

CITY OF CARTERVILLE, MISSOURI

Independent Auditor's Report
and Financial Statements

For the year ended October 31, 2015

THE MENSE CPA FIRM, LLC
Certified Public Accountants

CITY OF CARTERVILLE, MISSOURI
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**The Mense
CPA Firm, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of the Council
City of Carterville, Missouri

Report on Financial Statements

We were engaged to audit the financial statements of the City of Carterville, Missouri as of and for the year ended October 31, 2015 and the related notes to the financial statements, which collectively comprise City of Carterville, Missouri's 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 the accounting practices prescribed or permitted by Missouri Law; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 an opinion 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. Because of the matters described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient competent supporting documentation for transactions to satisfy ourselves that receipts and disbursements were received by or disbursed from the proper fund or account. As a result, we were not able to determine whether the receipts, disbursements and ending cash for the respective fund is correct.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we have not been able to obtain sufficient audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

A handwritten signature in black ink, appearing to read "The Mense CPA Firm, LLC", is positioned above the printed name of the firm.

THE MENSE CPA FIRM, LLC
Certified Public Accountants

Joplin, Missouri
August 5, 2019

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
All Funds - Regulatory Basis
For the year ended October 31, 2015

Fund	Beginning Cash November 1, 2014	Receipts	Disbursements	Ending Cash October 31, 2015
General	\$ 66,674	\$ 613,250	\$ 532,481	\$ 147,443
Street	(41,889)	103,823	136,208	(74,274)
Capital Improvement	11,948	37,141	29,409	19,680
Park	(648)	8,914	5,287	2,979
Use Tax and Building Payment	48,196	17,050	7,652	57,594
General Obligation Bond Debt Service	21,920	102,346	67,485	56,781
Street Project	304,310	82	328,139	(23,747)
Water and Sewer	7,684	636,660	698,617	(54,273)
Revenue Bond Debt Service	114,253	179,140	111,638	181,755
Revenue Bond Debt Service Reserve	114,796	34	-	114,830
Water and Sewer Project	533	-	-	533
	<u>\$ 647,777</u>	<u>\$ 1,698,440</u>	<u>\$ 1,916,916</u>	<u>\$ 429,301</u>

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI

Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual General Fund - Regulatory Basis For the year ended October 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Receipts:				
Taxes	\$ 134,800	\$ 154,400	\$ 150,130	\$ (4,270)
Intergovernmental Revenues	14,500	13,000	56,639	43,639
Licenses, Permits and Fees	106,680	92,500	117,875	25,375
Fines and Forfeitures	105,170	125,500	122,829	(2,671)
Charges for Service	97,000	98,000	75,279	(22,721)
Use of Money and Property	3,600	3,600	3,367	(233)
Sale of Assets	-	-	47,850	47,850
Other	475	-	9,981	9,981
Operating Transfers	-	-	29,300	29,300
Total Receipts	<u>\$ 462,225</u>	<u>\$ 487,000</u>	<u>\$ 613,250</u>	<u>\$ 126,250</u>
Disbursements:				
Administration	\$ 161,050	\$ 183,550	\$ 155,318	\$ 28,232
Police	286,525	288,700	273,636	15,064
Municipal Court	14,650	14,750	15,392	(642)
Refuse	-	-	88,135	(88,135)
Total Disbursements	<u>\$ 462,225</u>	<u>\$ 487,000</u>	<u>\$ 532,481</u>	<u>\$ (45,481)</u>
Excess of Cash Over (Under) Disbursements			\$ 80,769	
Beginning Cash			<u>66,674</u>	
Ending Cash			<u>\$ 147,443</u>	

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Street Fund - Regulatory Basis
For the year ended October 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Receipts:				
Taxes	\$ 35,000	\$ 40,000	\$ 29,305	\$ (10,695)
Intergovernmental Revenues	69,300	71,000	74,518	3,518
Total Receipts	<u>\$ 104,300</u>	<u>\$ 111,000</u>	<u>\$ 103,823</u>	<u>\$ (7,177)</u>
Disbursements:				
Public Works	<u>\$ 104,300</u>	<u>\$ 111,000</u>	<u>\$ 136,208</u>	<u>\$ (25,208)</u>
Excess of Receipts Over (Under) Disbursements			\$ (32,385)	
Beginning Cash			<u>(41,889)</u>	
Ending Cash			<u>\$ (74,274)</u>	

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI

Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Capital Improvement Fund - Regulatory Basis
For the year ended October 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Receipts:				
Taxes	<u>\$ 35,000</u>	<u>\$ 40,000</u>	<u>\$ 37,141</u>	<u>\$ (2,859)</u>
Disbursements:				
Capital Outlay	<u>\$ 35,000</u>	<u>\$ 40,000</u>	<u>\$ 29,409</u>	<u>\$ 10,591</u>
Excess of Receipts Over (Under) Disbursements			<u>\$ 7,732</u>	
Beginning Cash			<u>11,948</u>	
Ending Cash			<u>\$ 19,680</u>	

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
Park Fund - Regulatory Basis
For the year ended October 31, 2015

Receipts:	
Donations, Raffles and Carnival	<u>\$ 8,914</u>
Disbursements:	
Recreation	<u>\$ 5,287</u>
Excess of Receipts Over (Under) Disbursements	 \$ 3,627
Beginning Cash	<u>(648)</u>
Ending Cash	<u><u>\$ 2,979</u></u>

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Use Tax and Building Payment Fund - Regulatory Basis
For the year ended October 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Receipts:				
Taxes	\$ 10,000	\$ 5,000	\$ 13,145	\$ 8,145
Other	4,260	4,480	3,905	(575)
Total Receipts	<u>\$ 14,260</u>	<u>\$ 9,480</u>	<u>\$ 17,050</u>	<u>\$ 7,570</u>
Disbursements:				
Capital Outlay	\$ -	\$ 9,480	\$ 7,652	\$ 1,828
Capital Lease - Water Tower	10,000	10,000	-	10,000
Capital Lease - Public Works Building	4,260	4,260	-	4,260
Total Disbursements	<u>\$ 14,260</u>	<u>\$ 23,740</u>	<u>\$ 7,652</u>	<u>\$ 16,088</u>
Excess of Receipts Over (Under) Disbursements			\$ 9,398	
Beginning Cash			<u>48,196</u>	
Ending Cash			<u>\$ 57,594</u>	

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
General Obligation Bond Debt Service Fund - Regulatory Basis
For the year ended October 31, 2015

Receipts:	
Taxes	<u>\$ 102,346</u>
Disbursements:	
Debt Service	<u>\$ 67,485</u>
Excess of Receipts Over (Under) Disbursements	\$ 34,861
Beginning Cash	<u>21,920</u>
Ending Cash	<u><u>\$ 56,781</u></u>

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
Street Project Fund
For the year ended October 31, 2015

Receipts:	
Use of Money and Property	<u>\$ 82</u>
Disbursements:	
Capital Outlay	<u>\$ 328,139</u>
Excess of Receipts	
Over (Under) Disbursements	\$ 328,057
Beginning Cash	<u>304,310</u>
Ending Cash	<u><u>\$ (23,747)</u></u>

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI

Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Water and Sewer Fund - Regulatory Basis
For the year ended October 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Receipts:				
Charges for Services	\$ 636,000	\$ 714,030	\$ 623,777	\$ (90,253)
Fees	6,000	3,000	7,755	4,755
Sales Tax	4,100	4,100	4,898	798
Meter Deposits	-	-	100	100
Use of Property and Money	-	-	29	29
Other	4,160	-	101	101
Total Receipts	<u>\$ 650,260</u>	<u>\$ 721,130</u>	<u>\$ 636,660</u>	<u>\$ (84,470)</u>
Disbursements:				
Water -				
Administration	\$ 56,175	\$ 59,300	\$ 57,255	\$ 2,045
Public Works	232,005	302,925	190,874	112,051
Sewer -				
Administration	62,150	65,500	65,996	(496)
Public Works	72,930	78,405	116,333	(37,928)
Center Creek 201	97,000	100,000	91,689	8,311
Other	-	-	14,152	(14,152)
Operating Transfers	130,000	115,000	162,318	(47,318)
Total Disbursements	<u>\$ 650,260</u>	<u>\$ 721,130</u>	<u>\$ 698,617</u>	<u>\$ 22,513</u>
Excess of Receipts Over (Under) Disbursements			\$ (61,957)	
Beginning Cash			<u>7,684</u>	
Ending Cash			<u>\$ (54,273)</u>	

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
Revenue Bond Debt Service Fund - Regulatory Basis
For the year ended October 31, 2015

Receipts:	
Charges for Services	\$ 46,069
Operating Transfers	133,018
Interest	<u>53</u>
Total Receipts	<u>\$ 179,140</u>
Disbursements:	
Debt Service	<u>\$ 111,638</u>
Excess of Receipts Over (Under) Disbursements	\$ 67,502
Beginning Cash	<u>114,253</u>
Ending Cash	<u><u>\$ 181,755</u></u>

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
Revenue Bond Debt Service Reserve Fund - Regulatory Basis
For the year ended October 31, 2015

Receipts:	
Use of Money and Property	\$ 34
Disbursements:	
Debt Service	\$ -
Excess of Receipts Over (Under) Disbursements	\$ 34
Beginning Cash	114,796
Ending Cash	\$ 114,830

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
Water and Sewer Project Fund - Regulatory Basis
For the year ended October 31, 2015

Receipts:	
Use of Money and Property	\$ - <hr/>
Disbursements:	
Capital Outlay	\$ - <hr/>
Excess of Receipts Over (Under) Disbursements	\$ -
Beginning Cash	<hr/> 533
Ending Cash	<hr/> <hr/> \$ 533

The accompanying notes are an integral part of this statement.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The City of Carterville, Missouri, a City of the third class, was incorporated in 1882 and is governed by a Mayor and City Council elected by the citizens of the City and provides the following services: Public safety, public works, sanitation, recreation, public improvements, and general administration. Other services include water and sewerage utilities.

The accompanying financial statements present the receipts, disbursements, and changes in cash of the various funds of the City of Carterville, Missouri, and comparisons of such information with the corresponding budgeted information for those funds for which a budget is prepared. The General Fund is the City's general operating fund, accounting for all financial resources except those legally or administratively required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted by law or administrative action for specified purposes.

I.B. FINANCIAL REPORTING ENTITY

These financial statements present the financial information of the City of Carterville, Missouri, the primary government.

Component units of the City are based on significant influence which the City exercises over such units. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The City has no component units.

I.C. FUND ACCOUNTING

The City uses funds to report on the receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

I.D. BASIS OF ACCOUNTING AND PRESENTATION

The financial statements are prepared on the regulatory basis of accounting wherein amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BASIS OF ACCOUNTING AND PRESENTATION (CONTINUED)

The financial statements are presented using accounting practices prescribed or permitted by the Missouri law, which includes a Statement of Receipts, Disbursements and Changes in Cash for all funds and a Statement of Receipts, Disbursements and Change in Cash for each fund compared to budget, when applicable.

I.E. BUDGETARY DATA

The City is required by State Statutes to prepare an annual operating budget. The budget shall present a complete financial plan for the ensuing budget year and shall include at least the following information:

1. A budget message;
2. Estimated receipts and a comparative statement of actual or estimated receipts for the two preceding years itemized by year, fund, and source;
3. Proposed disbursements together with a comparative statement of actual or estimated disbursements for the two preceding years itemized by year, fund, activity and object;
4. Amount required for debt payment; and
5. A general budget summary.

The City Council follow these procedures in the preparation of the budget:

1. Prior to November 1, the Mayor submits to the Council a proposed operating budget for the fiscal year commencing November 1.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.

The budget may be revised. If total disbursements are increased, the City may adopt a resolution setting forth the facts and reasons making the increase necessary. In no event shall total authorized disbursements from a fund exceed the estimated receipts plus the beginning balance.

The budget is prepared on the regulatory basis of accounting.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. CASH AND INVESTMENTS

The City maintains several deposit accounts to account for the activities of the various funds.

The City is allowed to invest in obligations of the United States Government or any agency thereof, maturing and becoming payable not more than three years from date of purchase. In addition the City may enter into repurchase agreements maturing and becoming payable within ninety days, secured by United States Governmental Agencies or instrumentalities of any maturity.

I.G. RECEIPTS AND DISBURSEMENTS

I.G.1. Sales Tax

The City levies a one percent sales tax on taxable sales within the City. The tax is collected by the Missouri Department of Revenue and remitted to the City. The tax is placed in the general fund and used to provide for general operations. In addition, the City levies a one-half percent Transportation tax and a one-half percent Capital Improvement tax. These taxes are accounted for in separate funds to be used for their restricted purposes.

I.G.2 Property Taxes

Property taxes are an enforceable lien on property as of January 1. Taxes are levied November 1 and are due and payable in full by December 31, unpaid taxes become delinquent after December 31. Taxes are collected and distributed to the City by the Jasper County Collector monthly.

The assessed valuation of tangible taxable property for the calendar 2015 for purposes of local taxation was:

Real Estate	\$ 8,799,560
Personal Property	2,605,915
State Assessed Railroad and Utility	<u>924,546</u>
	<u>\$ 12,330,021</u>

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G.2 Property Taxes (Continued)

The tax levy per \$100.00 of assessed valuation of tangible real property for the calendar year 2015 for the purpose of local taxation was:

General Fund	\$.6362
Debt Service Fund	1.4523
Total	<u>\$ 2.0885</u>

The City does not assess tax on personal property.

I.G.3 Compensated Absences

The City's policies regarding vacation, sick leave and compensatory time state that all full-time employees shall receive one to three weeks vacation per year depending on length of employment. The carryover of unused vacation credit shall be limited. Unused vacation credit may be paid to the employee upon separation from service under certain conditions. Sick leave is accumulated at the rate of four days per fiscal year. Unused sick leave may not be carried over to a subsequent year. No compensation for unused sick leave will be paid at time of termination of employment. Compensatory time is granted in lieu of overtime. Compensatory time earned by an employee is paid to an employee upon separation from service.

Compensated absences are recorded as a disbursement when paid.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. REVENUE BOND COVENANTS

Ordinance 2794 authorizing the issuance of \$1,320,000, Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds, Series 2010, contains requirements that accounts be maintained beginning with delivery of the bonds and continuing as long as any bonds remain outstanding and unpaid. The accounts to be maintained and the requirements pertaining to those accounts are as follows:

- a. Revenue Fund
- b. Operation and Maintenance Account
- c. Debt Service Account
- d. Debt Service Reserve Account
- e. Depreciation and Replacement Account
- f. Surplus Account

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

II.A. REVENUE BOND COVENANTS (CONTINUED)

The sum of \$114,350 from the bond proceeds has been paid and credited to the Debt Service Reserve Account to fully fund the Debt Service Reserve.

All income collected by the City from the operation of the System will be deposited into the Revenue Fund.

Monies in the Revenue Fund shall first be credited to the Operations and Maintenance Account to pay the estimated operating expenses of the Sewerage System during the ensuing month.

There shall next be paid from the Revenue Fund on the first day of each month the following:

1. Transfer to the Debt Service Account an amount necessary to pay the next principal, interest, and paying agent fees on the Bonds.
2. Transfer to the Depreciation and Replacement Account \$2,445, so long as any bonds remain outstanding.
3. After all payments and transfers required above have been made, all remaining monies shall be transferred to the Surplus Account.

Amounts credited to the above accounts may only be used for the purpose stated in the Ordinance.

The bonds are special obligations of the City payable solely from, and secured as to principal and interest by a pledge of, the net revenues of the system.

The City covenants to maintain and collect such rates that will produce sufficient revenues to meet the rate covenants in Section 803 of the Ordinance. The City was not in compliance with Section 803 of the Ordinance.

Transfers to the Depreciation and Replacement Account were not in compliance with the Ordinance.

The Surplus Account is not active.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

II.B. STATE STATUTES (CONTINUED)

Budget - State statutes require certain information be contained in the annual budget. The City budget for the year ended October 31, 2015 did not contain all the information required. RSMo 67.010.

Financial Statements - State statutes require the municipality to publish semi-annual financial statements. Financial statements were not published. RSMo 77.110.

Deficit Cash Balance - The Street, Street Project and Water and Sewer Funds had deficit cash balances at October 31, 2015.

Appropriations - The City overspent the budget in the General and Street Funds. The Park, General Obligation Bond Debt Service, Street Project, Revenue Bond Debt Service, Revenue Bond Debt Service Reserve, and Water and Sewer Project Funds were not budgeted.

III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES

III.A. DEPOSITS AND INVESTMENTS

Deposits-

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. RSMo Chapter 110 requires that public funds shall be secured by the deposit of securities of the character prescribed by section 30.207, RSMo. The value of which shall at all times be not less than one hundred percent of the actual amount of the funds on deposit with the depository less the amount, if any, insured by the Federal Depository Insurance Corporation. All deposits were legally secured October 31, 2015. The City does not have any other policies for custodial credit risk.

At October 31, 2015, the City's carrying amount of deposits was \$428,426 and the bank balance was \$462,774. 100% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank's balance, \$250,000 was insured by Federal Depository Insurance and \$244,774 was collateralized with securities held by the pledging financial institution's agents in the City's name.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES (CONTINUED)

III.B. RESTRICTED ASSETS

Restricted assets as of October 31, 2015 were as follows:

Water and Sewer Fund	
Customer Deposits	<u>\$ 31,989</u>

III.C. JOINT VENTURE

The Center Creek Wastewater Treatment Board provides wastewater treatment services to the citizens of Webb City, Carterville, and Oronogo, Missouri. In accordance with Missouri law, the Utility is operated by a Board of Directors. Bonded debt must be authorized by a resolution of the Board of Directors and approved by a vote of the citizens. The Center Creek Wastewater Treatment Board is a jointly governed organization between the cities of Webb City, Carterville, and Oronogo, Missouri, and is authorized by an enactment of the Missouri General Assembly. The Board is a component entity of the City of Webb City, Missouri, because the City of Webb City appoints a voting majority, or five out of eight members of the Board. The Board is comprised of:

- The Mayors of Webb City, Carterville, and Oronogo.
- Four citizens of Webb City, appointed by the Mayor and confirmed by the City Council.
- Two citizens of Carterville, appointed by the Mayor and confirmed by the City Council.
- One citizen of Oronogo, appointed by the Mayor and confirmed by the City Council.

The purpose of the Board is to provide responsibility for the operation, maintenance, and replacement of jointly constructed wastewater facilities which include a wastewater treatment facility, interceptor sewers, pumping facilities, and force main.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES (CONTINUED)

III.C. JOINT VENTURE (CONTINUED)

In accordance with the inter-municipal agreement, ownership and responsibility for operation, maintenance and replacement costs are allocated to each city based on flow consumption of the previous year. These percentages are as follows:

City of Webb City	79.79%
City of Carterville	12.18%
City of Oronogo	8.03%

The Center Creek 201 Wastewater Treatment Board issued separate financial statements that may be obtained by calling (417) 673-4651.

III.D. LONG-TERM DEBT

General Obligation Bonds:

\$400,000 General Obligation Street Bonds, Series 2013, due in annual installments of \$20,000 to \$35,000. Final payment due March 1, 2028. Interest rate of 1.00% to 3.65%.	\$ 360,000
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\$400,000 General Obligation Bonds, Series 2014, due in annual installments of \$20,000 to \$35,000. Final payment due March 1, 2029. Interest rate of 1.50% to 4.20%.	<u>380,000</u>
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Total General Obligation Bonds	<u>\$ 740,000</u>
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Revenue Bonds:

\$1,320,000 Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds, Series 2010, due in annual installments of \$40,000 to \$110,000 through February 1, 2030. Interest rate of 3.00% to 6.25%.	<u>\$ 1,105,000</u>
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Waterworks and Sewer System revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the system.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

III.D. LONG-TERM DEBT (CONTINUED)

Capital Lease Obligations

Capital Lease of Real Estate (Public Works Building), dated April 24, 2008, 310 S. Tennessee, Cartersville, Missouri payable in monthly installments which vary from year to year based on interest rate. At October 31, 2015, the payment was \$1,135. Final payment due June 8, 2018. Original balance was \$125,000. Interest rate is variable. At October 31, 2015, the interest rate was 2.25%.

\$ 35,887

Capital Lease of Equipment, dated July 8, 2007, payable in monthly installments of \$1,182, final payment due June 8, 2017. Original balance was \$102,865. Interest rate 6.75%.

22,952

Capital Lease of Real Estate (City Hall Building), dated November 29, 2004, payable in monthly installments which vary from year to year based on interest rate. At October 31, 2015, the payment was \$1,000. Final payment due November 29, 2019. Original balance was \$120,000. Interest rate is variable. At October 31, 2014, the interest rate was 3.75%.

44,507

Capital Lease of Water Meters, dated May 21, 2015, payable in semi-annual installments of \$5,000 to \$25,000. Final payment due February 1, 2025. Original balance was \$170,000. Interest rate 3.75%.

170,000

Capital Lease of various Equipment and Vehicles, dated April 28, 2015, payable in monthly installments of \$1,129. Final payment due May 5, 2020. Original balance was \$62,221. Interest rate 3.30%.

57,465

Capital Lease of 2014 Chevy Caprice, dated September 23, 2015, payable in monthly installments of \$372. Final payment due September 23, 2019. Original balance was \$16,544. Interest rate 3.75%.

16,223

Total Capital Leases \$ 347,034

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES (CONTINUED)**III.D. LONG-TERM DEBT (CONTINUED)****Changes in Long-Term Debt:**

The following is a summary of changes in long-term debt for the year:

	Beginning of the year	Issued	Retired	End of the year
General Obligation Bonds	\$ 780,000	\$ -	\$ 40,000	\$ 740,000
Revenue Bonds	1,150,000	-	45,000	1,105,000
Capital Lease Obligations	175,013	248,765	76,744	347,034
Total	<u>\$ 2,105,013</u>	<u>\$ 248,765</u>	<u>\$ 161,744</u>	<u>\$ 2,192,034</u>

Annual Debt Service Requirements:

The annual debt service requirements to maturity, including principal and interest, for long-term debt of the City as of October 31, 2015 are as follows:

October 31,	General Obligation Bonds		Revenue Bonds		Capital Lease Obligations	
	Principal	Interest	Interest	Interest	Principal	Interest
2016	\$ 45,000	\$ 22,600	\$ 50,000	\$ 63,125	\$ 56,632	\$ 12,463
2017	45,000	21,863	50,000	60,938	59,854	10,072
2018	50,000	20,938	55,000	58,506	52,439	16,059
2019	50,000	19,838	55,000	55,825	43,679	5,923
2020	50,000	18,600	60,000	52,875	24,430	4,496
2021-2025	275,000	69,029	355,000	205,650	110,000	10,875
2026-2030	225,000	18,879	480,000	78,752	-	-
	<u>\$ 740,000</u>	<u>\$ 191,747</u>	<u>\$1,105,000</u>	<u>\$ 575,671</u>	<u>\$ 347,034</u>	<u>\$ 59,888</u>

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

IV. INTERFUND TRANSFERS

Interfund transfers for the year ended October 31, 2015 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 29,300	\$ -
Water and Sewer	-	162,318
Revenue Bond Debt Service	133,018	-
Total	<u>\$ 162,318</u>	<u>\$ 162,318</u>

V. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other municipalities in the State to participate in Missouri Public Entity Risk Management Fund (MOPERM), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to MOPERM for its property and liability, general liability, law enforcement liability, errors and omissions, and employment practice liability coverage. The agreement to participate provides that MOPERM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by MOPERM management.

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

VI. CONTINGENCIES

Litigation

The City, from time to time, is party to various legal proceedings which normally occur in governmental operations. The City manages such litigation, should any risk arise, by carrying commercial insurance. Should any settlement or judgment be determined not covered by insurance, the City feels that it would not have a material effect on the financial condition of the City.

CITY OF CARTERVILLE, MISSOURI

Notes to Financial Statements

October 31, 2015

VI. CONTINGENCIES (CONTINUED)

Grant Program Involvement

The City receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.