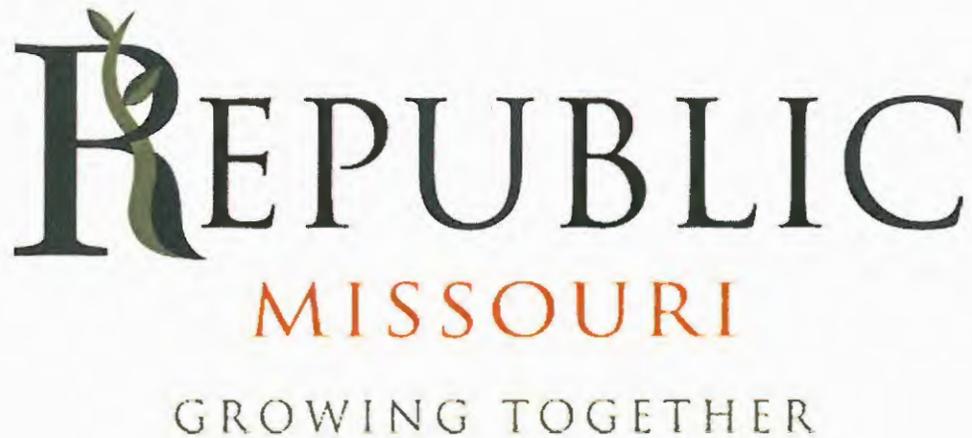


CITY OF REPUBLIC, MISSOURI



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015**

CITY OF REPUBLIC, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Prepared by:

John O'Donnell, CPA
Director of Finance

City of Republic, Missouri

Comprehensive Annual Finance Report For the Fiscal Year Ended December 31, 2015

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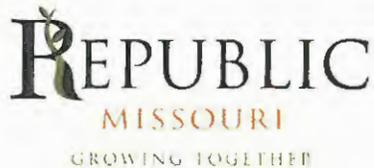
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INTRODUCTORY SECTION

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July 31, 2016

To the Honorable Mayor, Members of the City Council, City Administrator
And the Citizens of the City of Republic:

The City of Republic (City) undergoes an independent audit on an annual basis, in accordance with its Home Rule Charter. The end product of the audit is the issuance of the City's financial statements for the year ended December 31, 2015, which are herewith submitted. This report represents a culmination of twelve months of financial activity, presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by an independent firm of certified public accountants.

The management of the City is responsible for the completeness and reliability of the information contained in this report. We believe the accompanying data is accurate in all material aspects and is reported in such a manner that presents fairly the financial position and results of operations of the various funds and entity-wide.

City management is also responsible for the system of internal controls which is designed to ensure that the financial and physical assets of the City are effectively safeguarded and that accurate accounting data is available for collection, compilation and reporting purposes in conformity with generally accepted accounting principles. The City's internal control system is designed to promote operational efficiency and adherence to policy. The cost of internal controls should not outweigh their benefits. Therefore, the City of Republic's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute, assurance that the financial statements will be free from material misstatement.

The City of Republic's financial statements have been audited by Decker & DeGood, Certified Public Accountants. The objective of the annual audit is to determine if the financial statements of the City are fairly presented, in all material respects, in conformity with GAAP and to express an opinion to that fact. The audit also involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements as reported by management and tests of internal control procedures that have direct impact on the basic financial statements. An unqualified or "clean" opinion has been issued for the year ended December 31, 2015, which can be found in the independent auditor's report located at the front of the financial section of this document.

This report conforms to the standards of financial reporting as set forth by the Governmental Accounting Standards Board (GASB) and the guidelines per the Governmental Finance Officers Association (GFOA). The document is presented in three distinct sections: introductory, financial and statistical. GAAP requires that management provide a Management's Discussion and Analysis (MD&A), which is a narrative introduction, overview and analysis to accompany the basic financial statements and is found following the auditor's report. This letter of transmittal is designed to complement the presentation found in the MD&A and should be read in conjunction with it. The City's Finance Department prepares the MD&A and the statistical section.

The City is not required to undergo a single audit and is not subject to the provisions of the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local governments, and Non-Profit Organizations*.

Profile of the Government

The City of Republic is located in two counties, southwest Greene County and northwest Christian County, and lies in the heart of the Ozarks of southwest Missouri. It is adjacent to Springfield along some of its boundaries but the heart of the city is located approximately 15 miles from Springfield. Republic is part of the Springfield, Missouri, Metropolitan Statistical Area (MSA).

This region is one of the fastest growth areas in the state and country, with a population increase of over 18% from 2000 to 2010. For 2015, Republic had an estimated population of 16,005, which represents an 89.7% increase since the 2000 census and an 8.5% increase over the 2010 census. It has one of the highest growth trends in housing units in the Springfield metropolitan area from 2000 to 2011, especially in the former Brookline area, which is the northeast Republic area. The city encompasses an area of approximately 15 square miles with the majority lying within Greene County.

In addition to the rapid growth experienced since 1970, the City of Republic and the Village of Brookline consolidated into one municipality in 2005 which brought in land contiguous to I-44 and James River Freeway (connector route between I-44 and Highway 65). Also, property along the Highway 60 and MM corridors were added allowing for Republic to control existing and potential commercial and industrial development. There have only been a few municipal consolidations undertaken in the State of Missouri. The consolidation essentially doubled the land area of the city by expanding to the northeast towards Springfield.

Republic has made significant initial and ongoing investment in the northeast Republic area by the addition of approximately 7.7 miles in roads to be maintained, increasing the coverage area for law enforcement and fire protection and expansion of water and sewer services to that area in order to address environmental concerns. Police services were expanded, including the assignment of a permanent officer to the former village. The city's second fire station was constructed in this area which necessitated additional personnel, fire trucks and equipment. Park land was purchased to allow for the development of a 40-acre park, inclusive of playground equipment and a walking trail for the benefit of residents in the northeast area. A cost analysis of consolidation was estimated to be at a minimum of \$13 million, with additional costs to be incurred as programs or functions expand to provide services and handle growth of and in the city.

Government. Republic was reorganized as a constitutional Charter City in 2007. Prior to adopting a home rule form of government, the City was a fourth-class city. The City Charter provides for a non-partisan municipal government consisting of a Mayor, eight Councilmembers and a City Administrator. The Mayor is elected at large by the voters of the city every two years. The City is divided into four wards and two Councilmembers are elected from each ward for a two-year term.

The City Administrator serves as the chief administrative officer of the city and is appointed by the Mayor, upon the advice and consent of the entire City Council. The City Administrator is responsible for all City affairs as provided under the Charter, including appointment and removal of department directors and employees; administration of departments; enforcement of laws, provisions of the charter and acts of Council; budget and capital program; finance and administrative reporting; execution of documents; etc. Republic is a full-service city providing a broad range of services: police and fire protection; water, sewer and stormwater management; planning; economic and community development support; thoroughfares and infrastructure; a community center and recreational complex; an aquatic facility; hike/bike trail network; sports activities for youth and adults; and recreational activities and programming for all ages.

The financial reporting entity (the government) encompasses all the individual funds of the City of Republic. There are no associated, legally separate entities to include in the City's financial reports.

Budgetary Controls. All funds are budgeted, even though Missouri State Statutes only require that the General Fund and Special Revenue Funds be annually appropriated. Budgets are viewed as a management control tool to monitor and measure expenditure levels. Budgeting of the enterprise activity is necessary to ensure the level of user rates is sufficient to cover costs and meet bondholder requirements for debt coverage.

Per City Charter, the Council is required to adopt a final budget by no later than the close of the fiscal year. After budgets are established, the City Administrator is authorized to make budgetary changes within departments while changes or transfers between departments and funds require approval by the City Council. The Council's budget policy sets the parameters for the annual budget process, including priority of services, balancing the budget, internal controls, etc.

Local Economy

Historically, the City of Republic has served as a "bedroom" community providing housing opportunities for those employed in the Springfield metropolitan area. With the consolidation of the former Village of Brookline in 2005, the City has gained access to developable land and has been working diligently to cultivate and nurture this area as the principal location for commercial and industrial growth. Industrial sites designated as Enhanced Enterprise Zones within the city limits include the James River Business Center, Brookline Business Park, Trogdon Industrial Park and McLane Co./Drury University. There are 3,500 acres of developable property within the city limits. The City's potential for industrial growth is enhanced by its unique congregation of transportation access, including rail, air and interstate highway. The City also encompasses an eight-mile stretch of U.S. Highway 60 that offers a variety of retail offerings and expansion potential that is highly visible due to seeing daily travel of over 30,000 vehicles per day.

The City has partnerships with entities that work in collaboration in the marketing of Republic. The Republic Business and Industrial Development Association (RBIDA) was formed in 2010 as a separate, legal entity that partners with the City in focusing on business recruitment and business retention. Their major funding is through investors with the City having no financial responsibility for its continued existence.

The City's ability to increase the commercial tax base is both a short-term and long-term priority. The business parks offer several available tracts of land that are prime location to I-44, James River Freeway and Highway 60. The Springfield-Branson Airport is within five miles of the northeast city limits offering an alternative mode of transportation for businesses.

Republic was fortunate to have attracted McLane Company, which built a 450,000 square foot distribution center in the consolidated area, with employment levels anticipated to be 400 to 500. Operation started ramping up in early 2012 and is still incurring positive growth. Republic is home to various retail and service operations, financial institutions, medical offices, etc. Magellan has a petroleum pipeline terminal and storage within the city limits, which is a significant asset and component of the tax base. In 2013, the Brookline Business Park has seen movement of sites being sold with commercial interests locating to that area. Within the core of Republic, there have been new commercial building permits and infills.

The consolidation supported the recommendations of the City's Comprehensive Plan by providing commercial and industrial opportunities along the Highway 60 corridor toward Springfield. It allowed the City's tax base to expand and provide additional employment opportunities. The City's ability to grow and develop in a managed and planned way to control its future was also enhanced.

There is great expectation for growth in Republic prompted by the positive economic development efforts seen over the past decade. Republic's population is expected to reach 26,000 in the next decade and to nearly double the number of household units during that time period.

Republic recorded a 4.3% unemployment rate at the end of 2015 while the Springfield MSA was at 3.8%, which compared favorably to the Missouri rate of 4.4% and the national rate of 5.0%. Over the past ten years, the local unemployment rate has fluctuated, being the lowest at 3.2% in April 2006 and 9.3% the highest in June 2009. Even though the national economy started to decline in 2008 and has not fully rebounded, Republic and the region have been fortunate to maintain low unemployment in comparison to the impact felt at the state and national levels due to the diversity of employment offered in the area, close proximity to major employers and its attractive amenities.

The largest employer in the city is the Republic R-III School District, employing more than 763 teachers, professionals and support staff. The District is comprised of one high school, one middle school, five elementary schools and an early childhood center with a school population of 4,717 students. By 2020, the District is projected to have a school population of 5,296 students, an increase of 12.3%.

Republic is in close proximity to higher educational institutions located in Springfield, including Missouri State University, Drury University and Ozarks Technical Community College, in addition to various private colleges. There are various higher educational institutions located within an hour's drive of the city as well.

The City has approximately 148 acres in recreational parks and over 2.4 miles of paved trails. The Republic Community Center opened in 2003 and provides year-round recreational opportunities, inclusive of a two-court gymnasium, walking track, fitness center and community rooms. The City's Parks and Recreation Department sponsors football, basketball, volleyball, soccer, softball leagues and many other activities for all ages. The City's outdoor Aquatic Center opened in 2005 and offers unique play features such as a surfing simulator, zero depth entry and slides.

Republic is only minutes away from some of the finest cultural and recreational facilities, dining, shopping and entertainment opportunities in the country, including Missouri's entertainment capital, Branson, which is approximately 30 miles south of the city. Several lakes in the area provide facilities such as fishing, camping and boating year-round. Located just east of the city limits is Wilson's Creek National Battlefield, the location of the first Civil War battle west of the Mississippi River, which offers a five-mile tour drive and trails allowing complete access to the park. Bass Pro Shops, one of Missouri's largest tourist attractions, is located within seven miles of the eastern city limits.

Expenditures for parks and the public safety function have seen the greatest increases since 2006 by 63% and 50%, respectively. This was primarily driven by additional staff, necessary due to consolidation and increase in the size of Republic. General government expenditures in total have increased 32% during that same time span due to the same reasons in addition to growth in street maintenance by 17% and overall cost of personnel services, especially health-related. Operating expenses for utility services increased by 99% from 2006 to 2015 due to the expansion of the system to include annexed areas from consolidation and other territories, staffing and cost of maintenance and personnel services.

Due to significant changes in the economy in Republic during the last ten years, the financial condition of the City has improved its total net position by almost three-fold. In total, program revenues have seen an increase of 29% since 2006. General revenues for governmental activities have grown by 32% during this time period attributable to the increase in overall tax revenues, primarily sales tax by 55%, property taxes by 70% and franchise fees by 81%. This is largely attributable to growth in population, expanded retail offerings and real property valuation. Revenue from utility services provided has increased 50% due to rate adjustments, expansion and growth in number of customers by over 24% since 2006.

Long-term Financial Planning

The consolidation followed in line with the recommendations contained in the City's Comprehensive Plan by providing commercial and industrial opportunities along the Highway 60 corridor toward Springfield. The Comprehensive Plan, established under the City Codes and overseen by the Planning and Zoning Commission, provides the mapping and guide for community physical growth and development.

The City's Transportation Plan conforms to the Ozarks Transportation Organization's Long Range Transportation Plan and the Greene County Major Thoroughfare Plan, which align with the overall plan of the entire Metropolitan Area. The Ozarks Transportation Organization, Greene County Highway Department, Greene County Planning Department and MODOT are consulted regarding any update of this plan. This plan is long range in nature and guides operational decision making for the Planning and Zoning Commission, City Council and City staff for many years in the future.

The City's Parks and Recreation Master Plan was adopted on November 23, 2009, and will provide the foundation for systematic planning and development of the City park system over the next twenty years. It

encompasses both short-term and long-term goals, addressing such topics as land acquisition and development; improvements to existing parks; improvements and expansion of existing facilities; and the need for future facilities. The scope of the area to be planned and developed encompasses the area within the city limits and the Urban Service Boundary and the Urban Reserve.

Stormwater management, water and sewer are governed by separate plans. An independent water and sewer rate study was undertaken in 2011, with the result being a five-year phased increase in the rate structure. A major undertaking for staff and the City Council to be completed in 2014 was the revamping of separate zoning and subdivision codes and replacing with a "Unified Development Code", a proactive way to handle future development.

By Charter, the City maintains a five-year capital program, which provides for a Capital Improvement Committee to provide input to staff and Council as to long-range planning needs regarding the City's infrastructure, capital projects costing greater than \$100K, projects that significantly impact the general public or those that increase expenditures above approved budget levels. Recurring capital purchases, such as patrol vehicles, are regarded as annual appropriations and not referred to the Capital Improvement Committee.

The City's Fund Balance Policy outlines the unrestricted and restricted components of the fund balance and establishes the minimum level of the General Fund of not less than 17% of annual operating expenditures of the current operating annual budget. Unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) in the General Fund at year end was 63% of total General Fund expenditures. This amount is significantly above the policy guidelines set and is primarily due to revenues coming in slightly higher than forecast from tax growth and fund reallocation and expenditures being 3% lower than budgeted.

Relevant Financial Policies

The City has operated under a set of financial policies which will be revamped and presented to the City Council in 2017. These include purchasing, budget management practices, revenue management, cash management and debt management. New policies for Fraud and Ethics were implemented in early 2016. The Fund Balance Policy was adopted in December 2011. The Investment Policy was revised in April 2013 to closely mirror the State of Missouri's policy.

Major Initiatives

In April 2013, voters approved a one-eighth cent sales tax dedicated solely to benefit the Fire Department in their capital needs. This tax will generate approximately \$230,000 annually and was approved to sunset after fifteen years. Two fire pumper trucks were acquired in 2013 through a down payment from reserves dedicated for fire equipment and a seven-year capital lease in the amount of \$600,000. Fire sales tax proceeds will provide the revenue source to repay the debt which will help to relieve the burden off the General Fund.

The City switched financial institution providers after rebidding the services in the spring of 2014. The goal is to lower the cost of banking services received and to gain from receipt of investment earnings by retaining a compensating balance.

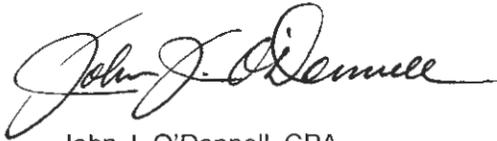
Effective with fiscal year 2011, the City elected to change from the modified cash basis method of accounting to accounting principles generally accepted in the United States of America as applied to governmental units. For the year ended December 31, 2012, the City compiled its first Comprehensive Annual Financial Report (CAFR) and received its first Certificate of Achievement for Excellence in Financial Reporting program offered by the Government Finance Officers Association of the United States and Canada (GFOA). Receipt of this Certificate was monumental as to proof of accountability and public recognition for quality financial reporting as performed by the City Finance Department.

In 2015, the City celebrated the milestone of bringing over 1,000 new jobs to the community. Relocations of businesses such as Watson Metal Masters Inc. and Red Monkey Foods have spurred this effort. The City continues to attract businesses to our community and provide more economic opportunities for its citizens.

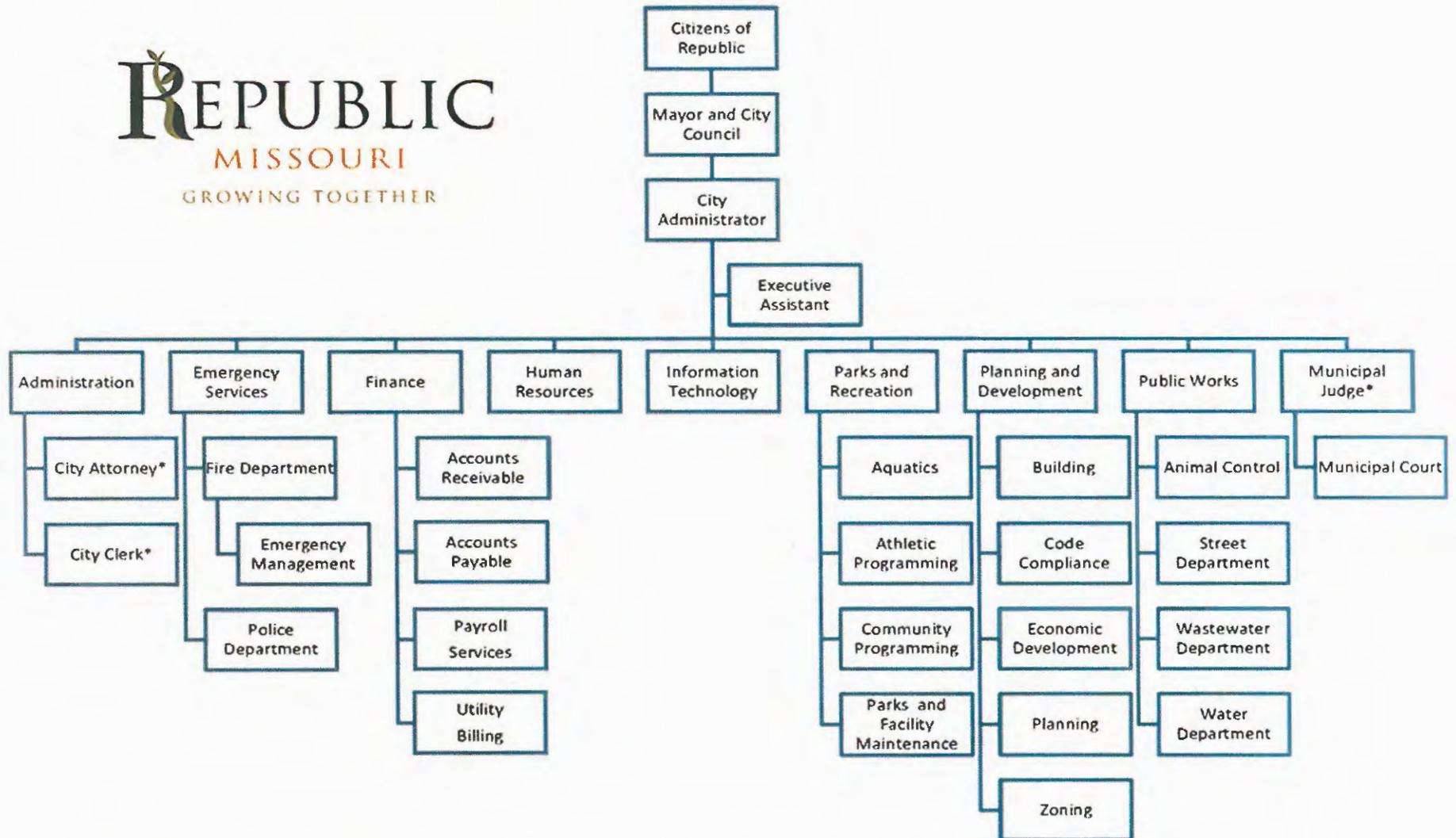
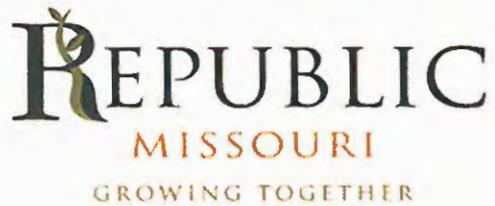
Acknowledgements

The preparation of this Comprehensive Annual Financial Report is due to the proficiency of the staff of the Finance Department, who maintains the financial reporting system for the City of Republic. Recognition is extended to City elected officials and staff for their diligent efforts to provide quality services to the citizens of Republic with limited resources.

Respectfully submitted,

A handwritten signature in black ink, reading "John J. O'Donnell". The signature is written in a cursive style with a large, stylized initial "J".

John J. O'Donnell, CPA
Director of Finance



** Denotes appointment by City Council. Reports directly to Mayor and City Council as well as City Administrator.*

City of Republic, Missouri

Principal Officials

MAYOR AND COUNCIL

Brian Buckner, Mayor 04/18
Brandon Self, Ward I 04/17
Greg Smith, Ward I 04/18
Gerry Pool, Ward II 04/17
Garry Wilson, Ward II 04/18
John Jones, Ward III 04/17
Jason Mendez, Ward III 04/18
Daniel Harter, Ward IV 04/17
Charles Brashears, Ward IV 04/18

APPOINTED

City Administrator – David Cameron

City Attorney – Ron Dirickson

City Clerk – Brenda Jackson

Administration

Jared Keeling, Assistant City Administrator
Connie Moller, Executive Assistant
Karen Freeman, Legal Assistant
Angela Heatherly, Human Resources

Finance

John O'Donnell, CPA, Director

Fire

Duane Compton, Chief
Lynn Hollandworth, Emergency Management Director

Information Technology

Sean Solina, Director

Parks and Recreation

Jared Keeling, Director

Planning and Development

Garrett Tyson, Interim Director

Police

Michael Lawton, Chief

Public Works

David Brock, Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Republic, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of City of Republic, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Republic, Missouri, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 3 through 12, and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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



Decker & DeGood
Springfield, Missouri
June 8, 2016

City of Republic, Missouri
Management's Discussion and Analysis
December 31, 2015

As management of the City of Republic (the City), we have prepared this narrative overview and analysis of the City's financial statements to offer readers the opportunity to review the financial activities of the City for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information provided in our letter of transmittal and basic financial statements.

Management has designed this narrative to focus on significant financial issues, identify changes in the City's financial position, identify any material deviations from the approved financial plan (the budget), identify individual fund issues or concerns and provide an overview of the City's financial activity for the twelve months of 2015.

Financial Highlights

Republic is a fast developing community. The City offers a wide range of governmental and proprietary services to its citizens.

- On a governmental-wide basis, the assets of the City exceeded its liabilities at December 31, 2015 by \$30,372,963 (net position). Of this amount, the governmental net position account is \$14,627,594, while business-type assets are at \$15,745,369. The unrestricted net position accounts for \$8,090,746 or 26.6% of the total. Governmental activities represent \$4,928,582 or 60.9% of the total unrestricted net position and may be used to meet the government's ongoing obligations to its citizens and creditors in accordance with fund restrictions and fiscal policies. The unrestricted net position of the City's business-type activities are \$3,162,164 and are available to meet the ongoing obligations necessary to provide City drinking water and sanitary sewer services.
- The City's total net position increased \$2,205,795 over the prior fiscal year. The net position of the governmental activities increased by \$1,423,400, accounting for 64.5% of the total increase, while the net position of the business-type activities increased by \$782,395. Growth in tax revenues was the major reason for governmental activities growth. The primary growth in the business-type assets is due to the revision in the rate structure for water and sewer services that occurred for 2013.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,079,010, representing a net increase of \$816,456, after all annual capital projects were completed. In accordance with the City's fund balance policy, fund balances are categorized as nonspendable, restricted or unrestricted (committed, assigned and unassigned). Approximately 1.4% of the fund is nonspendable; 4.9% is restricted for debt; 19.2% is committed; 35.3% is assigned for street maintenance and park activities; and 39.2% is unassigned and available to meet financial needs of the governmental funds at the City's discretion.
- The unrestricted portion of the fund balance of the governmental activities is \$6,636,624, while the General Fund's unrestricted balance is \$2,773,951, which represents 50.2% of its total operating expenditures. The City's fund balance policy requires a minimum unrestricted balance of 17% of operating expenditures be retained by the General Fund, which is adequately met.
- A 1/8-cent fire sales tax was approved by the voters in April 2013 to fund capital assets and improvements for the Republic Fire Department. Tax proceeds for 2015 were approximately \$269,131, which was used to acquire necessary firefighting equipment and to service the debt on two fire pumper trucks acquired in 2013.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 27 and 28 of this report.

Fund Financial Statements

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

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

The City of Republic adopts an annual budget for its governmental funds and a comparison of actual to budget has been provided to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis can be found on page 71-73.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance) can be found on pages 29 and 31 of this report.

- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows. The basic proprietary fund financial statements (Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows) can be found on pages 33-35 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-68 of this report.

Required Supplemental Information

In addition to the basic financial statements the required supplementary information can be found on pages 71-75 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City's governmental activities net assets exceeded liabilities by \$14.5 million at December 31, 2015. This was a slight increase from the prior year.

The City's business-type activities net assets exceeded liabilities by \$15.7 million at December 31, 2015. This increase was due to growth in the proprietary funds by \$0.4 million of which was from normal operations.

As of December 31, 2015, net position changed as follows:

	City of Republic Net Position			
	Governmental Activities		Business-type Activities	
	2015	2014 Restated	2015	2014 Restated
Current Assets	\$ 5,354,229	\$ 6,639,241	\$ 1,364,868	\$ 5,408,178
Noncurrent Assets	21,481,746	19,193,707	27,698,957	23,833,697
Total Assets	<u>26,835,975</u>	<u>25,832,948</u>	<u>29,063,825</u>	<u>29,241,875</u>
Deferred Outflows	200,276	218,759	31,676	60,591
Current Liabilities	1,792,019	1,488,460	1,485,357	1,369,096
Long-term Debt	10,535,827	9,996,263	11,836,586	12,501,350
Total Liabilities	<u>12,327,846</u>	<u>11,484,723</u>	<u>13,321,943</u>	<u>13,870,446</u>
Deferred Inflows	80,811	96,159	28,189	26,634
Net Position:				
Invested in				
capital assets-net	9,356,823	8,434,652	11,297,205	10,579,883
Restricted	342,189	328,272	1,286,000	1,337,595
Unrestricted	4,928,582	4,318,670	3,162,164	3,079,453
Total net position	<u>\$ 14,627,594</u>	<u>\$ 13,081,594</u>	<u>\$ 15,745,369</u>	<u>\$ 14,996,931</u>

**City of Republic
Changes in Net Position**

Government-Wide Financial Analysis-continued

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues:				
Program Revenues:				
Charge for services	\$ 1,237,228	\$ 1,351,737	\$ 4,741,358	\$ 4,665,330
Operating grants and contributions	192,464	102,615	-	70,490
Capital grants and contributions	22,422	251,427	181,517	192,030
General Revenues:				
Taxes	8,770,531	8,148,073	-	-
Interest	34,409	16,780	230,037	42,654
Other	136,817	84,616	-	-
Transfers	155,425	167,150	(155,425)	(167,150)
Total Revenue	<u>10,549,296</u>	<u>10,122,398</u>	<u>4,997,487</u>	<u>4,803,354</u>
Expenses:				
Administration	1,740,922	1,580,928	4,215,092	3,875,595
Public Safety	3,599,547	3,337,839	-	-
Animal control	88,927	112,354	-	-
Parks and recreation	2,169,224	1,862,211	-	-
Streets	1,215,395	1,422,345	-	-
Interest	311,881	366,832	-	-
Total Expense	<u>9,125,896</u>	<u>8,682,509</u>	<u>4,215,092</u>	<u>3,875,595</u>
Change in Net Position	1,423,400	1,439,889	782,395	927,759
Net Position, beginning	13,204,194	12,908,336	14,962,974	14,443,670
Prior period adjustment	<u>-</u>	<u>(1,144,031)</u>	<u>-</u>	<u>(408,455)</u>
Net Position, ending	<u>\$ 14,627,594</u>	<u>\$ 13,204,194</u>	<u>\$ 15,745,369</u>	<u>\$ 14,962,974</u>

Financial Analysis of the Governmental Funds

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

Governmental Funds

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

Some significant items are presented below for comparison and analysis.

	Percent of Total	2015	2014	Change	
				Amount	%
Revenues					
Property taxes	10.58%	\$ 1,099,976	\$ 903,404	\$ 196,572	21.76%
Franchise taxes	7.74%	804,986	857,033	(52,047)	-6.07%
Sales taxes	60.60%	6,301,405	5,859,861	441,544	7.54%
Missouri motor fuel taxes	5.43%	564,960	558,600	6,360	1.14%
Licenses & permits	2.00%	207,600	190,502	17,098	8.98%
Charge for services	5.69%	591,659	622,580	(30,921)	-4.97%
Greene county Road & Bridge	0.97%	100,901	98,973	1,928	1.95%
Fines & forfeits	2.37%	246,742	346,886	(100,144)	-28.87%
Interest	0.33%	34,409	16,780	17,629	105.06%
Rents	1.84%	191,227	191,679	(452)	-0.24%
Grants	1.10%	113,985	255,069	(141,084)	-55.31%
Miscellaneous	1.36%	141,322	87,702	53,620	61.14%
Total	100.00%	10,399,172	9,989,069	410,103	4.11%
Expenditures:					
General government	16.50%	1,568,495	1,557,484	11,011	0.71%
Police	16.81%	1,597,871	1,716,355	(118,484)	-6.90%
Fire	12.16%	1,155,700	1,186,389	(30,689)	-2.59%
Court	1.38%	131,069	126,901	4,168	3.28%
Emergency management	0.87%	82,906	65,428	17,478	26.71%
Animal control	0.84%	79,533	110,149	(30,616)	-27.80%
Streets	10.43%	991,477	1,284,824	(293,347)	-22.83%
Park and Recreation	18.68%	1,775,681	1,606,823	168,858	10.51%
Capital outlay	7.60%	721,942	1,041,269	(319,327)	-30.67%
Debt service	14.72%	1,399,053	1,444,735	(45,682)	-3.16%
Total	100.00%	9,503,727	10,140,357	(636,630)	-6.28%

Most notable increases were in Property Taxes (up 21.8% or \$196,572) and Sales Taxes (up 7.54% or \$441,544) due to better local economic conditions. Fines & forfeitures were down 28.9% or \$100,144 due to the loss of key traffic personnel in early 2015. Grant revenues were down 55.3% or \$141,084 due to less grant opportunities in 2015 and more competition for available grant funds.

Expenditures decreased in some departments due to decreases in personnel as well as close monitoring of expenditures. Streets department decreased due to certain projects closing in 2014. Capital outlay will increase/decrease from year to year based on purchases of vehicles and major equipment.

Business-type Activities

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

	2015	2014	Change	
			Amount	%
Waterworks and Sewer Fund				
Revenue	\$ 4,675,828	\$ 4,665,330	\$ 10,498	0.23%
Expense net of Depreciation and interfund	2,820,501	2,683,932	136,569	5.09%
Operating Income	1,114,828	1,268,062	(153,234)	-12.08%

Waterworks and Sewer Fund showed a significant increase in personnel services of \$308,391 this year over the prior year, primarily due to recognition of \$188,460 in additional pension expense after the adoption of GASB Statement 68, *Accounting and Financial Reporting for Pensions*. There were major decreases in contractual and services expense, and repair and maintenance expense, in the amounts of \$111,830 and \$99,899 respectively. There was no expense incurred for the I&I (Installation & Infill) Reduction Program in 2015, which was budgeted at \$137,500 for 2015. Program expense incurred in 2014 was \$133,405. Repairs and maintenance expenses for the lift stations decreased from \$111,492 in 2014 to \$20,432 in 2015, after major repairs to the lift station pumps were completed in 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Revenues came in 11.4% higher than budgeted, primarily due to increases of 24.8% in sales tax collections, 22.3% in licenses and permits, 13.7% in other revenues, 4.5% in franchise fees and 3.2% in property tax collections; offset by a decrease of 35.2% in fines and forfeitures and 0.9% in intergovernmental. Real property assessed valuation in 2016 increased by 6.7% from the prior year.

Expenditures came in less than 0.1% over budget for 2015 attributable to general spending constraints watched closely by staff and decreasing interest expense on existing obligations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,816,709	\$ 1,816,709	\$ 370,328	\$ 370,328	\$ 2,187,037	\$ 2,187,037
Buildings and Plant	15,986,368	15,969,006	32,565,767	32,503,963	48,552,135	48,472,969
Street	3,928,220	3,675,563	-	-	3,928,220	3,675,563
Equipment	1,290,469	1,133,258	848,994	706,749	2,139,463	1,840,007
Vehicles	2,412,288	2,117,576	543,661	472,933	2,955,949	2,590,509
Construction -in-Progress	787,341	787,341	-	-	787,341	787,341
	<u>\$ 26,221,395</u>	<u>\$ 25,499,453</u>	<u>\$ 34,328,750</u>	<u>\$ 34,053,973</u>	<u>\$ 60,550,145</u>	<u>\$ 59,553,426</u>

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

Debt

At year-end, the City had \$ 21,826,333 outstanding notes as compared to the prior year of \$ 24,007,869.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	\$ -	\$ -	\$ 5,835,000	\$ 6,685,000	\$ 5,835,000	\$ 6,685,000
Special Obligation bonds	6,828,950	7,592,575	91,050	112,425	6,920,000	7,705,000
Certificates of Participation	-	-	5,995,000	6,243,000	5,995,000	6,243,000
Lease & Notes Obligations	2,932,926	3,161,480	143,407	213,389	3,076,333	3,374,869
TOTALS	<u>\$ 9,761,876</u>	<u>\$ 10,754,055</u>	<u>\$ 12,064,457</u>	<u>\$ 13,253,814</u>	<u>\$ 21,826,333</u>	<u>\$ 24,007,869</u>

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

During the preparation of the 2016 budget, any potential economic impact on the community in the coming year was taken into account in forecasting revenues and expenditure levels. The 2016 budget is set at \$18,849,746, a 15.5% increase from the 2015 budget as amended. This increase is attributable to an anticipated cost of living salary adjustment at mid-year, expected increases in premiums for health insurance and property liability insurance, and a \$1,2 million capital outlay for replacement of pumps at one of the City’s lift stations..

Revenues were budgeted 12.4% higher than 2015, primarily due to expected increases in collections of property taxes, sales taxes and intergovernmental revenues (i.e. motor fuel & sales taxes, various grants).

Limited revenue sources, rising costs and increase in service demand continue to influence the parameters within which the City operates and sets its budget. The following assumptions impacted the City's budget development for 2016:

- As part of the Springfield Metropolitan Statistical Area (MSA), the City is in close proximity to amenities offered in Springfield while offering housing in a more rural atmosphere. Development in the City continues, as evidenced by the 22.3% growth in license and permits revenues in 2015 and increase in projects.
- Fiscal year 2015 ended with an unemployment rate for the MSA of 3.8%, a decrease from 4.2% in 2014. This compares favorably to the Missouri rate of 4.4% and the national rate of 5.0%.
- Steady annual increase in population with 2015 being estimated at 1.2% over 2014.
- A 6.7% increase in assessed real property valuation with a zero percent increase in property tax levy over 2014.
- Another full year of 1/8-cent fire sales tax budgeted to fund fire-related capital items, which provides some relief to the General Fund for funding of public safety needs.
- Sales tax estimated at growth factor of 5.0%.
- A 5.0% increase in the water basic rate while the sewer basic rate remains unchanged from December 2012. This is based on the five-year rate schedule resulting from the utility rate study undertaken and adopted in 2011.
- Increase in the cost of personnel services due to steady growth in medical insurance premiums and from the Affordable Care Act, contributions for retirement and wage adjustments.
- Budgeted excess of revenues is to be segregated in assigned accounts for future capital spending.
- General Fund's unassigned fund balance at year-end 2016 estimated to be at \$2.7 million level, which is available for discretionary spending. The City is able to maintain an unassigned fund balance in excess of the 17% of operating expenditures as specified in the City's Fund Balance Policy.
- The City sold 23.95 acres of park land to City Utilities of Springfield in April, 2016. The sales price was \$193,000. A mid-year budget amendment will be introduced to account for this activity and some minor clerical corrections discovered after the 2015 budget was passed.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 213 North Main Avenue, Republic, MO 65738, by telephone at 417-732-3130 or by e-mail to jodonnell@republicmo.com.

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BASIC FINANCIAL STATEMENTS

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CITY OF REPUBLIC, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,317,096	\$ 708,519	\$ 4,025,615
Receivables:			
Property tax, net	939,168	-	939,168
Sales tax	812,338	-	812,338
Utilities, net	-	629,513	629,513
Franchise taxes	137,182	-	137,182
Due from other governments	48,248	-	48,248
Prepaid items	100,197	26,836	127,033
Restricted assets: cash and cash equivalents	2,363,047	4,337,295	6,700,342
Capital assets:			
Non-depreciable	1,816,709	390,428	2,207,137
Depreciable, net	17,282,941	22,991,334	40,274,275
Total assets	26,816,926	29,083,925	55,900,851
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension related	200,276	31,676	231,952
LIABILITIES			
Accounts payable	133,061	98,955	232,016
Accrued payroll taxes and benefits	15,007	4,570	19,577
Accrued wages	126,164	36,302	162,466
Accrued other	-	1,985	1,985
Court bonds	13,193	-	13,193
Developers escrow	30,000	-	30,000
Accrued interest	66,087	50,298	116,385
Compensated absences	284,631	44,624	329,255
Long-term liabilities:			
Due within one year	1,123,876	1,248,623	2,372,499
Due in more than one year	8,638,000	10,815,834	19,453,834
Due in more than one year-Arbitrage rebate payable	-	41,980	41,980
Due in more than one year-Restricted customer deposits	-	378,370	378,370
Due in more than one year - Pension liability	1,897,827	600,402	2,498,229
Total Liabilities	12,327,846	13,321,943	25,649,789
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - pension related	80,811	28,189	109,000
NET POSITION			
Net investment in capital assets	9,337,774	11,317,305	20,655,079
Restricted for bond reserve requirements	342,189	1,286,000	1,628,189
Unrestricted	4,928,582	3,162,164	8,090,746
Total Net Position	\$ 14,608,545	\$ 15,765,469	\$ 30,374,014

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

CITY OF REPUBLIC, MISSOURI
STATEMENT OF ACTIVITIES-
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities:							
General administration	\$ 1,309,530	\$ 63,368	\$ -	\$ -	\$ (1,246,162)	\$ -	\$ (1,246,162)
Public safety:							
Police	1,894,423	115,450	10,425	22,422	(1,746,126)	-	(1,746,126)
Fire	1,454,865	-	5,990	-	(1,448,875)	-	(1,448,875)
Courts	146,111	131,292	-	-	(14,819)	-	(14,819)
Emergency management	104,148	-	6,502	-	(97,646)	-	(97,646)
Planning	431,392	138,381	-	-	(293,011)	-	(293,011)
Animal control	88,927	3,093	-	-	(85,834)	-	(85,834)
Parks and recreation	2,188,273	782,886	-	-	(1,405,387)	-	(1,405,387)
Streets	1,215,395	2,758	169,547	-	(1,043,090)	-	(1,043,090)
Interest	311,881	-	-	-	(311,881)	-	(311,881)
Total Governmental Activities:	<u>9,144,945</u>	<u>1,237,228</u>	<u>192,464</u>	<u>22,422</u>	<u>(7,692,831)</u>	<u>-</u>	<u>(7,692,831)</u>
Business-type activities:							
Water	1,276,569	1,619,844	-	50,115	-	393,390	393,390
Sewer	2,918,423	3,121,514	-	131,402	-	334,493	334,493
Total Business-type Activities:	<u>4,194,992</u>	<u>4,741,358</u>	<u>-</u>	<u>181,517</u>	<u>-</u>	<u>727,883</u>	<u>727,883</u>
Total Primary Government	<u>\$ 13,339,937</u>	<u>\$ 5,978,586</u>	<u>\$ 192,464</u>	<u>\$ 203,939</u>	<u>(7,692,831)</u>	<u>727,883</u>	<u>(6,964,948)</u>

General Revenues

Property taxes:				
For general purposes		773,960	-	773,960
For street purposes		120,772	-	120,772
For park purposes		199,943	-	199,943
Franchise tax		804,986	-	804,986
Sales tax		6,301,405	-	6,301,405
Other taxes		4,505	-	4,505
Missouri motor fuel taxes		564,960	-	564,960
Investment earnings		34,409	230,037	264,446
Other		136,817	-	136,817
Transfers		155,425	(155,425)	-
Total general revenues and transfers		<u>9,097,182</u>	<u>74,612</u>	<u>9,171,794</u>
CHANGE IN NET POSITION		1,404,351	802,495	2,206,846
NET POSITION, JANUARY 1- RESTATED		13,204,194	14,962,974	28,167,168
NET POSITION, DECEMBER 31		<u>\$ 14,608,545</u>	<u>\$ 15,765,469</u>	<u>\$ 30,374,014</u>

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

CITY OF REPUBLIC, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	Street Maintenance Fund	Park Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,366,121	\$ 1,363,186	\$ 587,789	\$ 3,317,096
Receivables:				
Property tax, net	665,955	102,455	170,758	939,168
Sales tax	384,680	256,595	171,063	812,338
Franchise Taxes	137,182	-	-	137,182
Due from other governments	25,460	22,788	-	48,248
Prepaid items	72,346	8,160	19,691	100,197
Restricted assets: Cash and cash equivalents	1,851,477	451,570	60,000	2,363,047
TOTAL ASSETS	\$ 4,503,221	\$ 2,204,754	\$ 1,009,301	\$ 7,717,276
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 40,850	\$ 32,779	\$ 59,432	\$ 133,061
Accrued liabilities:				
Payroll taxes and liabilities	11,074	1,706	2,227	15,007
Wages	92,028	12,212	21,924	126,164
Compensated absences	212,580	32,430	39,621	284,631
Developers escrow	-	30,000	-	30,000
Court bonds and police evidence	13,193	-	-	13,193
Total Liabilities	369,725	109,127	123,204	602,056
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	25,447	3,912	6,851	36,210
FUND BALANCES				
Nonspendable	72,346	8,160	19,691	100,197
Restricted-debt reserves	342,189	-	-	342,189
Committed	919,563	421,570	20,000	1,361,133
Assigned	-	1,661,985	839,555	2,501,540
Unassigned	2,773,951	-	-	2,773,951
Total Fund Balances	4,108,049	2,091,715	879,246	7,079,010
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 4,503,221	\$ 2,204,754	\$ 1,009,301	\$ 7,717,276

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

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

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

Total Fund Balances - Governmental Funds	\$ 7,079,010
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Capital assets used in governmental activities are not financial resources therefore are not reported in the funds:

Cost of capital assets	26,221,397	
Accumulated depreciation	<u>(7,121,747)</u>	19,099,650

Other long-term liabilities include unearned revenue amounts which represent amounts receivable but not determined to be available and not recognized as current year revenues in the governmental funds; therefore, are added to the fund balance to arrive at net position

Unavailable property tax revenue	36,210
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Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension liability	(1,897,827)
Deferred outflows - pension related	200,276
Deferred inflows - pension related	(80,811)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Long-term liabilities:	
Notes payable	(2,932,926)
Special obligation bonds	(6,828,950)
Accrued interest payable	<u>(66,087)</u>

Net Position of Governmental Activities	<u><u>\$ 14,608,545</u></u>
-----------------------------------------	-----------------------------

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

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

	General Fund	Street Maintenance Fund	Park Fund	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 777,687	\$ 121,345	\$ 200,944	\$ 1,099,976
Sales	2,871,527	1,661,023	1,768,855	6,301,405
Franchise	804,986	-	-	804,986
Other	4,505	-	-	4,505
Intergovernmental				
Missouri motor fuel taxes	282,480	282,480	-	564,960
Grants	45,339	68,646	-	113,985
Greene County road and bridge	-	100,901	-	100,901
Licenses and pennits	204,842	2,758	-	207,600
Charges for services	-	-	591,659	591,659
Fines and forfeitures	246,742	-	-	246,742
Investment earnings	22,992	8,561	2,856	34,409
Rent income	-	-	191,227	191,227
Other	85,860	11,586	39,371	136,817
Total Revenues	5,346,960	2,257,300	2,794,912	10,399,172
EXPENDITURES				
Current:				
General government	1,187,784	-	-	1,187,784
Public safety				
Police	1,597,871	-	-	1,597,871
Fire	1,155,700	-	-	1,155,700
Court	131,069	-	-	131,069
Emergency management	82,906	-	-	82,906
Planning	380,711	-	-	380,711
Animal control	79,533	-	-	79,533
Streets	-	991,477	-	991,477
Parks and recreation	-	-	1,775,681	1,775,681
Capital outlay				
General government	4,000	-	-	4,000
Police	199,760	-	-	199,760
Fire	89,059	-	-	89,059
Emergency management	22,998	-	-	22,998
Streets	-	376,379	-	376,379
Parks and recreation	-	-	29,746	29,746
Debt service:				
Principal	446,454	102,141	538,710	1,087,305
Interest	149,627	21,791	140,330	311,748
Total Expenditures	5,527,472	1,491,788	2,484,467	9,503,727
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(180,512)	765,512	310,445	895,445
OTHER FINANCING SOURCES (USES)				
Transfers in	746,305	-	-	746,305
Lease proceeds	-	95,126	-	95,126
Transfers out	-	(400,977)	(189,903)	(590,880)
Total Other Financing Sources (Uses)	746,305	(305,851)	(189,903)	250,551
NET CHANGES IN FUND BALANCES	565,793	459,661	120,542	1,145,996
FUND BALANCES, JANUARY 1-RESTATE	3,542,256	1,632,054	758,704	5,933,014
FUND BALANCES, DECEMBER 31	\$ 4,108,049	\$ 2,091,715	\$ 879,246	\$ 7,079,010

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

CITY OF REPUBLIC, 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 DECEMBER 31, 2015

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

Net Change in Fund Balances - Governmental Funds	\$ 1,145,996
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful life and reported as depreciation.

Capital outlay	721,942
Depreciation	(816,001)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Unavailable property tax revenue prior year	(41,511)
Unavailable property tax revenue current year	36,210

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of issuance costs, premiums, discount, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayments of principal	1,087,307
New debt issue	(95,126)

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

Pension expense	(634,331)
Accrued interest	(135)

Change in Net Position of Governmental Activities	<u>\$ 1,404,351</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF REPUBLIC, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND (WATER AND SEWER FUND)
DECEMBER 31, 2015

Current Assets	
Cash and cash equivalents	\$ 708,519
Receivables:	
Accounts, net	629,513
Prepaid items	26,836
Total Current Assets	<u>1,364,868</u>
Noncurrent Assets:	
Restricted assets: cash and cash equivalents	4,337,295
Capital Assets:	
Non-depreciable	390,428
Depreciable, net	22,991,334
Total Noncurrent Assets	<u>27,719,057</u>
Total Assets	<u>29,083,925</u>
Deferred Outflows of Resources	
Deferred amounts related to pensions	<u>31,676</u>
Current Liabilities	
Accounts payable	98,955
Accrued payroll taxes and benefits	4,570
Accrued wages	36,302
Compensated absences	44,624
Accrued interest	50,298
Accrued sales tax and primacy	1,985
Current portion of long-term debt	1,248,623
Total Current Liabilities	<u>1,485,357</u>
Noncurrent Liabilities	
Arbitrage rebate payable	41,980
Restricted customer deposits	378,370
Revenue bonds payable	4,940,000
Special obligation bonds payable	68,550
Lease obligation	72,284
Certificates of participation	5,735,000
Net pension obligation	600,402
Total Noncurrent Liabilities	<u>11,836,586</u>
Total Liabilities	<u>13,321,943</u>
Deferred Inflows of Resources	
Deferred amounts related to pensions	<u>28,189</u>
NET POSITION	
Net investments in capital assets	11,317,305
Restricted for bond requirements	1,286,000
Unrestricted	3,162,164
Total Net Position	<u>\$ 15,765,469</u>

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

CITY OF REPUBLIC, MISSOURI
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION-
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATING REVENUES	
Water sales	\$ 1,509,263
Sewer service charges	3,043,207
Late fees	99,755
Other	23,603
Total Operating Revenues	4,675,828
 OPERATING EXPENSES	
Personnel services	1,652,560
Insurance	49,305
Contractual and services	427,883
Repairs and maintenance	231,327
Utilities	439,326
Depreciation	740,499
Total Operating Expenses	3,540,900
 OPERATING INCOME	 1,134,928
 NONOPERATING REVENUES (EXPENSES)	
Investment earnings	230,037
Interest expense and fiscal charges	(654,092)
Rental income	65,530
Total Nonoperating Revenues (Expenses)	(358,525)
 INCOME BEFORE CONTRIBUTIONS, GRANTS, AND TRANSFERS	 776,403
 CONTRIBUTIONS, GRANTS, AND TRANSFERS	
Impact fees	169,859
Grants	11,658
Transfers (out)	(155,425)
Total contributions, grants, and transfers	26,092
 CHANGE IN NET POSITION	 802,495
 NET POSITION, JANUARY 1 - RESTATED	 14,962,974
 NET POSITION, DECEMBER 31	 \$ 15,765,469

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

CITY OF REPUBLIC, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Receipts from customers and users	\$ 4,769,728
Payments to suppliers	(1,105,377)
Payments to employees	(1,484,597)
Net Cash Provided by Operating Activities	<u>2,179,754</u>
Cash flows from noncapital financing activities:	
Transfers (out)	(155,425)
Net Cash (Used for) Noncapital Financing Activities	<u>(155,425)</u>
Cash flows from investing activities:	
Investment income received	230,037
Collections for rent	65,530
Net Cash Provided by Investing Activities	<u>295,567</u>
Cash flows from capital and related financing activities:	
Grants for capital improvements	11,658
Capital improvements	(288,564)
Impact fees	169,859
Payments of debt principal	(1,189,357)
Payments of interest	(654,442)
Net Cash (Used for) Capital and Related Financing Activities	<u>(1,950,846)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	369,050
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>4,676,764</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,045,814</u>
CASH SUMMARY	
Cash and cash equivalents	\$ 708,519
Restricted assets-cash and cash equivalents	4,337,295
Total	<u>\$ 5,045,814</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 1,134,928
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	740,499
(Increase) decrease in:	
Accounts receivable, net	69,326
Prepaid items	5,739
Deferred amounts related to pensions	(3,487)
Increase (decrease) in:	
Accounts payable	44,016
Accrued liabilities-	
Wages and payroll taxes and benefits	(24,354)
Other	(7,291)
Compensated absences	3,857
Customer deposits	24,574
Pension liability	191,947
Total Adjustments	<u>1,044,826</u>
Net Cash Provided by Operating Activities	<u>\$ 2,179,754</u>

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Republic, Missouri (the City) was organized under home rule charter as approved by the voters on April 3, 2007. The City's major operations include law enforcement, fire protection, water and sewer services, community enrichment and development, and various other programs to serve its citizens.

The accounting and financial reporting policies of the City conform to U.S. generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies:

REPORTING ENTITY

The financial statements of the City present the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB – 14*. 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 governing body 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

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the 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, property taxes, franchise taxes, licenses, court fines, and interest 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 period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Street Maintenance Fund

This fund is a Special Revenue Fund established to account for the proceeds of specific revenue sources (property taxes, ½ cent transportation sales tax and Missouri motor fuel taxes) that are designated for ongoing maintenance and construction of streets and stormwater improvements.

Park Fund

This fund is a Special Revenue Fund established to account for the special revenue (property taxes and park sales tax) and activity fees of recreational and park facilities used by the general public.

The City reports the following major proprietary fund:

Water and Sewer Fund

This fund accounts for the provision of water and sewer services, respectively, to the residents and applicable nonresidents of the City. They are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues collected, expenditures paid, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges for 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 and fines and forfeitures; 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.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Proprietary Fund include the cost of sales and services. Operating expenses for the Proprietary Fund includes 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City maintains a cash pool that is used by all fund activities except for those that are required to be segregated. Interest income is allocated to each fund in proportion to each fund's ownership of the pool each month.

For cash flow statement purposes, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds under U.S. generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that certain investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

RESTRICTED ASSETS

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restricted cash consisted of the following December 31, 2015:

General Fund		
Equipment reserves	\$ 854,188	
Police investigation	6,213	
Court bonds	5,892	
Debt reserves	752,752	
Operating reserves	219,349	
Impact fees	<u>13,083</u>	
		\$ 1,851,477
Street Maintenance Fund		
Stormwater deposits	136,203	
Operating reserves	<u>315,367</u>	
		451,570
Park Fund		
Equipment	20,000	
Operating reserves	<u>40,000</u>	
		<u>60,000</u>
Total Governmental Activities		<u>\$ 2,363,047</u>
Water and Sewer Fund		
Equipment replacement	\$ 2,266,258	
Debt reserves	1,308,627	
Impact fees	<u>762,410</u>	
Total Business-type Activities		<u>\$ 4,337,295</u>

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTS RECEIVABLE

Amounts due from private individuals, organizations, or other governments which pertain to tax revenue and charges for services rendered by the City are reported as accounts receivable.

Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of the various accounts. The City records the amount of earned but unbilled service revenues for the Water and Sewer System enterprise fund.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

All receivables were stated at gross because the amounts were collected within the following 60 days except for the following:

	General Fund	Street Fund	Park Fund	Water & Sewer Fund	Total Allowance
Allowance for Property Taxes	\$ 9,824	\$ 2,644	\$ 1,511	\$ -	\$ 13,979
Allowance for Utilities	-	-	-	5,624	5,624

All other receivable were consider collectable within the 60 days.

INVENTORIES

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items represent nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of fund balances.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

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. In the governmental fund statements, capital assets are charged to expenditures as purchased and capitalized in the proprietary fund statements. All purchased capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Capital assets are defined by the City as assets with an initial individual cost of more than \$1,000 and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly increase the efficiency or capacity of an asset are capitalized. Other costs, such as those incurred for repairs and maintenance, are expensed as incurred.

The City, in accordance with GASB 34 option, elected not to go back 20 years to capitalize infrastructure but began starting in 2004 and forward capitalizing those costs.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
Utility systems	20-50
Buildings	40
Infrastructure	20-40
Furniture and equipment	5-10
Vehicles	5-10

It is the City's policy to capitalize interest incurred on debt during the construction of Enterprise Fund capital assets, when appropriate. Interest incurred in the construction or acquisition of governmental capital assets is not capitalized, in accordance with the provisions of GASB 37.

The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the basic financial statements.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fully depreciated capital assets are included in the capital assets accounts until their disposal.

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 one item that meet the definition of deferred outflows of resources. That is the amount related to pension outflows as per GASB 68.

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

Deferred Outflows/Inflows of Resources – continued

At this time, the City has one item that meet the definition of deferred inflows of resources. That amount is related to pension inflows as per GASB 68.

Obligation for Bond Arbitrage

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the City must rebate to the United State Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of December 31, 2015 the City had \$ 41,980 arbitrage rebate liability.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

UNAVAILABLE REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

	<u>Unavailable</u>
Taxes receivable in excess of 60 days, net	\$ 36,210

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.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based upon length of service and/or type of position held. Attendance records are reconciled annually. An employee is not allowed to accrue vacation leave in excess of the maximum allowed. In the event of termination or separation, an employee is paid for accumulated vacation up to the accrual maximum. The total amount of accrued vacation is included in accrued expenses in the proprietary fund statements and the government-wide financial statements.

Upon separation from the City's service, an employee is not entitled to receive payment for any accrued and unused sick leave.

FUND EQUITY

Fund equity at the governmental fund financial reporting level is reported as "fund balance." Fund equity for all other statements is reported as "net position."

Governmental Fund Balances

Generally, governmental fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

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 with the adoption of an ordinance. This includes the budget reserve account.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned-Amounts that are designated by Council for a specific purpose but are neither restricted nor committed. Assignments may be made only by the Council or Mayor.

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.

Fund Balance Flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The fund balance of the City's General, Street, and Park Funds have been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. Currently the General Fund has set aside \$ 219,349, the Street Fund \$ 315,366, and \$ 40,000 in the Park Fund.

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.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GRANT REVENUES

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable respectively from the grantor.

PROPERTY TAXES

The City's property taxes are levied each October based on the assessed valuation for all real property located in the City as of the previous January 1. Taxes are due up on receipt of billing and become delinquent after December 31. Liens are placed on property for delinquent taxes on January 1 following the due date.

The county establishes assessed values and the county tax collectors make collections. The assessed value at January 1, 2015 upon which the 2015 levy was based for real estate and railroad and utilities taxes was \$ 168,722,711 for Greene County and \$2,206,037 for Christian County.

The City's tax rate was levied at .4338 for general revenue, .1168 for parks and recreation and .0667 for street lighting per \$100 of assessed valuation.

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 reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Under provisions of the City's charter, the Board of Aldermen and Mayor annually enact by ordinance the operating budgets of the general, special revenue, capital projects and enterprise funds, which cannot exceed appropriation except by approval of the governing body.

An annual budget for capital projects is adopted by individual project. The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are accomplished by resolution of the Board of Aldermen and Mayor to authorize expenditures of various grants received and to adjust the individual fund budgets as required within the total dollar limitations of the budget ordinance. The Board must approve transfers or requests for additional funds. Thus, departmental or cost center appropriations comprise a legal spending limit for governmental funds types, except for capital projects for which the project length financial plans are adopted. The City disperses its capital projects monies to various projects, which may cause a deficit within the project. However, the City adopts a positive Capital Improvements Program where funds can be transferred with appropriate approval from the governing body. Supplemental appropriations were required during the year and the accompanying budgetary data has been revised for amendments authorized by resolution during the year.

Excess of expenditures over appropriations

For the year ended December 31, 2015, expenditures were within the authorized budget for all major funds.

Budgetary basis of accounting

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard

For the year ended December 31, 2015, the City adopted GASB Statement No. 68, "Accounting and Reporting for Pensions," as amended by GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." The objective of these statements is to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits. At transition, a government must recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. See Note K for the changes in restated amounts.

Debt restrictions

General obligation debt

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of authorized general obligation debt of a City to 20 percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes. Authorization for debt issuance requires four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections, vote of the qualified electors thereof. The computed legal debt margin of the City at December 31, 2015, was:

Constitutional Debt Limit	\$ 40,217,477
Outstanding G.O. Bonds	-
Legal debt margin	\$ 40,217,477

Other long-term debt

Article VI, Section 26 (a), Constitution of Missouri, limits the outstanding indebtedness of a City without popular vote to an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years. For the year ended December 31, 2015, the City was in compliance with this requirement.

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

NOTE B – DEPOSITS AND INVESTMENTS

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

As of December 31, 2015 the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policies

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

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

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

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

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

NOTE C – CAPITAL ASSETS

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and construction in progress	\$ 1,816,709	\$ -	\$ -	\$ 1,816,709
Construction in progress	\$ 787,341	\$ -	\$ 787,341	\$ -
Capital assets being depreciated:				
Buildings	\$ 15,969,006	\$ 804,703	\$ -	\$ 16,773,709
Infrastructure	3,675,563	252,657	-	3,928,220
Equipment	1,133,258	157,211	-	1,290,469
Vehicles	2,117,576	294,712	-	2,412,288
Total Capital Assets Being Depreciated	22,895,403	1,509,283	-	24,404,686
Less: Accumulated Depreciation				
Buildings	4,157,463	398,726		4,556,189
Infrastructure	672,377	125,118		797,495
Equipment	574,894	111,920		686,814
Vehicles	901,010	180,237		1,081,247
Total Accumulated Depreciation	6,305,744	816,001	-	7,121,745
 Total capital assets, being depreciated, net	 16,589,659	 693,282	 -	 17,282,941
 Governmental activities capital assets, net	 \$ 19,193,709	 \$ 693,282	 \$ 787,341	 \$ 19,099,650

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

Governmental Activities:	
General government	\$ 21,500
Police	139,233
Fire	155,822
Municipal court	223
Streets	162,446
Parks	315,639
Emergency management	10,179
Planning	8,274
Animal control	2,685
Total	<u>\$ 816,001</u>

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

NOTE C – CAPITAL ASSETS (Continued)

Business-type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 370,328	\$ -	\$ -	\$ 370,328
Construction in progress	\$ -	\$ 20,100	\$ -	\$ 20,100
Capital assets being depreciated:				
Plant	\$ 32,446,471	\$ 55,491	\$ -	\$ 32,501,962
Buildings	63,805	-	-	63,805
Equipment	706,749	142,245	-	848,994
Vehicles	472,933	70,728	-	543,661
Total capital assets being depreciated	<u>33,689,958</u>	<u>268,464</u>	<u>-</u>	<u>33,958,422</u>
Less: Accumulated depreciation for:				
Plant	9,692,163	650,668	-	10,342,831
Buildings	40,468	1,243	-	41,711
Equipment	192,504	38,679	-	231,183
Vehicles	295,141	56,222	-	351,363
Total accumulated depreciation	<u>10,220,276</u>	<u>746,812</u>	<u>-</u>	<u>10,967,088</u>
Total capital assets being depreciated, net	<u>\$ 23,469,682</u>	<u>\$ (478,348)</u>	<u>\$ -</u>	<u>\$ 22,991,334</u>
Business-type activities capital assets, net	<u>\$ 23,840,010</u>	<u>\$ (458,248)</u>	<u>\$ -</u>	<u>\$ 23,381,762</u>

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

Business-type Activities:	
Water	\$ 194,131
Sewer	552,681
	<u>\$ 746,812</u>

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

NOTE D – LONG-TERM DEBT

BUSINESS-TYPE ACTIVITIES:

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within one year
Revenue Bonds	\$ 6,685,000	\$ -	\$ 850,000	\$ 5,835,000	\$ 895,000
Special Obligation Bonds	112,425	-	21,375	91,050	22,500
Certificates of Participation	6,243,000	-	248,000	5,995,000	260,000
Lease payable	213,389	-	69,982	143,407	71,123
Total	13,253,814	-	1,189,357	12,064,457	1,248,623
Compensated Absences	40,767	8,683	4,826	44,624	44,624
	<u>\$ 13,294,581</u>	<u>\$ 8,683</u>	<u>\$ 1,194,183</u>	<u>\$ 12,109,081</u>	<u>\$ 1,293,247</u>
				Debt due within one year	\$ 1,248,623
				Revenue Bonds	4,940,000
				Special Obligation Bonds	68,550
				Lease payable	72,284
				Certificates of Participation	5,735,000
				Compensated Absences	44,624
				<u>\$ 12,109,081</u>	

State Revolving Fund Program Bonds: The City has \$ 5,835,000 of State Revolving Fund Program Bonds. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 70% of the outstanding bonds. This reserve fund will serve as collateral on the State Revolving Fund Program Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of December 31, 2015, the reserve fund has approximately \$ 4,276,747.

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

NOTE D – LONG-TERM DEBT (Continued)

Revenue Bonds

\$6,110,000 1999 A Series Water Pollution Control Revenue Bonds due in annual installments at 3.625% to 5.00% interest.	\$ 2,110,000
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\$8,190,000 2001C Series Combined Waterworks and Sewerage System Revenue Bonds due in annual installments at 3.00% to 5.375%	<u>3,725,000</u>
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Total Revenue Bonds	<u>\$ 5,835,000</u>
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Special Obligation Bonds

\$ 208,725 of the 2010 \$ 7,165,000 Special Obligation Bond issue for the refunding of debt. Principal payments are annual with semi annual interest payments ranging from 2.00% to 4.00%	<u>\$ 91,050</u>
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Certifications of Participation

\$7,865,000, 2006 Series Water System Improvements certificates of participation due in monthly installments at 3.975% with monthly payment approximately \$46,000.	<u>\$ 5,995,000</u>
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Lease Payable

\$ 350,000, 2013 Lease Payable for purchase of screw pump replacement at the wastewater treatment plant, due in semiannual payments of \$ 36,583.05 June 11 and December 11 at 1.63% interest. Accumulated depreciation to date on the pump was \$8,750.00	<u>\$ 143,407</u>
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CITY OF REPUBLIC, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE D – LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31,	Principal	Interest	Totals
2016	\$ 895,000	\$ 284,991	\$ 1,179,991
2017	945,000	236,553	1,181,553
2018	995,000	186,453	1,181,453
2019	1,045,000	135,000	1,180,000
2020	1,105,000	81,750	1,186,750
2021	850,000	21,250	871,250
	<u>\$ 5,835,000</u>	<u>\$ 945,997</u>	<u>\$ 6,780,997</u>

Annual debt service requirements to maturity for special obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Totals
2016	\$ 22,500	\$ 6,745	\$ 29,245
2017	23,625	6,092	29,717
2018	23,400	4,667	28,067
2019	21,525	-	21,525
	<u>\$ 91,050</u>	<u>\$ 17,504</u>	<u>\$ 108,554</u>

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

NOTE D – LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for certificates of participation are as follows:

Year Ending December 31,	Principal	Interest	Totals
2016	\$ 260,000	\$ 288,262	\$ 548,262
2017	272,000	275,931	547,931
2018	284,000	263,085	547,085
2019	298,000	249,604	547,604
2020	312,000	235,514	547,514
2021-2025	1,794,000	941,658	2,735,658
2026-2030	2,258,000	475,188	2,733,188
2031	517,000	28,970	545,970
	<u>\$ 5,995,000</u>	<u>\$ 2,758,212</u>	<u>\$ 8,753,212</u>

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

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

Year Ending December 31,	Screw Pump
2016	\$ 73,166
2017	73,166
Total minimum lease payment	146,332
Less: amount representing interest	<u>(2,925)</u>
Present value of future minimum lease payment	<u>\$ 143,407</u>

The City was in compliance with bond reserve requirements.

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

NOTE D – LONG-TERM DEBT (Continued)

GOVERNMENTAL ACTIVITIES:

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

	Asset/Collateral Original Cost/ Loan	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
US Bank 5.15% interest Matures 2016	Building 204 N. Main \$ 200,000	\$ 55,574	\$ -	\$ 27,051	\$ 28,523	\$ 28,523
2012 MTFC Direct Loan 2.96 % interest paid annually	Intersection Improvements \$ 221,019	136,456	-	44,168	92,288	45,468
2005 Regions Bank \$ 4,802.09 per month at 3.99% interest. Matures 2015	Equipment \$ 474,461	47,153	-	47,153	-	-
2015 Commerce Bank \$ 32,460.97 paid annually at 1.57% interest. Matures 4/16/2018	Dump Truck \$ 95,126	-	95,126	-	95,126	31,702
2006 MAMU 4.00% Interest and fees of .85% a month, Matures 2032 Payments approx. \$ 6,000 per month	Fire Station #1 \$ 992,000	804,000	-	35,000	769,000	36,000
2007 MAMU 4.20% Interest with monthly Payment approx. \$ 9,700 per month month. Matures 2032	Fire Station #2 \$ 1,800,000	1,505,328	-	61,745	1,443,583	63,678
Drury University No interest, imputed interest 4% Annual payments \$ 30,000 Matures 2019	Park Land \$ 600,000	135,748	-	25,000	110,748	26,045
U.S. Bancorp, at 1.66% interest Semi-annual payments of \$ 45,579.43 Matures June 15, 2020	Pumper Trucks \$ 751,034	477,222	-	83,564	393,658	84,960
Total Lease and Notes Payable		<u>3,161,481</u>	<u>95,126</u>	<u>323,681</u>	<u>2,932,926</u>	<u>316,376</u>

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

NOTE D – LONG-TERM DEBT (Continued)

	Asset/Collateral Original Cost/ Loan	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Special Obligation Bonds						
2010 issue for \$ 7,165,000 issue from 2.0 to 4.0% \$ 208,725 of proceeds was used for Water debt refunding Matures 2025	Refunding Issue	4,912,575	-	453,625	4,458,950	477,500
2011 issue for \$ 3,535,000 issue from 2.0 to 3.75% Matures 2022	Refunding Issue	2,680,000	-	310,000	2,370,000	330,000
Total Special Obligation Bonds		7,592,575	-	763,625	6,828,950	807,500
Total Debt		<u>\$ 10,754,056</u>	<u>\$ 95,126</u>	<u>\$ 1,087,306</u>	<u>\$ 9,761,876</u>	<u>\$ 1,123,876</u>
Compensated Absences		<u>\$ 329,540</u>	<u>\$ 232,453</u>	<u>\$ 277,362</u>	<u>\$ 284,631</u>	<u>\$ 284,631</u>
					Due within one year	\$ 1,123,876
					Special obligation bonds	6,021,450
					Lease and note payable	<u>2,616,550</u>
						<u>\$ 9,761,876</u>

With the exception of the Regions Bank and MAMU loans which are paid monthly, all other loans have interest payments every six months with principal due annually.

For governmental activities, liabilities for compensated absences are generally liquidated by the General Fund.

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

NOTE D – LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for lease and note payables are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	\$ 316,376	\$ 98,472	\$ 414,848
2017	293,712	89,772	383,484
2018	252,141	81,462	333,603
2019	225,102	74,386	299,488
2020	153,879	68,330	222,209
2021-2025	629,004	271,778	900,782
2026-2030	757,931	140,626	898,557
2031-2032	304,781	12,851	317,632
Total	<u>\$ 2,932,926</u>	<u>\$ 837,677</u>	<u>\$ 3,770,603</u>

Annual debt service requirements to maturity for special obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	\$ 807,500	\$ 217,907	\$ 1,025,407
2017	846,375	195,810	1,042,185
2018	856,600	170,818	1,027,418
2019	863,475	147,422	1,010,897
2020	925,000	117,900	1,042,900
2021-2025	2,530,000	173,162	2,703,162
Total	<u>\$ 6,828,950</u>	<u>\$ 1,023,019</u>	<u>\$ 7,851,969</u>

The City was in compliance with bond reserve requirements.

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

NOTE E – EMPLOYEE RETIREMENT BENEFIT PLAN

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

Benefits provided

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

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

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

	2015 Valuation
Benefit Multiplier:	1.25%
Final Average Salary:	3 years
Member Contributions:	4.00%

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

Employees covered by benefit terms

At December 31, 2015, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	25
Active employees	104

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer’s contribution rates are 8.3 % General, 7.8% Police, and 9.2% Fire of annual covered payroll.

Net Pension Liability

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

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

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

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

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

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

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

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

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

Discount rate

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

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

NOTE E– DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)+(b)
Balances at 7/1/2014	\$ (4,635,981)	\$ 3,261,136	\$ (1,374,845)
Changes for the year:			
Service Cost	(301,679)	-	(301,679)
Interest	(341,126)	-	(341,126)
Changes in benefit terms	(873,448)	-	(873,448)
Difference between expected and actual experience	17,410	-	17,410
Contribution - employer	-	348,612	348,612
Contribution - employee	-	180,245	180,245
Net investment income	-	74,200	74,200
Benefit payments, including refunds	160,817	(160,817)	-
Administrative expense	-	(12,770)	(12,770)
Other changes	-	(25,775)	(25,775)
Net changes	<u>(1,338,026)</u>	<u>403,695</u>	<u>(934,331)</u>
Balances at 6/30/2015	<u>\$ (5,974,007)</u>	<u>\$ 3,664,831</u>	<u>\$ (2,309,176)</u>

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

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

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<u>\$ 3,307,944</u>	<u>\$ 2,309,176</u>	<u>\$ 1,493,844</u>

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 92,778	\$ (109,000)
Differences in assumptions	-	-
Excess(deficit) in investment returns	139,174	-
Contributions subsequent to the measurement date*	189,033	-
Total	<u>\$ 420,985</u>	<u>\$ (109,000)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2015.

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

Year ended:		
2016	\$	33,605
2017		33,605
2018		33,605
2019		33,607
2020		(1,188)
Thereafter		(10,282)
Total	<u>\$</u>	<u>122,952</u>

Payable to the Pension Plan

At December 31, 2015, the City of Republic reported a payable of \$ 0.00 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2015.

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

NOTE F – LEASE REVENUE

The City leases space on the City's water towers to various wireless providers for the placement of antennae. Leases are structured to commence at \$18,000 in annual payments for the first five years and then to increase 10% for each of the succeeding five-year terms for a maximum life of thirty years. A total of \$ 65,530 was received during the year ended December 31, 2015 and is reported in the Water and Sewer Fund.

Water Tower

Year Ending December 31,	
2016	\$ 69,360
2017	69,360
2018	71,295
2019	74,541
2020	<u>76,296</u>
Total	<u>\$ 360,852</u>

Community Center

The City has a three-year lease agreement with Lester E. Cox Medical Center to provide approximately 10,350 square feet of the City's Community Center for the use of the fitness area, locker rooms, restrooms and shared space of the basketball courts, indoor track and family changing room. This lease was renewed in November 2012 with an annual lease of \$ 106,090 with a provision to increase the rent at the beginning of the third year of the agreement by 3%. \$ 165,161 was received in the fiscal year ended December 31, 2015 and is reported in the Park Fund.

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

NOTE G – INTERFUND TRANSFERS

Interfund transfers are as follows:

Operation transfers:	<u>To</u>	<u>From</u>
General Fund	\$ 746,305	\$ -
Water and Sewer Funds	-	155,425
Street Fund	-	400,977
Park Fund	-	189,903
Net Transfer Governmental Activities	<u>\$ 746,305</u>	<u>\$ 746,305</u>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to finance other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

NOTE H – RISK MANAGEMENT

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

At December 31, 2015, the City maintained commercial insurance coverage for building and contents and employee theft. In the past three years the City had no losses that exceeded commercial insurance coverage.

NOTE I – PRIOR YEAR'S DEBT DEFEASANCE

During the year ended December 31, 2010, the City defeased three entire bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability for the City's Water and Governmental Activities. As of December 31, 2015, the amount of defeased debt outstanding but removed from the Water and Governmental Activities amounted to \$ 5,444,000.

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

NOTE J – RESTATED OF FUND BALANCE GOVERNMENTAL FUNDS

Effective for the fiscal year ending December 31, 2015, it was determined that compensated absences were in effect paid within the current year. Therefore, the balances as of January 1, 2015, were adjusted to fund balance for the General, Street and Park Funds. The following represents the adjustment made:

	As stated in Prior Years Report	Adjustment	Restated Balance
General Fund	\$ 3,794,930	\$ (252,674)	\$ 3,542,256
Street Fund	1,667,591	(35,537)	1,632,054
Park Fund	800,033	(41,329)	758,704

NOTE K – ADJUSTMENT DUE TO ADOPTION OF GASB 68

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record net pension obligation on the government-wide statement of net position and proprietary fund. Net pension obligation equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. This resulted in the restatement of Net Position of the Governmental Activities and Business-type Activities as follows:

	Governmental Activities	Business-type Activities	Water & Sewer Fund
Beginning Balance- As stated in prior audit	\$ 14,348,225	\$ 15,371,429	\$ 15,371,429
Adjustment for GASB 68	(1,144,031)	(408,455)	(408,455)
Beginning Balance Restated	<u>\$ 13,204,194</u>	<u>\$ 14,962,974</u>	<u>\$ 14,962,974</u>

NOTE L – RECENT ACCOUNTING PRONOUNCEMENTS

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

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

NOTE L – RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

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

In June 2015, the GASB approved Statement No. 76 “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.” The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformance with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015.

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF REPUBLIC, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2015

Budgetary Information

An annual budget prepared under the modified accrual basis of accounting is adopted in December prior to the beginning of each fiscal year for all revenues and expenditures of the funds of the City. Budgetary comparison schedules are required to be presented only for the City's governmental funds, the General Fund and the two Special Revenue Funds. Accordingly, the following schedules present actual expenditures, in accordance with accounting principles generally accepted in the United States of America, in comparison with the final adopted budget for each.

The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without City Council approval. A review of the current year's budget is made by the departments in October of each year and interdepartmental transfers are made with City Council approval. Any remaining unencumbered appropriations lapse at fiscal year-end. Any increase in appropriations during the fiscal year must be approved by the City Council. There were no budget amendments necessary for the General or Special Revenue Funds in 2015.

CITY OF REPUBLIC, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCES - BUDGET AND ACTUAL-UNAUDITED
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 753,380	\$ 753,380	\$ 777,687	\$ 24,307
Sales	2,301,215	2,301,215	2,871,527	570,312
Franchise	770,500	770,500	804,986	34,486
Other	3,700	3,700	4,505	805
Intergovernmental	330,850	330,850	327,819	(3,031)
Licenses & permits	167,500	167,500	204,842	37,342
Fines and forfeitures	380,580	380,580	246,742	(133,838)
Investment income	13,500	13,500	22,992	9,492
Other	75,525	75,525	85,860	10,335
Total Revenues	<u>4,796,750</u>	<u>4,796,750</u>	<u>5,346,960</u>	<u>550,210</u>
EXPENDITURES				
Current:				
General government	1,290,270	1,290,270	1,187,784	102,486
Police	1,652,632	1,652,632	1,597,871	54,761
Fire	1,150,200	1,150,200	1,155,700	(5,500)
Municipal court	130,395	130,395	131,069	(674)
Emergency management	94,840	94,840	82,906	11,934
Planning	381,175	381,175	380,711	464
Animal control	113,600	113,600	79,533	34,067
Capital outlay	163,635	163,635	315,817	(152,182)
Debt service:				
Principal	420,962	420,962	446,454	(25,492)
Interest	133,123	133,123	149,627	(16,504)
Total Expenditures	<u>5,530,832</u>	<u>5,530,832</u>	<u>5,527,472</u>	<u>3,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(734,082)</u>	<u>(734,082)</u>	<u>(180,512)</u>	<u>553,570</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	746,305	746,305	746,305	-
Total Other Financing Sources (Uses)	<u>746,305</u>	<u>746,305</u>	<u>746,305</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,223</u>	<u>\$ 12,223</u>	565,793	<u>\$ 553,570</u>
FUND BALANCE, JANUARY 1			<u>3,542,256</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 4,108,049</u>	

CITY OF REPUBLIC, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCES - BUDGET AND ACTUAL-UNAUDITED
STREET MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 116,160	\$ 116,160	\$ 121,345	\$ 5,185
Sales	1,447,335	1,447,335	1,661,023	213,688
Intergovernmental	417,850	417,850	452,027	34,177
Licenses and permits	600	600	2,758	
Investment earnings	4,500	4,500	8,561	4,061
Other	2,000	2,000	11,586	9,586
Total Revenues	<u>1,988,445</u>	<u>1,988,445</u>	<u>2,257,300</u>	<u>266,697</u>
EXPENDITURES				
Streets	1,478,407	1,478,407	991,477	486,930
Capital Outlay	349,000	349,000	376,379	(27,379)
Debt Service:				
Principal	247,665	247,665	102,141	145,524
Interest	22,000	22,000	21,791	209
Total Expenditures	<u>2,097,072</u>	<u>2,097,072</u>	<u>1,491,788</u>	<u>605,284</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(108,627)</u>	<u>(108,627)</u>	<u>765,512</u>	<u>874,139</u>
OTHER FINANCING SOURCES (USES):				
Lease proceeds	99,000	99,000	95,126	(3,874)
Transfers (out)	(225,500)	(225,500)	(400,977)	(175,477)
Total Other Financing Sources (Uses)	<u>(126,500)</u>	<u>(126,500)</u>	<u>(305,851)</u>	<u>(179,351)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (235,127)</u>	<u>\$ (235,127)</u>	459,661	<u>\$ 694,788</u>
FUND BALANCE, JANUARY 1			<u>1,632,054</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 2,091,715</u>	

CITY OF REPUBLIC, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCES - BUDGET AND ACTUAL-UNAUDITED
PARK FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 203,075	\$ 203,075	\$ 200,944	\$ (2,131)
Sales	1,581,800	1,581,800	1,768,855	187,055
Charges for services	690,690	690,690	591,659	(99,031)
Investment income	1,920	1,920	2,856	936
Rent income	195,100	195,100	191,227	(3,873)
Other	38,352	38,352	39,371	1,019
Total Revenues	<u>2,710,937</u>	<u>2,710,937</u>	<u>2,794,912</u>	<u>83,975</u>
EXPENDITURES				
Parks and recreation	1,727,616	1,727,616	1,775,681	(48,065)
Capital Outlay	111,100	111,100	29,746	81,354
Debt Service:				
Principal	540,675	540,675	538,710	1,965
Interest	140,000	140,000	140,330	(330)
Total Expenditures	<u>2,519,391</u>	<u>2,519,391</u>	<u>2,484,467</u>	<u>34,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>191,546</u>	<u>191,546</u>	<u>310,445</u>	<u>118,899</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(189,903)	(189,903)	(189,903)	-
Total Other Financing Sources (Uses)	<u>(189,903)</u>	<u>(189,903)</u>	<u>(189,903)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,643</u>	<u>\$ 1,643</u>	120,542	<u>\$ 118,899</u>
FUND BALANCE, JANUARY 1			<u>758,704</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 879,246</u>	

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

	General Division	Police Division	Fire Division	Total
Total Pension Liability				
Service costs	\$ (189,337)	\$ (52,909)	\$ (59,433)	\$ (301,679)
Interest on Total Pension Liability	(225,487)	(60,617)	(55,022)	(341,126)
Changes in Benefit Terms	(630,536)	(89,049)	(153,863)	(873,448)
Difference between expected and actual experience	91,955	(105,383)	30,838	17,410
Benefit payments, including refunds	102,596	44,005	14,216	160,817
Net change in total pension liability	(850,809)	(263,953)	(223,264)	(1,338,026)
Total Pension Liability-beginning	(3,067,554)	(831,716)	(736,711)	(4,635,981)
Total Pension Liability-ending	<u>\$ (3,918,363)</u>	<u>\$ (1,095,669)</u>	<u>\$ (959,975)</u>	<u>\$ (5,974,007)</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 220,418	\$ 58,686	\$ 69,508	\$ 348,612
Contributions - employee	115,811	32,683	31,751	180,245
Net investment income	46,740	15,700	11,760	74,200
Benefits payments, including refunds	(102,596)	(44,005)	(14,216)	(160,817)
Pension Plan Administrative Expense	(7,737)	(2,796)	(2,237)	(12,770)
Other (Net Transfer)	40,381	(79,046)	12,890	(25,775)
Net change in plan fiduciary net position	313,017	(18,778)	109,456	403,695
Plan Fiduciary Net Position-beginning	2,076,511	630,874	553,751	3,261,136
Plan Fiduciary Net Position-ending	<u>\$ 2,389,528</u>	<u>\$ 612,096</u>	<u>\$ 663,207</u>	<u>\$ 3,664,831</u>
Net Pension (Liability)/Asset	<u>\$ (1,528,835)</u>	<u>\$ (483,573)</u>	<u>\$ (296,768)</u>	<u>\$ (2,309,176)</u>
Plan fiduciary net position as a percentage of the total pension liability	60.98%	55.87%	69.09%	61.34%
Covered-employee payroll	\$ 2,623,208	\$ 631,182	\$ 757,540	\$ 4,011,930
Net Pension liability as a percentage of covered employee payroll	58.28%	76.61%	39.18%	57.55%

Notes to schedule:

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

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

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

FOR THE YEARS ENDED DECEMBER 31

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2011	\$ 245,487	\$ 245,487	\$ -	\$ 4,377,342	5.61%
2012	273,812	273,811	1	4,609,723	5.94%
2013	271,747	271,748	(1)	4,488,691	6.05%
2014	258,794	289,486	(30,692)	4,414,900	6.56%
2015	253,548	367,771	(114,223)	4,394,159	8.37%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2015

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Multiple bases from 15 to 29 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

The City's pension began in 2011, therefore only five years are presented instead of ten.

STATISTICAL SECTION

CITY OF REPUBLIC, MISSOURI

STATISTICAL

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	78-82
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenues sources.	83-87
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	88-92
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	93-94
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	95-97

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

CITY OF REPUBLIC, MISSOURI
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$ 9,337,774	\$ 8,434,652	\$ 6,994,372	\$ 6,091,911	\$ 5,218,681	\$ 1,874,251	\$ 3,269,326	\$ 2,110,910	\$ 1,203,818	\$ 1,274,265
Restricted	342,189	328,272	317,508	730,450	419,664	0	3,162,950	1,817,224	1,887,807	1,492,617
Unrestricted	4,928,582	5,585,301	5,906,367	5,190,572	5,425,252	945,521	1,029,406	2,742,649	2,301,039	931,878
Total governmental activities net position	<u>\$ 14,608,545</u>	<u>\$ 14,348,225</u>	<u>\$ 13,218,247</u>	<u>\$ 12,012,933</u>	<u>\$ 11,063,597</u>	<u>\$ 2,819,772</u>	<u>\$ 7,461,682</u>	<u>\$ 6,670,783</u>	<u>\$ 5,392,664</u>	<u>\$ 3,698,760</u>
Business-type activities										
Net investment in capital assets	\$ 11,317,305	\$ 10,579,883	\$ 10,073,726	\$ 9,477,335	\$ 9,026,849	\$ 7,035,923	\$ 8,385,229	\$ 6,618,738	\$ 6,240,334	\$ 8,216,464
Restricted	1,286,000	1,337,595	1,265,232	1,220,462	510,500	510,500	860,415	1,602,820	1,929,796	318,600
Unrestricted	3,162,164	3,453,951	3,104,712	2,649,636	3,069,391	1,043,527	1,528,968	2,455,406	2,303,353	1,317,180
Total business-type activities net position	<u>\$ 15,765,469</u>	<u>\$ 15,371,429</u>	<u>\$ 14,443,670</u>	<u>\$ 13,347,433</u>	<u>\$ 12,606,740</u>	<u>\$ 8,589,950</u>	<u>\$ 10,774,612</u>	<u>\$ 10,676,964</u>	<u>\$ 10,473,483</u>	<u>\$ 9,852,244</u>
Primary government										
Net investment in capital assets	\$ 20,655,079	\$ 19,014,535	\$ 17,068,098	\$ 15,569,246	\$ 14,245,530	\$ 8,910,174	\$ 11,654,555	\$ 8,729,648	\$ 7,444,152	\$ 9,490,729
Restricted	1,628,189	1,665,867	1,582,740	1,950,912	930,164	510,500	4,023,365	3,420,044	3,817,603	1,811,217
Unrestricted	8,090,746	9,039,252	9,011,079	7,840,208	8,494,643	1,989,048	2,558,374	5,198,055	4,604,392	2,249,058
Total primary government net position	<u>\$ 30,374,014</u>	<u>\$ 29,719,654</u>	<u>\$ 27,661,917</u>	<u>\$ 25,360,366</u>	<u>\$ 23,670,337</u>	<u>\$ 11,409,722</u>	<u>\$ 18,236,294</u>	<u>\$ 17,347,747</u>	<u>\$ 15,866,147</u>	<u>\$ 13,551,004</u>

CITY OF REPUBLIC, MISSOURI
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities:										
General administration	\$ 1,740,922	\$ 1,580,928	\$ 1,548,826	\$ 1,351,549	\$ 1,337,357	\$ 1,514,267	\$ 1,490,543	\$ 1,447,925	\$ 1,486,710	\$ 1,320,805
Public safety	3,599,547	3,337,839	3,384,848	3,586,433	3,559,858	3,628,522	3,461,600	3,239,734	2,941,134	2,397,379
Animal control	88,927	112,354	108,895	109,730	119,096	116,254	114,005	0	0	0
Parks and recreation	2,188,273	1,862,211	1,851,029	1,929,527	2,216,717	1,754,512	1,834,046	1,735,083	1,564,759	1,346,546
Streets	1,215,395	1,422,345	1,187,965	1,168,021	1,579,374	1,372,158	1,756,468	1,216,629	1,787,096	1,041,272
Interest	311,881	366,832	336,797	378,854	300,506	628,876	794,042	696,079	628,450	831,118
Total Governmental Activities	\$ 9,144,945	\$ 8,682,509	\$ 8,418,360	\$ 8,524,114	\$ 9,112,908	\$ 9,014,589	\$ 9,450,704	\$ 8,335,450	\$ 8,408,149	\$ 6,937,120
Business-type Activities:										
Water	1,276,569	1,144,705	1,057,111	1,432,558	1,183,215	1,132,399	1,508,321	1,256,068	963,009	674,032
Sewer	2,918,423	2,730,890	2,804,097	2,603,511	2,093,357	1,769,869	2,201,295	1,745,960	1,351,554	1,438,387
Total Business-type Activities	4,194,992	3,875,595	3,861,208	4,036,069	3,276,572	2,902,268	3,709,616	3,002,028	2,314,563	2,112,419
Total Expense	\$ 13,339,937	\$ 12,558,104	\$ 12,279,568	\$ 12,560,183	\$ 12,389,480	\$ 11,916,857	\$ 13,160,320	\$ 11,337,478	\$ 10,722,712	\$ 9,049,539
Program Revenues										
Governmental Activities:										
Charges for services:										
General administration	\$ 204,842	\$ 190,502	\$ 183,226	\$ 159,028	\$ 192,003	\$ 244,771	\$ 1,183,659	\$ 247,997	\$ 345,880	\$ 284,689
Public safety	246,742	346,886	551,979	733,004	380,833	777,957	625,907	576,492	562,785	468,492
Streets	2,758	0	0	0	11,978	12,450	468,192	54,625	55,204	39,825
Parks and recreation	782,886	814,349	747,809	860,545	710,341	898,274	839,669	807,445	797,826	768,204
Operating grants and contributions	192,464	102,615	92,353	88,686	456,912	218,860	236,433	400,206	632,944	11,729
Capital grants and contributions	22,422	251,427	153,885	2,410	209,273	32,560	315,947	1,717	26,615	92,342
Total Governmental Activities	1,452,114	1,705,779	1,729,252	1,843,673	1,961,340	2,184,872	3,669,807	2,088,482	2,421,254	1,665,281
Business-type Activities:										
Charges for services:										
Water	1,619,844	1,490,193	1,453,697	1,483,745	1,386,750	1,345,207	1,259,230	1,231,359	1,165,449	1,385,590
Sewer	3,121,514	3,175,137	3,171,939	2,924,515	2,677,410	2,519,104	2,315,556	2,062,560	1,896,131	1,899,912
Operating grants and contributions	0	70,490	63,636	56,800	56,950	0	0	0	0	0
Capital grants and contributions	181,517	192,030	127,143	84,925	107,780	98,532	108,106	278,132	398,806	0
Total Business-type Activities	4,922,875	4,927,850	4,816,415	4,549,985	4,228,840	3,962,843	3,682,892	3,572,051	3,460,386	3,285,502
Total Program Revenues	\$ 6,374,989	\$ 6,633,629	\$ 6,545,667	\$ 6,393,658	\$ 6,190,180	\$ 6,147,715	\$ 7,352,699	\$ 5,660,533	\$ 5,881,640	\$ 4,950,783
Net (Expense)/Revenue										
Governmental Activities										
	\$ (7,692,831)	\$ (6,976,730)	\$ (6,689,108)	\$ (6,680,441)	\$ (7,151,568)	\$ (6,829,717)	\$ (5,780,897)	\$ (6,246,968)	\$ (5,986,895)	\$ (5,271,839)
Business-type Activities										
	\$ 727,883	\$ 1,052,255	\$ 955,207	\$ 513,916	\$ 952,268	\$ 1,060,575	\$ (26,724)	\$ 570,023	\$ 1,145,823	\$ 1,173,083
	\$ (6,964,948)	\$ (5,924,475)	\$ (5,733,901)	\$ (6,166,525)	\$ (6,199,300)	\$ (5,769,142)	\$ (5,807,621)	\$ (5,676,945)	\$ (4,841,072)	\$ (4,098,756)
General Revenues										
Governmental Activities:										
Property taxes	\$ 1,094,675	\$ 869,493	\$ 991,543	\$ 953,300	\$ 926,882	\$ 995,351	\$ 839,683	\$ 762,908	\$ 707,528	\$ 643,258
Franchise taxes	804,986	857,033	770,531	760,451	851,116	904,304	772,615	739,785	489,636	445,692
Sales taxes	6,301,405	5,859,861	5,232,114	5,254,665	5,129,259	4,910,163	4,569,080	4,953,896	5,250,108	4,068,568
Other taxes	4,505	3,086	3,701	3,942	6,352	3,001	4,982	30,849	6,668	2,580
Missouri motor fuel taxes	564,960	558,600	538,406	528,855	348,737	335,306	324,881	338,468	370,002	369,216
Greene County road and bridge	0	0	0	0	98,212	88,467	79,570	74,076	65,667	60,211
Unrestricted investment earnings	34,409	16,780	50,762	12,108	14,337	15,557	8,491	50,167	148,731	92,438
Other	136,817	84,616	136,342	195,415	43,293	42,377	96,494	149,443	92,359	64,814
Sale of assets	0	0	49,375	0	0	0	0	0	0	0
Settlement on lawsuit	0	0	(66,367)	20,137	0	0	0	0	0	0
Insurance claim	0	0	33,735	0	0	0	0	0	0	0
Capital contribution from Brookline	0	0	0	0	0	0	0	0	0	0
Transfers in/(out)	155,425	167,150	154,280	94,988	681,200	425,465	(124,000)	425,495	550,100	593,601
Total General Revenue and Transfers	\$ 9,097,182	\$ 8,416,619	\$ 7,894,422	\$ 7,823,861	\$ 8,099,388	\$ 7,719,991	\$ 6,571,796	\$ 7,525,087	\$ 7,680,799	\$ 6,340,378
Business-type Activities:										
Sales taxes	0	0	0	0	0	0	0	47,890	0	0
Unrestricted investment earnings	230,037	42,654	295,310	324,656	362,745	0	372	11,063	25,516	28,069
Transfers in/(out)	(155,425)	(167,150)	(154,280)	(94,988)	(681,200)	(425,465)	124,000	(425,495)	(550,100)	(593,601)
Total Business-type Activities	74,612	(124,496)	141,030	229,668	(318,455)	(425,465)	124,372	(366,542)	(524,584)	(565,532)
Total Primary Government	\$ 9,171,794	\$ 8,292,123	\$ 8,035,452	\$ 8,053,529	\$ 7,780,933	\$ 7,294,526	\$ 6,696,168	\$ 7,158,545	\$ 7,156,215	\$ 5,774,846
Changes in Net Position										
Governmental Activities										
	\$ 1,404,351	\$ 1,439,889	\$ 1,205,314	\$ 1,143,420	\$ 947,820	\$ 890,274	\$ 790,899	\$ 1,278,119	\$ 1,693,904	\$ 1,068,539
Business-type Activities										
	802,495	927,759	1,096,237	743,584	633,813	635,110	97,648	203,481	621,239	607,551
Total Change in Net Position	\$ 2,206,846	\$ 2,367,648	\$ 2,301,551	\$ 1,887,004	\$ 1,581,633	\$ 1,525,384	\$ 888,547	\$ 1,481,600	\$ 2,315,143	\$ 1,676,090

NOTES: Shows funds combined as of January 1, 2012.

CITY OF REPUBLIC, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund										
Nonspendable	\$ 72,346	\$ 70,821	\$ 99,289	\$ 70,471	\$ 72,260	\$ -	\$ -	\$ -	\$ 37,936	\$ -
Restricted-debt reserves	342,189	317,508	317,508	730,450	722,375	778,456	248,439	248,719	246,118	246,118
Committed	919,563	686,328	601,123	571,311	348,958	115,446	27,008	218,120	349,467	0
Assigned	0	0	0	0	0	0	0	0	0	0
Unassigned	2,773,951	2,720,273	2,345,791	1,856,291	1,723,166	1,008,055	1,029,406	764,748	928,932	79,981
Total General Fund	<u>\$ 4,108,049</u>	<u>\$ 3,794,930</u>	<u>\$ 3,363,711</u>	<u>\$ 3,228,523</u>	<u>\$ 2,866,759</u>	<u>\$ 1,901,957</u>	<u>\$ 1,304,853</u>	<u>\$ 1,231,587</u>	<u>\$ 1,562,453</u>	<u>\$ 326,099</u>
All Other Governmental Funds										
Nonspendable	\$ 27,851	\$ 29,293	\$ 41,850	\$ 37,411	\$ 35,678	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted-debt reserves	0	0	0	0	0	463,364	1,252,181	1,273,209	1,254,286	1,246,499
Committed	441,570	485,220	485,220	174,333	53,533	53,533	53,533	0	0	0
Assigned	2,501,540	1,953,111	2,355,821	2,416,670	2,540,581	1,645,812	1,581,789	2,055,077	1,444,984	851,897
Total All Other Governmental Funds	<u>\$ 2,970,961</u>	<u>\$ 2,467,624</u>	<u>\$ 2,882,891</u>	<u>\$ 2,628,414</u>	<u>\$ 2,629,792</u>	<u>\$ 2,162,709</u>	<u>\$ 2,887,503</u>	<u>\$ 3,328,286</u>	<u>\$ 2,699,270</u>	<u>\$ 2,098,396</u>

CITY OF REPUBLIC, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Taxes	\$ 7,031,238	\$ 7,031,238	\$ 7,031,238	\$ 7,075,138	\$ 6,904,491	\$ 6,812,819	\$ 6,186,360	\$ 6,459,638	\$ 6,094,893	\$ 5,160,098
Intergovernmental	1,070,460	1,070,460	1,070,460	956,796	962,872	1,073,782	982,379	1,085,529	1,737,848	684,774
Licenses and permits	168,616	168,616	168,616	145,211	190,451	257,221	167,107	261,935	352,800	328,673
Charges for services	572,632	572,632	572,632	688,642	726,121	741,042	703,380	714,549	710,791	624,501
Fines and forfeitures	320,157	320,157	320,157	368,576	381,603	379,368	348,359	304,058	287,099	305,385
Investment earnings	50,762	50,762	50,762	12,108	14,337	15,557	8,491	77,967	148,731	92,438
Payment for enterprise	0	0	0	0	0	554,201	1,463,463	0	0	0
Rent income	189,787	189,787	189,787	187,970	176,166	157,232	157,570	134,955	142,239	143,703
Other	131,185	131,185	131,185	230,451	43,795	42,379	96,494	149,443	92,359	72,485
Total Revenues	\$ 9,534,837	\$ 9,534,837	\$ 9,534,837	\$ 9,664,892	\$ 9,399,836	\$ 10,033,601	\$ 10,113,603	\$ 9,188,074	\$ 9,566,760	\$ 7,412,057
EXPENDITURES										
Current:										
General government	1,520,544	1,520,544	1,520,544	1,325,220	1,307,285	1,480,949	1,453,948	1,416,307	1,456,671	1,301,372
Public safety	3,100,132	3,100,132	3,100,132	3,346,083	3,280,843	3,309,047	3,139,231	2,950,740	2,724,218	2,183,745
Animal control	105,817	105,817	105,817	107,609	118,263	116,254	114,005	0	0	0
Streets	1,033,209	1,033,209	1,033,209	1,016,619	1,433,256	1,254,396	1,652,756	1,121,983	1,703,032	962,103
Parks and recreation	1,561,136	1,561,136	1,561,136	1,643,498	1,571,733	1,601,418	1,555,133	1,464,748	1,305,442	1,093,012
Capital outlay	1,246,791	1,246,791	1,246,791	893,102	389,514	884,171	1,481,512	1,009,220	2,611,547	1,205,493
Debt service:										
Principal	1,017,892	1,017,892	1,017,892	1,028,014	1,033,247	762,220	818,493	656,342	642,272	786,342
Interest	337,710	337,710	337,710	382,507	288,197	628,876	794,042	696,079	628,450	831,118
Refunding bond issuance costs	0	0	0	0	0	123,960	0	0	0	0
Total expenditures	9,923,231	9,923,231	9,923,231	9,742,652	9,422,338	10,161,291	11,009,120	9,315,419	11,071,632	8,363,185
Excess (Deficiency) of Revenues over Expenditures	(388,394)	(388,394)	(388,394)	(77,760)	(22,502)	(127,690)	(895,517)	(127,345)	(1,504,872)	(951,128)
OTHER FINANCING SOURCES (USES)										
Transfers in	629,625	629,625	629,625	967,294	1,807,684	920,009	319,202	1,616,562	1,307,700	2,612,660
Transfers out	(475,345)	(475,345)	(475,345)	(872,306)	(1,126,484)	(920,009)	(443,202)	(1,191,067)	(757,600)	(2,019,059)
Settlement on lawsuit	(66,367)	(66,367)	(66,367)	20,139	0	0	0	0	0	0
Sale of assets	56,411	56,411	56,411	0	0	0	0	0	0	0
Insurance claims	33,735	33,735	33,735	0	0	0	0	0	0	0
Capital contribution	0	0	0	0	0	0	252,000	0	0	0
Bonds/refunding bonds issued	0	0	0	0	3,535,000	6,956,275	0	0	0	0
Premium/DID on bonds	0	0	0	0	2,187	0	0	0	0	0
Cost of issuance	0	0	0	0	(83,025)	0	0	0	0	0
Payment to refunded bond escrow agent	0	0	0	0	(4,258,531)	(6,956,275)	0	0	0	0
Capital lease	600,000	600,000	600,000	323,019	0	0	400,000	0	2,792,000	200,000
Total Other Financing Sources (Uses)	778,059	778,059	778,059	438,146	(123,169)	0	528,000	425,495	3,342,100	793,601
Net Change in Fund Balances	\$ 389,665	\$ 389,665	\$ 389,665	\$ 360,386	\$ (145,671)	\$ (127,690)	\$ (367,517)	\$ 298,150	\$ 1,837,228	\$ (157,527)
Debt service as a percentage of noncapital expenditures	15.62%	15.62%	15.62%	15.94%	14.63%	14.99%	16.92%	16.28%	15.02%	22.60%

CITY OF REPUBLIC, MISSOURI
Tax Revenues By Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>PILOT</u>	<u>Other</u>	<u>Total</u>
2015	\$ 1,099,976	\$ 6,301,405	\$ 804,986	\$ 1,833	\$ 2,672	\$ 8,210,872
2014	903,404	5,859,861	857,033	1,833	1,253	7,623,384
2013	1,024,892	5,232,114	770,531	1,833	1,868	7,031,238
2012	1,055,729	5,254,665	760,451	1,833	2,460	7,075,138
2011	917,413	5,129,259	851,116	1,833	4,870	6,904,491
2010	995,351	4,910,163	904,304	1,833	1,168	6,812,819
2009	839,683	4,569,080	772,615	1,833	3,149	6,186,360
2008	762,908	4,953,896	739,785	1,833	1,216	6,459,638
2007	707,528	4,891,061	489,636	3,666	3,002	6,094,893
2006	643,258	4,068,568	445,692	1,833	747	5,160,098

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

Fiscal Year Ended <u>December 31</u>	<u>Residential</u>	<u>Commercial</u>	<u>Agricultural</u>	<u>Commercial/ Local RRU</u>	<u>Commercial/ State RRU</u>	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Taxable Value	Total Direct Rate
2015	\$ 121,494,417	\$ 43,255,730	\$ 528,620	\$ 1,401,890	\$ 4,248,091	\$ 170,928,748	21.5%	\$ 796,679,814	0.6173
2014	111,718,464	42,846,230	360,400	1,397,790	3,843,572	160,166,456	21.6%	741,268,974	0.6173
2013	109,935,220	41,959,640	550,570	1,397,500	3,483,562	157,326,492	21.6%	729,571,698	0.6173
2012	114,413,440	41,574,240	508,170	1,400,600	2,995,547	160,891,997	21.5%	750,068,209	0.6131
2011	112,393,460	36,768,600	501,250	6,577,440	2,923,553	159,164,303	21.5%	740,314,088	0.5820
2010	113,334,960	32,978,290	252,040	1,368,440	2,513,970	150,447,700	21.1%	713,789,810	0.5979
2009	108,546,980	31,431,850	260,540	1,424,020	2,171,602	143,834,992	21.1%	682,931,911	0.5979
2008	99,284,790	26,844,500	241,840	908,700	2,207,502	129,487,332	20.9%	618,194,053	0.6337
2007	92,186,780	24,897,610	229,840	917,210	2,263,965	120,495,405	21.0%	574,855,115	0.6337
2006	79,106,670	21,172,770	211,120	899,900	2,184,903	103,575,363	21.0%	493,915,144	0.6658

SOURCE: County Assessor's Offices, Greene & Christian Counties.

NOTE: Residential property is assessed at 19% of appraised value, agriculture at 12% and commercial/industrial at 32%.

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

Fiscal Year	City of Republic				School District	State	Vocational College District	County						Total Direct and Overlapping
	General	Parks and Recreation	Street Lighting	Total City				County	Road	Road and Bridge	Sheltered Workshop	Library	Senior Services	
2015	0.4338	0.1168	0.0667	0.6173	4.3600	0.0300	0.1494	0.1160	0.1160	0.0000	0.0468	0.2443	0.0494	5.7292
2014	0.4338	0.1168	0.0667	0.6173	4.3800	0.0300	0.1494	0.1288	0.0000	0.1288	0.0474	0.2472	0.0500	5.7789
2013	0.4338	0.1168	0.0667	0.6173	4.2800	0.0300	0.1479	0.1370	0.0000	0.1370	0.0473	0.2469	0.0500	5.6934
2012	0.4309	0.1160	0.0662	0.6131	4.2800	0.0300	0.1408	0.1206	0.0000	0.1206	0.0466	0.2433	0.0496	5.6446
2011	0.4090	0.1101	0.0629	0.5820	4.2800	0.0300	0.1405	0.1307	0.0000	0.1307	0.0463	0.2418	0.0493	5.6313
2010	0.4202	0.1131	0.0646	0.5979	4.2800	0.0300	0.1396	0.1321	0.0000	0.1321	0.0462	0.2412	0.0492	5.6483
2009	0.4202	0.1131	0.0646	0.5979	4.2800	0.0300	0.1396	0.1262	0.0000	0.1262	0.0462	0.2412	0.0492	5.6365
2008	0.4453	0.1199	0.0685	0.6337	4.0800	0.0300	0.1412	0.1074	0.0000	0.1074	0.0462	0.2414	0.0492	5.4365
2007	0.4453	0.1199	0.0685	0.6337	4.0800	0.0300	0.1412	0.1074	0.0000	0.1074	0.0462	0.2414	0.0492	5.4365
2006	0.4678	0.1260	0.0720	0.6658	3.6900	0.0300	0.1406	0.0961	0.0000	0.0961	0.0470	0.2455	0.0500	5.0611

SOURCE: County Assessor's Office.

**CITY OF REPUBLIC, MISSOURI
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
McLane/Midwest Inc	\$ 4,572,730	1	2.68%	\$ -		-
Wal-Mart Real Estate and Stores	2,280,250	2	1.33%	2,372,290	1	2.29%
Lowe's Home Centers Inc.	2,132,540	3	1.25%	-		-
Old Stone Phase II-IV LLC	2,083,110	4	1.22%	-		-
O'Reilly-Wooten 2001 LLP	1,227,970	5	0.72%	-		-
TEP Holdings LLC	983,770	6	0.58%	-		-
Fuller SPE LLC Etal	942,300	7	0.55%	-		-
Mid-Missouri Bank	748,580	8	0.44%	-		-
Pinewood Park Apts LLC	830,090	9	0.49%	668,510	2	0.65%
Beine Group LLC	690,830	10	0.40%	545,150	4	0.53%
Roswil Inc	-		-	624,930	3	0.60%
Highland Park Town Center LLC	-		-	539,100	5	0.52%
Repaco Inc	-		-	533,060	6	0.51%
Town Center Plaza LLC	-		-	492,860	7	0.48%
Carnahan White Inc Etal	-		-	456,860	8	0.44%
Bencor-Republic LP	-		-	454,910	9	0.44%
Wilson, Robert E Sr Etal	-		-	444,800	10	0.43%
Total	\$ 16,492,170		9.65%	\$ 7,132,470.00		6.89%

SOURCE: County Assessor's Office

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

Fiscal Year Ended <u>December 31</u>	Total Tax Levy for <u>Fiscal Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2015	\$ 1,055,143	\$ 927,259	87.9%	\$ -	\$ 927,259	87.9%
2014	988,707	788,969	79.8%	92,787	881,756	89.2%
2013	971,176	861,096	88.7%	37,781	898,877	92.6%
2012	986,429	866,194	87.8%	87,289	953,483	96.7%
2011	926,336	701,373	75.7%	84,973	786,346	84.9%
2010	899,527	851,740	94.7%	20,004	871,744	96.9%
2009	859,989	757,652	88.1%	63,789	821,441	95.5%
2008	820,561	744,258	90.7%	46,257	790,515	96.3%
2007	763,608	709,600	92.9%	27,813	737,413	96.6%
2006	689,605	635,037	92.1%	24,864	659,901	95.7%

SOURCE: City of Republic Finance Department.

NOTES: The City of Republic levies property tax on real property only.
Greene and Christian Counties bill and collect property taxes on behalf of the City and retain a percentage of the taxes collected for costs of assessment and collection.

CITY OF REPUBLIC, MISSOURI
Sales Tax Revenue by Type
Last Ten Fiscal Years

Fiscal Year	Direct Sales Tax Rate	Governmental						Total
		1% General	0.50% Transportation	0.25% Stormwater	0.25% Aqua Center	0.25% Parks	0.125% Fire	
2015	2.38%	\$ 2,214,700	\$ 1,107,383	\$ 553,641	\$ 553,580	\$ 553,643	\$ 269,131	\$ 5,252,078
2014	2.38%	2,063,380	1,031,831	515,773	515,744	515,775	255,929	4,898,432
2013	2.38%	1,892,501	946,253	473,125	473,082	473,125	56,675	4,314,761
2012	2.25%	1,843,154	921,702	460,727	460,727	460,727	-	4,147,037
2011	2.25%	1,855,420	926,253	463,087	463,085	463,087	-	4,170,932
2010	2.25%	1,687,811	843,906	421,952	421,934	421,952	-	3,797,555
2009	2.25%	1,659,188	829,594	414,779	414,751	414,783	-	3,733,095
2008	2.25%	1,757,747	919,095	459,492	458,299	459,494	-	4,054,127
2007	2.25%	1,676,076	919,016	458,656	458,664	458,655	-	3,971,067
2006	2.25%	1,554,176	779,912	387,157	386,658	387,161	-	3,495,064

NOTE: Does not include pass-through sales tax from Greene County.

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

Fiscal Year	Capital Leases	Special Obligation Bonds	Certificates of Participation	Capital Leases	Revenue Bonds	Special Obligation Bonds	Certificates of Participation	Total Outstanding Debt	Percentage of Personal Income (1)	Population (2)	Debt Per Capita
	Governmental				Business-Type						
2015	\$ 2,932,926	\$ 6,828,950	\$ -	\$ 143,407	\$ 5,835,000	\$ 91,050	\$ 5,995,000	\$ 21,826,333	3.69%	16,005	1,364
2014	3,161,480	7,592,575	0	213,389	6,685,000	112,425	6,243,000	24,007,869	4.21%	15,864	1,513
2013	3,509,072	8,317,100	0	282,247	7,485,000	132,900	6,480,000	26,206,319	5.71%	15,590	1,681
2012	3,206,991	9,037,075	0	0	8,245,000	152,925	6,707,000	27,348,991	5.27%	15,371	1,779
2011	3,088,086	9,860,975	0	0	8,960,000	179,025	6,923,000	29,011,086	5.86%	14,864	1,952
2010	3,386,743	6,956,275	4,040,000	0	9,345,000	208,725	7,128,000	31,064,743	6.58%	14,751	2,106
2009	3,545,238	0	11,600,000	0	10,000,000	0	7,545,000	32,690,238	7.20%	14,300	2,286
2008	3,393,731	0	12,170,000	0	10,625,000	0	7,754,000	33,942,731	7.43%	13,641	2,488
2007	3,509,073	0	12,711,000	0	11,205,000	0	7,954,000	35,379,073	8.79%	12,957	2,730
2006	803,345	0	13,267,000	0	11,760,000	0	280,000	26,110,345	7.34%	12,007	2,175

(1) Personal income disclosed in Demographic and Economic Statistics table.

(2) United States Census Bureau (actual and estimated).

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

Fiscal Year Ended <u>December 31</u>	Gross Bonded <u>Debt</u>	Less: Debt Service <u>Fund</u>	Net Bonded <u>Debt</u>	Ratio of Net Bonded Debt to Assessed <u>Value</u>	Net Bonded Debt per <u>Capital (1)</u>
2015	0.00	0.00	0.00	0.00%	0.00
2014	0.00	0.00	0.00	0.00%	0.00
2013	0.00	0.00	0.00	0.00%	0.00
2012	0.00	0.00	0.00	0.00%	0.00
2011	0.00	0.00	0.00	0.00%	0.00
2010	0.00	0.00	0.00	0.00%	0.00
2009	0.00	0.00	0.00	0.00%	0.00
2008	0.00	0.00	0.00	0.00%	0.00
2007	0.00	0.00	0.00	0.00%	0.00
2006	0.00	0.00	0.00	0.00%	0.00

(1) Personal income disclosed in Demographic and Economic Statistics table, page 86.

CITY OF REPUBLIC, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2015

(Dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated share of direct and overlapping debt</u>
Republic School R-III	\$ 36,435	64.25%	\$ 23,410
Ozarks Technical Community College	31,560	4.51%	1,424
Greene County, MO	42,945	4.45%	1,911
Greene County Library District	2,375	4.45%	<u>106</u>
Subtotal, overlapping debt			26,851
City of Republic direct debt			<u>9,762</u>
Total direct and overlapping debt			<u><u>\$ 36,613</u></u>

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

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

CITY OF REPUBLIC, MISSOURI
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Valuation	<u>\$170,928,748</u>
Constitutional debt limit (20% of assessed valuation)"	34,185,750
Total bonded debt	0
Total amount of debt applicable to debt limits	<u>0</u>
Legal debt margin	<u>\$34,185,750</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed valuation, January 1	<u>\$170,928,748</u>	<u>\$160,166,456</u>	<u>\$157,326,492</u>	<u>\$160,891,997</u>	<u>\$159,164,303</u>	<u>\$150,447,700</u>	<u>\$143,834,992</u>	<u>\$129,487,332</u>	<u>\$120,495,405</u>	<u>\$103,575,363</u>
Debt limit	34,185,750	32,033,291	31,465,298	32,178,399	31,832,861	30,089,540	28,766,998	25,897,466	24,099,081	20,715,073
Total net debt applicable to limit	<u>0</u>									
Legal debt margin	<u>\$34,185,750</u>	<u>\$32,033,291</u>	<u>\$31,465,298</u>	<u>\$32,178,399</u>	<u>\$31,832,861</u>	<u>\$30,089,540</u>	<u>\$28,766,998</u>	<u>\$25,897,466</u>	<u>\$24,099,081</u>	<u>\$20,715,073</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

CITY OF REPUBLIC, MISSOURI
Pledged-Revenue Coverage
Last Ten Fiscal Years

Sanitary sewer revenue bond coverage (1)

Fiscal Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	3,438,181	1,315,791	2,122,390	850,000	334,619	1,184,619	1.79
2014	3,486,237	1,457,965	2,028,272	800,000	377,581	1,177,581	1.72
2013	3,470,058	1,324,943	2,145,115	760,000	417,818	1,177,818	1.82
2012	3,223,114	1,539,799	1,683,315	715,000	454,751	1,169,751	1.44
2011	3,033,111	1,039,349	1,993,762	680,000	484,446	1,164,446	1.71
2010	2,519,104	1,201,486	1,317,618	645,000	516,833	1,161,833	1.13
2009	2,315,809	1,320,504	995,305	610,000	542,078	1,152,078	0.86
2008	2,113,941	843,940	1,270,001	570,000	569,238	1,139,238	1.11
2007	1,933,527	711,215	1,222,312	545,000	590,363	1,135,363	1.08
2006	1,899,912	744,314	1,155,598	510,000	614,278	1,124,278	1.03

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

(2) Gross revenues consist of service charges and related utility-based fees and penalties.

(3) Excludes depreciation and nonoperating expenses.

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (2)</u>	<u>Per Capita Income (2)</u>	<u>Personal Income</u>	<u>Education Level in Years of Formal Schooling (3)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate (3)</u>
2015	16,005	32.7	\$ 36,915	\$ 590,824,575	13	4,717	4.3%
2014	15,864	32.7	35,931	570,009,384	13	4,656	5.2%
2013	15,570	32.6	34,699	519,178,180	13	4,644	5.8%
2012	15,561	32.6	34,658	519,094,041	13	4,591	6.2%
2011	15,204	32.9	33,302	495,000,928	13	4,538	7.7%
2010	14,751	33.3	31,998	472,002,498	13	4,530	8.8%
2009	14,300	32.5	31,764	454,225,200	13	4,429	8.7%
2008	13,641	34.9	33,487	456,796,167	13	4,125	5.3%
2007	12,957	33.5	31,049	402,301,893	13	3,902	4.1%
2006	12,007	34.9	29,613	355,563,291	13	3,654	3.9%

(1) U.S. Census Bureau.

(2) Missouri Economic Research and Information Center (MERIC) and Springfield, MO Area Chamber of Commerce. (2015 - estimated at this time)

(3) Missouri Economic Research and Information Center (MERIC).

(4) R-III Republic School District.

**CITY OF REPUBLIC, MISSOURI
Principal Employers
Current Year and Eight Years Ago**

Employer	2015			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Republic R-III School District	763	1	4.77%	511	1	3.94%
McLane Co.	400	2	2.50%	-	-	-
Wal-Mart	331	3	2.07%	331	2	2.55%
Christian Health Care	121	4	0.76%	100	4	0.77%
City of Republic	120	5	0.75%	100	4	0.77%
Lowe's	110	6	0.69%	133	3	1.03%
Watson Metal Masters	77	7	0.48%	-	-	-
Republic Ford	70	8	0.44%	85	6	0.66%
Pinegar Chevrolet	65	9	0.41%	78	7	0.60%
Price Cutter	62	10	0.39%	75	8	0.58%
Carnahan-White Fence Co.	-	-	-	55	9	0.42%
Hermann Lumber Co.	-	-	-	50	10	0.39%
	<u>2,119</u>		<u>13.24%</u>	<u>1,518</u>		<u>11.72%</u>

SOURCE: City of Republic Planning & Development Department. Data for FY2006 unavailable.

CITY OF REPUBLIC, MISSOURI
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government	17.0	17.0	15.0	19.0	20.0	20.0	20.0	20.0	20.0	18.0
Public Safety										
Law Enforcement	29.0	28.0	28.0	27.0	26.0	24.0	27.0	26.0	27.0	25.0
Fire	22.0	22.0	22.0	22.0	20.0	19.0	21.0	21.0	12.0	11.0
E911 Central Dispatch	0.0	0.0	0.0	9.0	8.0	8.0	10.0	7.0	7.0	6.0
Municipal Court	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	9.5	9.5	10.0	9.5	9.5	9.5	9.5	9.5	9.5	11.0
Parks and Recreation	15.0	14.0	14.0	14.0	13.0	13.0	12.0	12.0	13.0	12.0
Utility	29.5	28.5	31.0	27.5	26.5	25.5	27.5	24.5	25.5	19.0
TOTAL	124.0	121.0	122.0	130.0	125.0	121.0	129.0	122.0	116.0	104.0

SOURCE: City departmental records.

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

Function	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
Number of licenses issued (business, liquor)	970	865	719	686	658	687	705	746	758	516
Number of building permits issued	423	366	298	74	114	102	96	157	210	331
Value of building permits issued (in millions)	\$24.9	\$23.2	\$16.1	\$7.1	\$14.3	\$82.8	\$15.3	\$25.9	\$70.9	\$62.9
Public Safety										
Police										
Dispatch events	17,003	19,602	17,585	25,710	28,795	35,857	33,015	19,492	18,603	18,651
Warrant arrests	245	241	307	429	390	416	401	414	473	503
Traffic citations	1,440	2,132	2,280	3,091	3,381	4,233	3,528	2,746	3,360	3,353
Reportable offenses	2,781	2,400	2,340	2,449	2,550	2,691	2,351	2,390	2,650	2,322
Fire										
Number of fire emergency responses	2,084	1,975	1,335	1,762	1,560	1,453	1,226	1,462	1,485	1,080
Dollar loss	\$370K	\$346K	\$209K	\$459K	\$744K	\$898K	\$387K	\$594K	\$303K	\$333K
Municipal Court										
Ordinance violations	2,873	4,010	3,500	3,935	3,844	4,862	4,205	3,044	3,619	3,596
Public Works										
Streets resurfaced (miles)	1.59	2.88	0.90	0.90	2.23	1.17	1.95	1.80	1.05	1.79
Utility										
Unaccounted water by % pumped	19%	25%	22%	18%	21%	27%	25%	25%	19%	23%
Average daily well production (MGD)	1.354	1.395	1.326	1.410	1.390	1.382	1.312	1,282.000	1.238	1.396
Number of metered accounts	6,038	5,906	6,182	6,082	6,003	5,881	5,685	5,385	5,153	4,886
Per capita daily water consumption (GPD)	83	88	85	93	94	97	98	102	99	117
WWTP average daily flow (MGD)	2.06	1.73	2.29	1.48	1.45	1.35	1.40	1.45	1.30	1.15
Per capita wastewater loading (GPD)	126	108	97	97	98	95	105	116	104	97
Recreation										
Admissions to City Aquatic Center	46,200	45,500	44,400	59,100	57,900	57,400	60,900	58,700	53,400	56,900
Number of youth programs	28	26	24	22	20	18	17	15	14	13
Number of adult programs	18	17	14	13	12	10	10	8	7	7
Number of baseball/softball fields	18	16	15	14	14	13	12	12	10	9

SOURCE: City departmental records.

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

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Area (square miles)	15.34	15.32	15.00	15.00	13.45	13.45	13.44	13.42	12.44	12.35
Number of general government buildings	2	2	2	2	2	2	2	2	1	1
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	2	2	2	2	2	2	2	2	2	1
Public Works										
Miles of streets	103.8	103.8	98.8	98.8	98.6	94.0	94.0	90.0	84.0	80.0
Number of street lights	1,358	1,336	1,336	1,319	1,322	1,296	1,284	1,280	1,174	1,149
Utility										
Miles of water mains	120.4	120.4	117.7	117.7	117.7	117.7	117.7	117.0	113.6	113.4
Miles of sanitary sewers	123.0	123.0	121.8	121.8	121.8	121.8	121.3	119.2	113.3	112.6
Wastewater treatment capacity (MGD)	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Recreation										
Number of parks	8	8	7	7	6	6	6	5	5	5
Park acreage	149	149	148	148	138	138	138	96	96	96
Number of parks and recreation facilities	5	5	4	4	4	4	4	4	4	4
Number of baseball/softball fields	7	7	7	7	7	7	7	7	7	6

SOURCE: City departmental records.