-	91,347
Franchise tax	18,491	-	-	-	18,491
Intangible tax	222	-	-	-	222
Court fines	899	-	-	-	899
Licenses and permits	2,345	-	-	-	2,345
Charges for services	-	69,601	-	1,823	71,424
Intergovernmental revenues-Missouri Motor Fuel	-	-	36,922	-	36,922
Interest revenue	503	-	13	-	516
Rent	4,600	-	-	-	4,600
Sale of property	-	680	500	-	1,180
Grant	-	-	-	1,406	1,406
Miscellaneous revenues	5,811	-	-	-	5,811
Total revenues	<u>177,284</u>	<u>81,397</u>	<u>37,435</u>	<u>16,538</u>	<u>312,654</u>
EXPENDITURES					
Current:					
General government	68,023	-	-	-	68,023
Public safety					
Police	75,623	-	-	-	75,623
Fire	11,412	-	-	-	11,412
Street	-	-	8,368	-	8,368
Park	-	3,858	-	-	3,858
Swimming Pool	-	43,905	-	-	43,905
Golf Course	-	103,147	-	-	103,147
Library	-	-	-	28,872	28,872
Capital outlay	123,559	9,470	15,580	15,215	163,824
Total expenditures	<u>278,617</u>	<u>160,380</u>	<u>23,948</u>	<u>44,087</u>	<u>507,032</u>
Excess (Deficit) of revenues over expenditures	<u>(101,333)</u>	<u>(78,983)</u>	<u>13,487</u>	<u>(27,549)</u>	<u>(194,378)</u>
OTHER FINANCING SOURCES					
Transfers in-operating	101,333	78,983	-	27,549	207,865
Net other financing sources	<u>101,333</u>	<u>78,983</u>	<u>-</u>	<u>27,549</u>	<u>207,865</u>
Net change in fund balances	-	-	13,487	-	13,487
Fund balances, beginning	-	-	96,037	-	96,037
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,524</u>	<u>\$ -</u>	<u>\$ 109,524</u>

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

CITY OF LOCKWOOD, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net changes in fund balances-total governmental funds \$ 13,487

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 those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	163,824
Depreciation expense	(69,350)
Cost basis of assets sold	(4,339)

Pension expense in the government-wide statement of activities that do not require current financial resources are not reportable as expenditures in the funds.	61,425
---	--------

Revenues in the government-wide statement of activities that do not provide current financial resources are not reportable as revenue in the funds.	<u>(959)</u>
---	--------------

Change in net position of governmental activities	<u><u>\$ 164,088</u></u>
---	--------------------------

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

CITY OF LOCKWOOD, MISSOURI
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
JUNE 30, 2016

	Electric System Fund	Waterworks & Sewerage System Fund	Total Enterprise Funds
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Current assets:			
Pooled cash in bank	\$ 151,763	\$ -	\$ 151,763
Non-pooled cash in bank	-	40	40
Investments	-	114,815	114,815
Inventory	38,320	22,297	60,617
Receivables (net of allowances for uncollectibles)			
Accounts	158,167	49,140	207,307
Grants	-	48,000	48,000
Interest	-	50	50
Due from other funds	34,926	-	34,926
Prepaid expense	4,591	2,334	6,925
Total current assets	<u>387,767</u>	<u>236,676</u>	<u>624,443</u>
Non-current assets:			
Restricted assets:			
Non-pooled cash in bank	<u>-</u>	<u>70,978</u>	<u>70,978</u>
Capital assets			
Construction in progress	-	45,000	45,000
Plant and equipment	539,363	3,104,345	3,643,708
Accumulated depreciation	(378,158)	(2,131,359)	(2,509,517)
Capital assets (net)	<u>161,205</u>	<u>1,017,986</u>	<u>1,179,191</u>
Net pension asset	<u>54,218</u>	<u>25,386</u>	<u>79,604</u>
Total non-current assets	<u>215,423</u>	<u>1,114,350</u>	<u>1,329,773</u>
Total assets	<u>603,190</u>	<u>1,351,026</u>	<u>1,954,216</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	<u>69,775</u>	<u>32,670</u>	<u>102,445</u>
 <u>LIABILITIES</u>			
Current liabilities			
Accounts payable	89,841	1,070	90,911
Accrued expenses	6,116	2,340	8,456
Due to other funds	-	34,926	34,926
Total current liabilities	<u>95,957</u>	<u>38,336</u>	<u>134,293</u>
Non-current liabilities			
Customer deposits payable	<u>-</u>	<u>66,430</u>	<u>66,430</u>
Total liabilities	<u>95,957</u>	<u>104,766</u>	<u>200,723</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	<u>37,723</u>	<u>17,662</u>	<u>55,385</u>
 <u>NET POSITION</u>			
Investment in capital assets	161,205	972,986	1,134,191
Restricted for maintenance-expendable	-	70,978	70,978
Unrestricted	<u>378,080</u>	<u>217,304</u>	<u>595,384</u>
Total net position	<u>\$ 539,285</u>	<u>\$ 1,261,268</u>	<u>\$ 1,800,553</u>

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

CITY OF LOCKWOOD, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Electric System Fund</u>	<u>Waterworks & Sewerage System Fund</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES:</u>			
Sales and services	\$ 1,203,874	\$ 299,382	\$ 1,503,256
Miscellaneous revenues	510	1,074	1,584
Total operating revenues	<u>1,204,384</u>	<u>300,456</u>	<u>1,504,840</u>
<u>OPERATING EXPENSES:</u>			
Power purchased	857,772	-	857,772
Salaries and wages	158,660	74,306	232,966
Employee benefits	27,636	17,938	45,574
Supplies and materials	3,620	805	4,425
Utilities	8,255	-	8,255
Depreciation	18,458	77,579	96,037
Maintenance	43,581	186,513	230,094
Insurance	7,262	3,657	10,919
Payroll taxes	11,828	5,374	17,202
Vehicle expense	432	3,557	3,989
Other expense	1,470	10,507	11,977
Total operating expenses	<u>1,138,974</u>	<u>380,236</u>	<u>1,519,210</u>
Operating Income (loss)	<u>65,410</u>	<u>(79,780)</u>	<u>(14,370)</u>
<u>NON-OPERATING REVENUE (EXPENSE):</u>			
Interest revenue	<u>113</u>	<u>638</u>	<u>751</u>
Total non-operating revenue (expense)	<u>113</u>	<u>638</u>	<u>751</u>
Income (Loss) before transfers and capital-grants	65,523	(79,142)	(13,619)
Transfers-operating	(207,865)	-	(207,865)
Capital contributions-grants	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Change in net position	(142,342)	(4,142)	(146,484)
Total net position, beginning	<u>681,627</u>	<u>1,265,410</u>	<u>1,947,037</u>
Total net position, ending	<u><u>\$ 539,285</u></u>	<u><u>\$ 1,261,268</u></u>	<u><u>\$ 1,800,553</u></u>

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

CITY OF LOCKWOOD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Electric System Fund	Waterworks & Sewerage System Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,207,120	\$ 279,576	\$ 1,486,696
Payments for goods and services	(1,010,673)	(242,850)	(1,253,523)
Payments to employees	(157,424)	(73,760)	(231,184)
Other operating receipts	510	1,074	1,584
Net cash provided by (Used for) operating activities	<u>39,533</u>	<u>(35,960)</u>	<u>3,573</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Interfund transfers	(34,926)	34,926	-
Operating transfers to other funds	(207,865)	-	(207,865)
Net cash Provided by (used for) non-capital financing activities	<u>(242,791)</u>	<u>34,926</u>	<u>(207,865)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contribution-grant	-	27,000	27,000
Purchase of capital assets	-	(45,000)	(45,000)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(18,000)</u>	<u>(18,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(417)	(417)
Interest on investments	113	652	765
Net cash provided by investing activities	<u>113</u>	<u>235</u>	<u>348</u>
Net (decrease) in cash and restricted cash	(203,145)	(18,799)	(221,944)
Cash and restricted cash, beginning	354,908	89,817	444,725
Cash and restricted cash, ending	<u>\$ 151,763</u>	<u>\$ 71,018</u>	<u>\$ 222,781</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (loss)	\$ 65,410	\$ (79,780)	\$ (14,370)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	18,458	77,579	96,037
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	3,246	(11,864)	(8,618)
(Increase) decrease in inventory	(3,145)	146	(2,999)
(Increase) decrease in prepaid expense	369	176	545
(Increase) decrease in net pension assets	(50,514)	(20,056)	(70,570)
(Increase) decrease in deferred pension plan contributions	2,900	1,422	4,322
Increase (decrease) in accounts payable	971	(6,685)	(5,714)
Increase (decrease) in accrued expenses	1,838	537	2,375
Increase (decrease) in customer meter deposits	-	2,565	2,565
	<u>\$ 39,533</u>	<u>\$ (35,960)</u>	<u>\$ 3,573</u>
RECONCILIATION OF CASH AND RESTRICTED CASH:			
Pooled cash in bank	\$ 151,763	\$ -	\$ 151,763
Non-pooled cash in bank	-	40	40
Non-pooled cash in bank-restricted	-	70,978	70,978
	<u>\$ 151,763</u>	<u>\$ 71,018</u>	<u>\$ 222,781</u>

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

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Lockwood, Missouri (the “City”) conform to accounting principles generally accepted in the United States of America (“GAAP”) for state and local governments. Generally accepted accounting principles for municipalities are defined as those principles promulgated by the Governmental Accounting Standards Board (“GASB”). The following represent the more significant accounting and reporting policies and practices of the City.

THE REPORTING ENTITY

The City of Lockwood is a fourth-class city in which citizens elect the mayor at large and six council members by wards. The government provides such services as fire and rescue services, recreation activities, emergency management, streets, and public utilities.

The financial statements of the City present the financial activities of the City and any component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit’s Board or because the component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Sales taxes, franchise taxes, and motor fuel taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fixed period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major funds:

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

Special Revenue Funds-Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has the following special revenue funds:

Street Fund – This fund is used exclusively for the revenues (Missouri Motor Fuel Taxes) and expense from the operations, maintenance and improvements of streets.

Park Fund – This fund is used exclusively for the revenues (Property Taxes and User fees) for operation and improvements to the City’s park.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION - continued

The City reports the following major proprietary fund:

Electric System Fund – This fund is used to account for activities of the electrical system financed by user fees.

Waterworks and Sewerage Fund – This fund is used to account for activities of the water and wastewater disposal and treatment system, which are also financed primarily by user charges.

The City reports the following nonmajor fund:

Library Fund – This fund is used exclusively for the revenues (Property Taxes) and expense for the operations, maintenance and improvements of City's library.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges for the sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies

The City significant accounting policies related to the following financial statement categories are summarized below:

ASSETS, LIABILITIES, AND FUND EQUITY

Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Statement of Cash Flows

For the purpose of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The following allowances were recorded: \$ 579 for utility billings and \$ 202 General, \$ 54 Park and \$ 64 Library for property taxes all other receivables were collected within 60 days after the year end.

Interfund Receivables and Payables

Current portions of long-term interfund loans receivable (reported in “due from” asset accounts) are considered “available spendable resources” and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances”.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Certain Waterworks and Sewerage System monies are classified as restricted assets on the Statement of Net Position because ordinance requires \$ 2,300 a year be accumulated in a repairs and replacement account which is held in a separate savings account.

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$ 2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City elected as provided for type 3 entities to begin recording additions to infrastructure in 2004 and forward. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Depreciation is being computed on the straight-line method, using asset lives as follows:

Buildings	40 years
Utility plant	40 years
Infrastructure	20-40 years
Equipment	5-15 years
Vehicles	5-10 years

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds where proceeds were used to finance construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. For the year ended June 30, 2016, the City did not have any outstanding debt and therefore no interest reported.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In the Governmental Funds the item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting.

Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Inventory

The City records parts inventory within the Electric System and Water and Sewer Fund. Parts inventory is recorded using actual cost.

Pensions

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

Long-term Debt

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

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt - continued

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

Vacation, sick leave, and other compensated absences

City employees have no benefits as to accumulated pay on the above items.

Fund Balances

In the fund financial statements, governmental funds reports aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources.

Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

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

Committed - Amounts that can be used only for specific purposes determined by a formal action by City Council resolution. This includes the budget reserve account.

Assigned - Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by City Council.

Unassigned - All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources, committed, assigned, and unassigned-in order as needed.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

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

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

Revenues, Expenditures and Expenses

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Levy for 2015 was \$.9223 broken down \$.5825 General Fund, \$.1553 Park Fund and \$.1845 Library Fund with a valuation base of \$ 7,684,089

Revenue Sales Taxes and Use Taxes

The City has one sales tax authorizations and one use tax authorization. A one cent general sales tax recorded in the General Fund \$ 83,356 and the use tax totaled \$ 7,991.

Intergovernmental Revenues/Capital Grants Earned

Revenues from Federal and State operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditure is made. The earned portion of capital grants in Proprietary Funds is treated as a capital contribution within the statement of revenues, expenses and changes in fund net position.

Use of Estimates

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

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restriction of Net Position

The City records restrictions to indicate that a portion of the net position is legally segregated for a specific future use.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

Budgetary basis of accounting

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

Excess of expenditures over appropriations

For the year ended June 30, 2016, the General Fund expenditures exceeded the authorized budgets. The Park Fund expenditures were within the appropriations.

Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$ 1,536,818. The City did not have any general obligation bonds outstanding as of June 30, 2016.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

DETAILED NOTES ON ALL FUNDS

NOTE B – DEPOSITS AND INVESTMENTS

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

As of June 30, 2016, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investments. Statutes authorized the City to invest in certificates of deposit, repurchase agreements, passbooks, banker's acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the City can invest in direct debt securities of the United States Government unless such an investment is expressly prohibited by law. As of June 30, 2016, the City's investments consist of Money Market Accounts and NOW Accounts at .40% to .75% interest rates.

Investment Policies

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

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

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

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

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE C – RESTRICTED ASSETS

For the year ended June 30, 2016 restricted costs consisted of the following:

WATERWORKS AND SEWERAGE SYSTEM FUND

Cash held for repairs and replacements \$ 70,978

NOTE D – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2016 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 18,297	\$ 5,500	\$ -	\$ 23,797
Library books	\$ 147,490	\$ -	\$ -	\$ 147,490
Construction in progress	\$ 2,500	\$ 15,580	\$ -	\$ 18,080
Capital assets being depreciated:				
Buildings	\$ 394,384	\$ 127,262	\$ -	\$ 521,646
Infrastructure and other improvements	1,413,625	-	-	1,413,625
Vehicles and equipment	672,499	15,482	7,100	680,881
Total capital assets being depreciated	<u>2,480,508</u>	<u>142,744</u>	<u>7,100</u>	<u>2,616,152</u>
Less: Accumulated depreciation for:				
Buildings	284,806	6,293	-	291,099
Infrastructure and other improvements	608,891	46,955	-	655,846
Vehicles and equipment	576,974	16,102	2,761	590,315
Total accumulated depreciation	<u>1,470,671</u>	<u>69,350</u>	<u>2,761</u>	<u>1,537,260</u>
Total capital assets being depreciated, net	<u>\$ 1,009,837</u>	<u>\$ 73,394</u>	<u>\$ 4,339</u>	<u>\$ 1,078,892</u>
Governmental activities capital assets, net	<u>\$ 1,178,124</u>	<u>\$ 94,474</u>	<u>\$ 4,339</u>	<u>\$ 1,268,259</u>

CITY OF LOCKWOOD, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE D – CAPITAL ASSETS AND DEPRECIATION (Continued)

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

Governmental Activities:

General government	\$	4,454
Police		4,643
Fire		807
Streets		45,126
Park		2,699
Swimming pool		2,326
Golf course		7,353
Library		1,942
		\$ 69,350

Business Type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 45,000	\$ -	\$ 45,000
Capital assets, being depreciated:				
Buildings	\$ 3,759	\$ -	\$ -	\$ 3,759
Plant and improvements	3,382,421	-	-	3,382,421
Vehicles and equipment	257,528	-	-	257,528
Total capital assets being depreciated	3,643,708	\$ -	\$ -	3,643,708
Less: accumulated depreciation	(2,413,480)	\$ (96,037)	\$ -	(2,509,517)
Total capital assets being depreciated, net	1,230,228			1,134,191
Business-type activities capital assets, net	\$ 1,230,228			\$ 1,179,191

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

Waterworks	\$	23,192
Sewer		54,387
Electrical System		18,458
		\$ 96,037

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE E – DEFINED BENEFIT PENSION PLAN

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

Plan description

The City of Lockwood defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Lockwood 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 3 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 3 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 3 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:	1.00%
Final Average Salary:	3 years
Member Contributions:	0%

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

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

Employees covered by benefit terms

At June 30, 2016, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	2
Active employees	8

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employers contribution rates are 8.6 % General and 8.5% Police of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2016.

Actuarial assumptions

The total pension liability in the February 28, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increase	3.50% including inflation
Investment rate of return	7.25%

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, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Discount rate

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

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

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

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability (TPL)	\$ 1,403,735	\$ 1,218,611	\$ 1,065,387
Plan Fiduciary Net Position	1,346,469	1,346,469	884,073
Net Pension Liability (Assets) (NPL)	<u>\$ 57,266</u>	<u>\$ (127,858)</u>	<u>\$ 181,314</u>

CITY OF LOCKWOOD, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2016 the employer recognized pension expense of \$ 12,737. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 3,209	\$ 88,957
Differences in assumptions	40,027	-
Excess(deficit) in investment returns	121,038	-
Contributions subsequent to the measurement date*	-	-
Total	\$ 164,274	\$ 88,957

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2016.

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

Year ended:	
2017	\$ 23,500
2018	23,500
2019	23,499
2020	9,860
2021	(5,042)
Thereafter	-
	\$ 75,317

Payable to the Pension Plan

At June 30, 2016, the City of Lockwood reported a payable of \$ 0.00 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

CITY OF LOCKWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE F – RISK MANAGEMENT

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

NOTE G – INTERFUND RECEIVABLE AND PAYABLE

The \$ 35,604 General Fund to the Street Fund was to cover the overdrawn position of the Funds in the pool of cash.

NOTE H – INTERFUND TRANSFERS

Transfers were for operational needs which included transfers in-General \$ 101,333, Park \$ 78,983 and Library \$ 27,849 which came from Electric System Fund \$ 207,865.

CITY OF LOCKWOOD, MISSOURI
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (MODIFIED ACCURAL BASIS) UNAUDITED
 FOR THE YEAR ENDED JUNE 30, 2016

GENERAL FUND

	Original Budget	Revisions	Revised Budget	Actual	Variance
<u>REVENUES</u>					
Taxes	\$ 160,620	\$ -	\$ 160,620	\$ 163,126	\$ 2,506
Licenses and permits	2,300	-	2,300	2,345	45
Charges for services	4,800	-	4,800	5,499	699
Interest revenue	1,000	-	1,000	503	(497)
Miscellaneous	6,500	-	6,500	5,811	(689)
Total revenues	<u>175,220</u>	<u>-</u>	<u>175,220</u>	<u>177,284</u>	<u>\$ 2,064</u>
<u>EXPENDITURES</u>					
Current:					
General city					
Professional services	17,000	-	17,000	17,930	(930)
Insurance	19,300	-	19,300	20,046	(746)
Educational/schooling	2,500	-	2,500	344	2,156
Supplies	4,000	-	4,000	5,217	(1,217)
Other	17,865	-	17,865	24,486	(6,621)
Public safety					
Police					
Salaries	58,000	-	58,000	48,911	9,089
Payroll taxes	5,600	-	5,600	4,245	1,355
Employee benefits	6,000	-	6,000	3,814	2,186
Insurance	3,700	-	3,700	3,572	128
Repairs and maintenance	2,000	-	2,000	1,185	815
Vehicle	6,500	-	6,500	4,769	1,731
Telephone	4,800	-	4,800	4,338	462
Supplies	1,500	-	1,500	1,549	(49)
Other	8,500	-	8,500	3,240	5,260
Fire					
Insurance	3,000	-	3,000	4,801	(1,801)
Vehicle	3,000	-	3,000	2,542	458
Repairs and maintenance	2,000	-	2,000	1,684	316
Utilities	800	-	800	975	(175)
Other	6,155	-	6,155	1,410	4,745
Capital outlay	3,000	-	3,000	123,559	(120,559)
Total expenditures	<u>175,220</u>	<u>-</u>	<u>175,220</u>	<u>278,617</u>	<u>(103,397)</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,333)</u>	<u>(101,333)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in-operating	-	-	-	101,333	101,333
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,333</u>	<u>101,333</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Accountant's Report

CITY OF LOCKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND
ACTUAL (MODIFIED ACCURAL BASIS) UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2016

PARK FUND	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>					
Taxes	\$ 15,000	\$ -	\$ 15,000	\$ 11,116	\$ (3,884)
Charges for services	60,500	-	60,500	69,601	9,101
Intergovernmental revenue	-	-	-	680	680
Total revenues	<u>75,500</u>	<u>-</u>	<u>75,500</u>	<u>81,397</u>	<u>5,897</u>
<u>EXPENDITURES</u>					
Current:					
Culture and recreation					
Park					
Repairs and maintenance	2,000	-	2,000	2,372	(372)
Miscellaneous	1,000	-	1,000	264	736
Gas	1,300	-	1,300	1,222	78
Swimming pool					
Salary	14,500	-	14,500	25,632	(11,132)
Payroll taxes	1,500	-	1,500	2,165	(665)
Insurance	450	-	450	719	(269)
Telephone	900	-	900	678	222
Maintenance	5,000	-	5,000	11,768	(6,768)
Miscellaneous	2,000	-	2,000	2,085	(85)
Supplies	2,500	-	2,500	858	1,642
Golf Course					
Salary	60,000	-	60,000	51,897	8,103
Payroll taxes	5,000	-	5,000	4,267	733
Employee benefits	23,000	-	23,000	17,426	5,574
Telephone	750	-	750	1,166	(416)
Maintenance	15,000	10,000	25,000	21,833	3,167
Miscellaneous	5,500	-	5,500	3,978	1,522
Gas	4,500	-	4,500	2,580	1,920
Capital outlay	8,000	5,000	13,000	9,470	3,530
Total expenditures	<u>152,900</u>	<u>15,000</u>	<u>167,900</u>	<u>160,380</u>	<u>7,520</u>
Excess (deficit) of revenues over expenditures	<u>(77,400)</u>	<u>(15,000)</u>	<u>(92,400)</u>	<u>(78,983)</u>	<u>13,417</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in-operating	77,400	15,000	92,400	78,983	(13,417)
Net other financing sources (uses)	<u>77,400</u>	<u>15,000</u>	<u>92,400</u>	<u>78,983</u>	<u>(13,417)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Accountant's Report.

CITY OF LOCKWOOD, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION-UNAUDITED
SCHEDULE OF PENSION PLAN CONTRIBUTIONS

JUNE 30, 2016

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2007	\$ 30,285	\$ 30,285	\$ -	\$ 285,857	10.59%
2008	32,821	32,821	-	306,786	10.70%
2009	36,754	36,366	388	323,097	11.26%
2010	34,317	34,317	-	309,758	11.08%
2011	28,624	27,823	801	235,916	11.75%
2012	31,572	31,572	-	265,605	11.89%
2013	38,858	36,589	2,269	290,592	12.59%
2014	40,322	40,322	-	311,826	12.93%
2015	41,135	41,136	(1)	344,187	11.95%
2016	27,446	27,446	-	274,764	9.99%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2015

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Multiple bases from 14 to 18 years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Inflation	3.5% wage inflation; 3.0% price inflation
Salary increases	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25%, net of investment and administrative expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.
Other information:	None

See accompanying independent auditors' report.

CITY OF LOCKWOOD, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
RELATED RATIOS
LAST TEN YEARS (ONLY TWO YEARS PRESENTED)
JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service costs	\$ 34,480	\$ 33,204
Interest on Total Pension Liability	84,891	77,516
Changes in Benefit Terms	-	-
Difference between expected and actual experience	(100,741)	(4,448)
Changes in Assumptions	48,650	-
Benefit payments, including refunds	<u>(5,194)</u>	<u>(5,163)</u>
Net change in total pension liability	62,086	101,109
Total Pension Liability-beginning	<u>1,156,525</u>	<u>1,055,416</u>
Total Pension Liability-ending	<u><u>\$ 1,218,611</u></u>	<u><u>\$ 1,156,525</u></u>
 Plan Fiduciary Net Position		
Service costs	3,545	-
Interest on Pension Liability	(647)	-
Contributions - employer	24,000	41,036
Contributions- employee	-	-
Net investment income	(3,463)	24,138
Benefits payments, including refunds	(5,194)	(5,163)
Pension Plan Administrative Expense	(1,042)	(1,025)
Other (Net Transfer)	<u>1,755</u>	<u>51,295</u>
Net change in plan fiduciary net position	18,954	110,281
Plan Fiduciary Net Position-beginning	<u>1,327,515</u>	<u>1,217,234</u>
Plan Fiduciary Net Position-ending	<u><u>\$ 1,346,469</u></u>	<u><u>\$ 1,327,515</u></u>
 Net Pension Liability (Asset)	<u><u>\$ (127,858)</u></u>	<u><u>\$ (170,990)</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	110.49%	105.80%
 Covered-employee payroll	\$ 304,932	\$ 344,525
 Net Pension liability as a percentage of covered employee payroll	25.03%	29.78%

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