City of Harrisonville, Missouri

Comprehensive Annual Financial Report

For the Year Ended

December 31, 2017

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INTRODUCTORY SECTION

P.O. Box 367, 300 East Pearl Street- Harrisonville, Missouri 64701

April 11, 2018

Honorable Mayor and Members of the Board of Aldermen:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrisonville, Missouri, for the fiscal year ended December 31, 2017. This report is required under RSMo. 105.145 and is submitted for your information and review.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. Management believes the report as presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of annual operations of the City, both on a government-wide and a fund basis.

The City of Harrisonville Finance Department prepares the year-end trial balances and supporting schedules and assists in the preparation of the financial statements, which undergo an annual audit by an independent certified public accountant. The City's financial statements have been audited by the accounting firm of Cochran Head Vick & Co. P.C., and that audit resulted in an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2017, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. That opinion, and the procedures and testing that led to it, is found in the "Independent Auditors' Report" at the beginning of the Financial Section of the CAFR.

Following the independent auditors' report and opinion is management's discussion and analysis (MD&A) of the financial statements. This analysis, along with the basic financial statements and notes, provides an overview of the City's financial position and operating results. The supplemental and statistical sections help provide a broader understanding of Harrisonville and, along with the introductory section, provide context to the report.

Profile of the City of Harrisonville

The town of Harrisonville was established in 1837 and was named in honor of Albert G. Harrison, one of the first two U.S. Congressional representatives elected from the state of Missouri. Harrisonville became incorporated in 1851. S.G. "Squire" Allen was appointed the first mayor of the town in 1857, and Col. H. W. Younger, father of the infamous Cole Younger, was elected mayor in 1859. There is a rich local history of the Civil War era in Harrisonville, and in the decades following the war, the town grew in importance as the county seat of Cass County and as a transportation hub for the region.

Today, Harrisonville is home to approximately 10,000 residents, with manufacturing and distribution facilities representing several major national firms. It still serves as a transportation center, with Interstate 49 and several state highways providing access to the Kansas City metropolitan area as well as the recreation areas of south-central Missouri.

The City of Harrisonville, Missouri, is a fourth-class city organized under Missouri statutes and is governed by a Mayor and eight-member Board of Aldermen, two from each of the four wards. The Mayor and Board appoint a City Administrator to serve as the chief administrative officer of the City, and to oversee the operations of all City departments. Harrisonville provides a full complement of general governmental services including police and fire protection, emergency medical services, parks and recreation, public works services, an airport, and general administrative services. The City also provides electrical distribution, water, and sanitary sewer services, all of which are accounted for in the financial statements as business-type activities.

Factors affecting financial conditions

Local economy - Overall retail sales have recovered to the levels enjoyed prior to the recession, and we see some local businesses investing in renewal. While housing remains tied to the stable population, economic development continues to focus on the creation and expansion of employment opportunities. Outside investors have continued to show interest in Harrisonville's location and workforce when considering potential business sites. Harrisonville's place as a regional trade center for basic goods and services has helped shelter the community from more severe economic downturns.

Long-term financial planning - The City of Harrisonville prepares a ten-year Capital Improvement Plan (CIP) for constructing, maintaining, and replacing the City's physical infrastructure. These projects are reviewed annually and updated as conditions, prices, resources, and priorities change. These projections are included as a part of the five-year financial projection of each of the City's operating funds during the Board of Aldermen's annual budget process. By Board policy, the City maintains a reserve in each of the operating funds for budgetary and planning purposes.

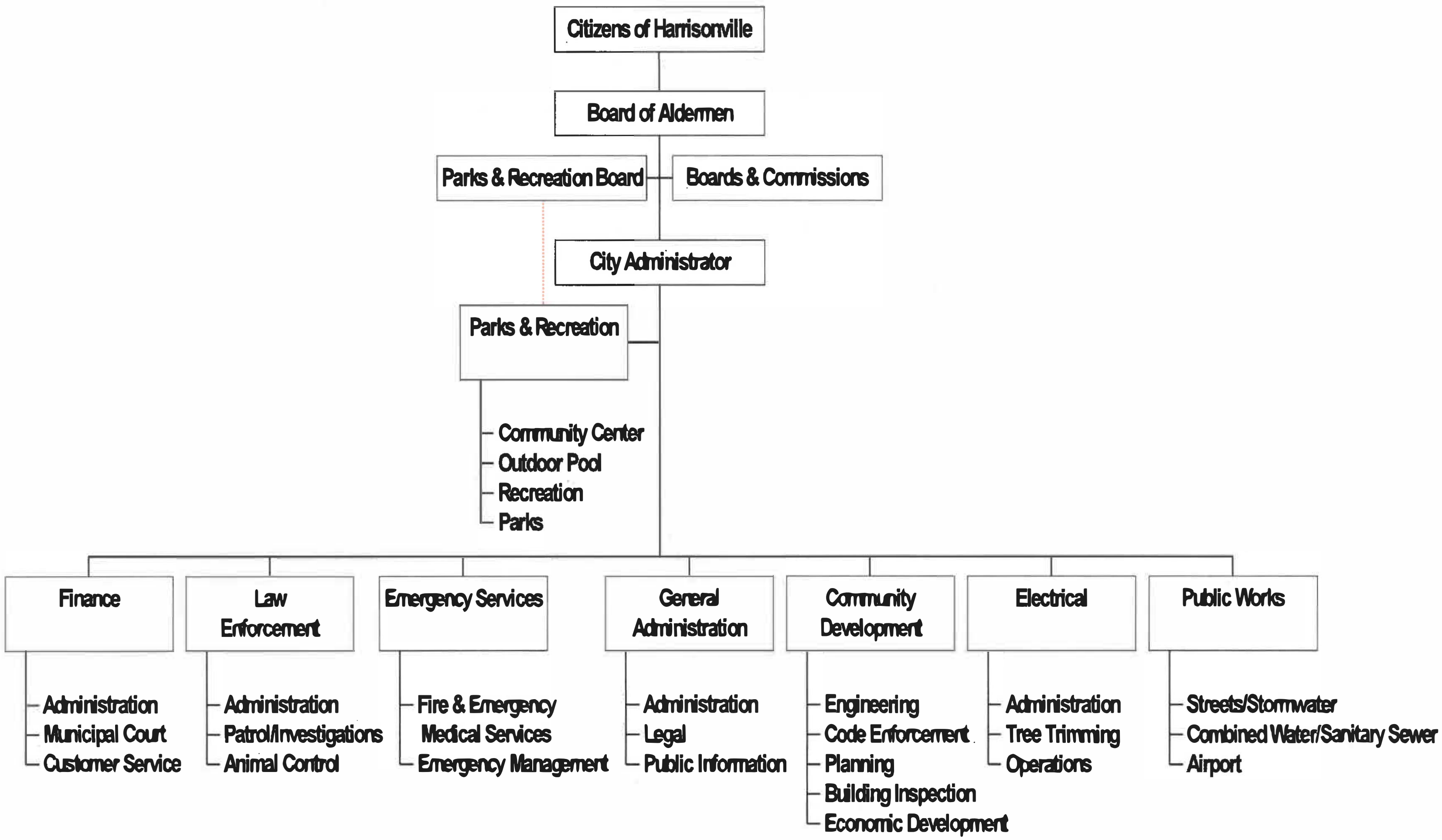
Cash management and risk management - The primary concern of the City's cash management policy is the safety of principal. The City follows a conservative investment policy which is closely monitored by staff and reviewed annually. Investment yield remains low compared to historical averages, but the security of the investment principal is the City's overarching priority. Cash balances of the various funds are consolidated for maximum earnings flexibility. Following the close of the fiscal year, the City renewed all major insurance policies after a review and update of exposures and pricing. With both cost and risk on the increase, insurance coverage is an area which receives significant attention.

The preparation of this report would not have been possible without the year-round dedication and hard work of the staff of the Finance Department, with special recognition to our Accounting Specialist, Debra Phelps. The City's independent audit firm of Cochran Head Vick & Co. P.C., was instrumental in the preparation of this report and highly professional in their dealings with our staff. I would also like to thank Mayor Hasek, the Board of Aldermen, and City Administrator Happy Welch for their continued interest in and support of the maintenance of the financial health of our City.

Respectfully submitted,

Marcella McCoy
Director of Finance

City of
Harrisonville
est. 1836



CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2017

MAYOR AND BOARD OF ALDERMEN

Brian Hasek	Mayor
Brad Bockelman	Alderman Ward I
Judy Bowman	Alderman Ward I
Judy Reece	Alderman Ward II
Marcia Milner	Alderman Ward II
David Dickerson	Alderman Ward III
Clint Long	Alderman Ward III
Jessica Levsen	Alderman Ward IV
Matt Turner	Alderman Ward IV

ADMINISTRATOR AND DEPARTMENT HEADS

Happy Welch	City Administrator
Eric Patterson	Director of Public Works, Water/Sewer Superintendent and Electric
Rodney Jacobs	Street Superintendent
Chris Deal	Director of Parks and Recreation Director of Community Development
Randall K Jones	City Clerk
Marcella McCoy	Director of Finance
John Hofer	Chief of Police
Eric Myler	Fire Chief and Director of Emergency Management
John Fairfield	City Attorney
Kevin Anderson	Municipal Judge
Joseph Cambiano	City Prosecuting Attorney

INDEPENDENT AUDITORS

Cochran Head Vick & Co. P.C.

FINANCIAL SECTION

CHV & Co

COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 453-7014
Fax (816) 453-7016

Other Offices in
Missouri and Kansas

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of Aldermen
City Harrisonville, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) as of and for the year ended December 31, 2017, 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kansas City, Missouri
April 11, 2018

Cochran Head Vick + Co., P.C.

Our discussion and analysis of the City of Harrisonville's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (Net position) at the close of the December 31, 2017 fiscal year by $21,669,098 for the City's governmental activities and $39,432,072 for the City's business-type activities.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,228,520 a decrease of $174,583 in comparison with the prior year. Approximately 66 percent of the fund balance, $4,743,988 is unassigned and available for spending at the government's discretion.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,814,142 or approximately 52 percent of the total General Fund expenditures for 2017.

Overview of the Financial Statements

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

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in it. You can think of the City's net position—the difference between assets and deferred outflows less liabilities and deferred inflows—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative net financial costs of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

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

Governmental activities—Most of the City's basic services are reported here, including general government, public safety, streets, community development, airport, emergency services, parks and recreation, and community center. Taxes, (sales, property, and franchise) charges for services, fines, and state and federal grants finance most of these activities.

Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. These services include electric, water and sewer, refuse, and aquatic center.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes. The City uses three types of funds to manage its resources: governmental, proprietary, and agency funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps 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 the reconciliation following the fund financial statements.

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 funds, are 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.

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, since the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contain certain *required supplemental information* that further explains and supports the information in the financial statements. This report also contains *other supplementary information* that provides certain combining and individual fund statements and schedules.

Government-Wide Financial Analysis

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

Figure 1 - Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016**	2017	2016**	2017	2016**
Current and other assets	$ 9,169,676	$ 8,596,210	$ 13,723,096	$ 11,827,277	$ 22,892,772	$ 20,423,487
Capital assets	22,874,910	22,896,321	38,954,733	35,853,483	61,829,643	58,749,804
Total assets	32,044,586	31,492,531	52,677,829	47,680,760	84,722,415	79,173,291
Deferred outflows of resources	1,524,674	2,962,217	451,214	742,950	1,975,888	3,705,167
Long-term debt	10,565,639	11,553,499	11,704,678	8,560,057	22,270,317	20,113,556
Other liabilities	463,595	681,477	1,910,331	1,824,467	2,373,926	2,505,944
Total liabilities	11,029,234	12,234,976	13,615,009	10,384,524	24,644,243	22,619,500
Deferred inflow of resources	870,928	855,879	90,962	66,835	961,890	922,714
Net position:						
Net investment in capital assets	19,097,020	18,094,342	27,393,693	27,020,727	46,490,713	45,115,069
Restricted	3,252,840	3,674,556	3,106,087	3,196,059	6,358,927	6,870,615
Unrestricted	(680,762)	(405,005)	8,923,292	7,755,565	8,242,530	7,350,560
Total net position	$ 21,669,098	$ 21,363,893	$ 39,423,072	$ 37,972,351	$ 61,092,170	$ 59,336,244

** As Restated

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by $61,092,170 at the close of fiscal year ended December 31, 2017. Of this total, $6,358,927 is restricted; $2,682,443 for pension benefits, $115,209 for other programs, $3,426,654 for debt service, and $134,621 for parks and recreation.

Figure 2 – Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016**	2017	2016**	2017	2016**
Revenues:						
Program revenues:						
Charges for services	$ 4,239,865	$ 4,516,272	$ 17,102,175	$ 16,846,118	$ 21,342,040	$ 21,362,390
Operating grants and contributions	521,480	537,687	232,190	-	753,670	537,687
Capital grants and contributions	42,678	352,785	-	-	42,678	352,785
General revenues:						
Property taxes	807,004	780,924	-	-	807,004	780,924
Sales taxes	4,151,829	4,215,750	-	-	4,151,829	4,215,750
Franchise and other taxes	851,366	893,231	-	-	851,366	893,231
Tax increment financing revenues	97,479	89,496	-	-	97,479	89,496
Gain on sale of capital assets	41,451	56,623	-	10,859	41,451	67,482
Interest	124,751	23,704	181,214	246,329	305,965	270,033
Other	453,822	214,064	105,613	49,621	559,435	263,685
Total revenues	11,331,725	11,680,536	17,621,192	17,152,927	28,952,917	28,833,463
Expenses:						
General government	1,947,920	1,722,897	-	-	1,947,920	1,722,897
Public safety	2,944,912	2,877,989	-	-	2,944,912	2,877,989
Streets	1,038,983	1,157,722	-	-	1,038,983	1,157,722
Community development	462,686	504,401	-	-	462,686	504,401
Animal control	188,968	192,369	-	-	188,968	192,369
Airport	310,155	339,387	-	-	310,155	339,387
Emergency services	2,465,996	2,497,603	-	-	2,465,996	2,497,603
Parks and recreation	578,632	606,756	-	-	578,632	606,756
Community center	1,478,570	1,488,614	-	-	1,478,570	1,488,614
Interest on long-term debt	535,073	526,562	-	-	535,073	526,562
Electric			10,310,545	10,344,770	10,310,545	10,344,770
Water /Sewer			4,140,949	4,079,377	4,140,949	4,079,377
Refuse			505,148	505,064	505,148	505,064
Aquatic center		-	288,454	262,529	288,454	262,529
Total expenses	11,951,895	11,914,300	15,245,096	15,191,740	27,196,991	27,106,040
Transfers - payment in lieu of taxes	925,375	905,183	(925,375)	(905,183)	-	-
Change in net position	305,205	671,419	1,450,721	1,056,004	1,755,926	1,727,423
Net position, beginning	21,363,893	20,692,474	37,972,351	36,916,347	59,336,244	57,608,821
Net position, ending	$ 21,669,098	$ 21,363,893	$ 39,423,072	$ 37,972,351	$ 61,092,170	$ 59,336,244

**** As Restated**

Total revenues increased approximately $119,000 over 2016. In 2017, approximately 73.7% of total revenues are charges for services. The majority of the City's total revenue comes from the business-type activities of the Electric and Combined Water and Sewer utility funds. In the governmental activities area, taxes were the largest single source of income, led by the sales tax revenues which account for 36.6% of governmental revenues.

Total program expenses for 2017 are $27,196,991 with the majority, $15,245,096, stemming from business-type activities. Governmental activities expenditures increased $37,595 while the business-type activities expenditures $53,356. Both due primarily to increases in depreciation expense.

Public safety expenses, at $2,944,912, totaled approximately 24.65% of the governmental activities, while the electric utility expenses compose 67.64% of the business-type activities expenses.

Governmental Funds

The focus of the City'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, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,228,520. Of this amount $2,484,532 is *non-spendable, restricted, or committed* for various purposes and $4,743,988 is unassigned.

The City's fund balance of the General Fund decreased $87,468 during the current fiscal year. For external financial reporting, the City's Emergency Fund activities are combined with the General Fund's activities. The General Funds activities increased fund balance by $406,591 while the Emergency Fund's activities decreased fund balance by $494,059. General Fund combining financial statements are presented on pages 56 and 57 of this report.

At December 31, 2017, the Sales Tax Fund has an ending fund balance of $134,621, all of which is restricted. The fund balance decreased by $83,034 during the year primarily related to increases in transfers out to the debt service fund.

The Community Center Fund has an ending fund balance of $82,923. Fund balance increased by $97,371 primarily related to increases in the transfers in from the general fund compared to 2016.

The Town Center TIF Fund has an ending fund balance of $815,908 all of which is restricted. The Towne Center TIF Fund continues to impact the net position of the City. The anchor tenant opened in spring 2007. One additional padsite has been occupied, and a hotel has been opened on the south end. The two remaining padsites are still open for development. The City budgeted and contributed City funds to help meet the debt service schedule in 2017, but will need additional development to continue to service the debt without impacting other City funds.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the electric fund at the end of the year totaled $10,586,911, an increase of $674,052 from 2016. The net position of the water/sewer fund amounted to $28,228,467 at the end of 2017, an increase of $893,663 from 2016.

General Fund Budgetary Highlights

On a budgetary basis, the General Fund is the main operating fund of the City of Harrisonville. The budgetary basis fund balance increased $56,124 from the prior year. The General Fund's expenditures were less than budgeted amounts by $1,106,338.

Capital Asset and Debt Administration

At the end of December 31, 2017, the City had $61,829,643 invested in capital assets including land, buildings and improvements, equipment, vehicles, infrastructure, and water and sewer lines net of accumulated depreciation. (See table below) This represents a net increase of $3,079,835 from last year. See Note 6 to basic financial statements for more information and detail on the City's capital assets

Capital assets, net of accumulated depreciation

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 813,674	$ 813,674	$ 1,588,031	$ 1,588,031	$ 2,401,705	$ 2,401,705
Construction in progress	926,350	813,041	6,868,410	2,458,791	7,794,760	3,271,832
Buildings and improvements	16,512,086	16,566,434	15,398,123	15,817,113	31,910,209	32,383,547
Machinery and equipment	1,006,003	1,055,649	500,979	923,542	1,506,982	1,979,191
Vehicles	657,497	476,462	296,175	329,131	953,672	805,593
Infrastructure	2,959,300	3,171,061	14,303,015	14,736,879	17,262,315	17,907,940
Total	$ 22,874,910	$ 22,896,321	$ 38,954,733	$ 35,853,487	$ 61,829,643	$ 58,749,808

Significant governmental activities additions include various infrastructure improvements of approximately $500,000; ambulance and other EMS equipment of $323,000; and public safety and streets vehicles approximating $135,000.

Significant business-type activities includes the continued construction in progress of approximately $4.4 million in improvements to the water treatment plant. These improvements were funded by the voter approved bonds utilizing the State Revolving Fund financing program through the Missouri Department of Natural Resources.

As of December 31, 2017, the City had total long-term debt outstanding of $22,270,317. Details of the existing debt obligations of the City are discussed in Note 7 to the financial statements. The City continues to have no general obligation debt.

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Compensated absences	$ 299,624	$ 260,171	$ 143,638	$ 113,489	$ 443,262	$ 373,660
Certificates of participation	3,930,000	4,650,000	-	-	3,930,000	4,650,000
Revenue bonds	-	-	11,336,767	8,181,700	11,336,767	8,181,700
Tax increment revenue bonds	6,245,000	6,585,000	-	-	6,245,000	6,585,000
Promissory notes	100,774	126,602	159,974	190,250	260,748	316,852
Capital leases	50,795	98,744	-	-	50,795	98,744
Premiums	34,287	42,857	68,002	79,556	102,289	122,413
Discounts	(94,841)	(104,326)	(3,703)	(4,938)	(98,544)	(109,264)
Total	$ 10,565,639	$ 11,659,048	$ 11,704,678	$ 8,560,057	$ 22,270,317	$ 20,219,105

Economic Outlook

The City of Harrisonville, Missouri, continues to benefit from a relatively stable economic situation and shows some signs of progress. Overall employment has remained steady and sales tax collections have slightly increased. Some new retail development is still under way, and the City continues to be in the minds of potential commercial and industrial customers. The Missouri Department of Transportation in conjunction with local funding partners, completed construction of significant improvements to North MO-291. Voters in November 2014 approved $7 million in revenue bonds to fund improvements in the City's water treatment plant and process which will provide better, cleaner water for years to come. Bonds were issued in January 2017 and the contractor awarded the project. Construction began in February 2017 on the improvements to the water treatment plant and continues with completion projected in summer 2018. These public infrastructure investments should help maintain and strengthen our commercial base. Nearly $1 million of infrastructure improvements are planned to be complete in 2018 including sidewalks, storm water, and street overlay projects. The Towne Center TIF bonds are scheduled for refunding (refinancing) of $5,560,000 in order to take advantage of lower interest rates that provides projected saving of nearly $1 million over the life of the debt. The Board of Aldermen and City staff take a vigilant approach to monitoring the City's financial health, identifying and acting on trends in order to forestall any major problems.

Financial Contact

These financial statements are designed to provide a general overview of the City's finances and to demonstrate the City's accountability. Any questions or request for additional information should be directed to the Director of Finance, 300 E. Pearl Street, Harrisonville, Missouri 64701.

Exhibit A

City of Harrisonville
Statement of Net Position
December 31, 2017

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Unit**
Assets				
Cash and investments	$ 4,539,515	$ 7,927,800	$ 12,467,315	$ 43,112
Receivables:				
Taxes	689,648	-	689,648	36,467
Accounts and other	558,909	2,115,830	2,674,739	-
Due from other governments	64,936	232,190	297,126	36,900
Due from fiduciary fund	477,941	-	477,941	-
Due from component unit	275,000	-	275,000	-
Due from primary government	-	-	-	55,350
Prepaids, deposits, and other assets	247,983	86,495	334,478	-
Inventory	118,075	614,946	733,021	-
Restricted assets:				-
Cash and investments	1,088,842	2,371,483	3,460,325	-
Net pension asset	1,108,827	374,352	1,483,179	-
Capital assets:				
Not being depreciated	1,740,024	8,456,441	10,196,465	-
Being depreciated, net of depreciation	21,134,886	30,498,292	51,633,178	-
Total assets	32,044,586	52,677,829	84,722,415	171,829
Deferred Outflows of Resources				
Deferred charges on refunding	243,125	-	243,125	-
Deferred outflow - pension related activity	1,281,549	451,214	1,732,763	-
Total deferred outflows of resources	1,524,674	451,214	1,975,888	-
Liabilities				
Accounts payable	142,346	888,585	1,030,931	-
Accrued liabilities	175,616	114,600	290,216	-
Unearned revenues	24,005	-	24,005	-
Accrued interest	59,657	-	59,657	105,547
Due to component unt	55,350	-	55,350	-
Due to primary government	-	-	-	275,000
Customer deposits	-	907,146	907,146	-
Court bonds	6,621	-	6,621	-
Long term debt:				
Due within one year	1,479,527	1,122,076	2,601,603	-
Due in more than one year	9,086,112	10,582,602	19,668,714	14,326,059
Total liabilities	11,029,234	13,615,009	24,644,243	14,706,606
Deferred Inflows of Resources				
Deferred inflow - property taxes	428,391	-	428,391	-
Deferred inflow - pension related activity	442,537	90,962	533,499	-
Total deferred inflows of resources	870,928	90,962	961,890	-
Net Position				
Net investment in capital assets	19,097,020	27,393,693	46,490,713	-
Restricted :				
Restricted for pension benefits	1,947,839	734,604	2,682,443	-
Other programs	115,209	-	115,209	-
Debt service	1,055,171	2,371,483	3,426,654	-
Parks and recreation	134,621	-	134,621	-
Unrestricted (deficit)	(680,762)	8,923,292	8,242,530	(14,534,777)
Total net position	$ 21,669,098	$ 39,423,072	$ 61,092,170	$ (14,534,777)

See accompanying notes to the basic financial statements

City of Harrisonville
Statement of Activities
For the Year Ended December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**Component Unit**
Primary government:								
Government activities								
General government	$ 1,947,920	$ 1,756,474	$ 72,445	$ -	$ (119,001)	$ -	$ (119,001)	$ -
Public safety	2,944,912	219,959	-	-	(2,724,953)	-	(2,724,953)	-
Streets	1,038,983	-	405,160	-	(633,823)	-	(633,823)	-
Community development	462,686	-	-	-	(462,686)	-	(462,686)	-
Animal control	188,968	30,774	11,594	-	(146,600)	-	(146,600)	-
Airport	310,155	137,688	-	42,678	(129,789)	-	(129,789)	-
Emergency services	2,465,996	1,180,436	-	-	(1,285,560)	-	(1,285,560)	-
Parks and recreation	578,632	71,277	32,281	-	(475,074)	-	(475,074)	-
Community center	1,478,570	843,257	-	-	(635,313)	-	(635,313)	-
Interest on long-term debt	535,073	-	-	-	(535,073)	-	(535,073)	-
Total governmental activities	11,951,895	4,239,865	521,480	42,678	(7,147,872)	-	(7,147,872)	-
Business-type activities								
Electric	10,310,545	11,540,159	232,190	-	-	1,461,804	1,461,804	-
Water/Sewer	4,140,949	4,885,863	-	-	-	744,914	744,914	-
Refuse	505,148	515,499	-	-	-	10,351	10,351	-
Aquatic center	288,454	160,654	-	-	-	(127,800)	(127,800)	-
Total business-type activities	15,245,096	17,102,175	232,190	-	-	2,089,269	2,089,269	-
Total primary government	$ 27,196,991	$ 21,342,040	$ 753,670	$ 42,678	(7,147,872)	2,089,269	(5,058,603)	-
Component Unit								
Economic development	$ 612,880	$ -	$ -	$ -	-	-	-	(612,880)
Total component unit	$ 612,880	$ -	$ -	$ -	-	-	-	(612,880)
General revenues:								
Taxes:								
Property taxes					807,004	-	807,004	171,361
Sales taxes					4,151,829	-	4,151,829	427,602
Franchise taxes					534,629	-	534,629	-
Tax increment financing taxes					97,479	-	97,479	-
Other taxes					316,737	-	316,737	-
Unrestricted investment earnings					124,751	181,214	305,965	-
Gain on disposal of capital assets					41,451	-	41,451	-
Other					453,822	105,613	559,435	15,820
Transfers:								
Payment in lieu of taxes					925,375	(925,375)	-	-
Total general revenues and transfers					7,453,077	(638,548)	6,814,529	614,783
Change in net position					305,205	1,450,721	1,755,926	1,903
Net position (deficit), beginning of year, as restated					21,363,893	37,972,351	59,336,244	(14,536,680)
Net position (deficit), end of year					$ 21,669,098	$ 39,423,072	$ 61,092,170	$ (14,534,777)

See accompanying notes to the basic financial statements

Exhibit C

City of Harrisonville
Balance Sheet - Governmental Funds
December 31, 2017

	General Fund	Sales Tax Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	$ 4,461,306	$ 3,348	$ 54,292	$ 1,150	$ 19,419	$ 4,539,515
Receivables:						
Taxes	520,157	158,729	-	7,657	3,105	689,648
Accounts and other	520,742	-	38,167	-	-	558,909
Due from other governments	33,195	-	-	31,741	-	64,936
Due from other funds	477,941	-	-	47,611	-	525,552
Due from component unit	275,000	-	-	-	-	275,000
Prepaids, deposits and other assets	216,324	-	22,391	-	9,268	247,983
Inventory	118,075	-	-	-	-	118,075
Restricted cash and investments	121,830	-	-	727,749	239,263	1,088,842
Total Assets	$ 6,744,570	$ 162,077	$ 114,850	$ 815,908	$ 271,055	$ 8,108,460
Liabilities						
Accounts payable	$ 124,484	$ -	$ 11,931	$ -	$ 5,931	$ 142,346
Accrued liabilities	151,829	-	10,458	-	13,329	175,616
Unearned revenues	14,467	-	9,538	-	-	24,005
Court bonds payable	6,621	-	-	-	-	6,621
Due to component unit	40,590	14,760	-		-	55,350
Due to other funds	34,915	12,696	-	-	-	47,611
Total Liabilities	372,906	27,456	31,927	-	19,260	451,549
Deferred inflows of resources						
Unavailable revenues	354,973	-	-	-	73,418	428,391
Fund balances:						
Nonspendable:						
Prepaid items and inventory	334,399	-	22,391	-	9,268	366,058
Advances to component unit and other fun	752,941	-	-	-	-	752,941
Restricted:						
Other programs	115,209	-	-	-	-	115,209
Debt service	-	-	-	815,908	239,263	1,055,171
Parks and recreation	-	134,621	-	-	-	134,621
Committed:						
Community center	-	-	60,532	-	-	60,532
Unassigned (deficit)	4,814,142	-	-	-	(70,154)	4,743,988
Total fund balance	6,016,691	134,621	82,923	815,908	178,377	7,228,520
Total liabilities, deferred inflows and fund balances	$ 6,744,570	$ 162,077	$ 114,850	$ 815,908	$ 271,055	$ 8,108,460

See accompanying notes to the basic financial statements

Exhibit C
Continued

City of Harrisonville
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2017

Fund balances of governmental funds	$	7,228,520
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset is not available to pay for current period expenditures and are therefore deferred in the fund statements		1,108,827
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		22,874,910
Deferred charges on refunding are not due and payable in the current period and therefore not reported in the governmental fund statements		243,125
Deferred outflows and inflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		839,012
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(59,657)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts 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:		
Long-term liabilities		(10,565,639)
Net position of governmental activities	$	21,669,098

See accompanying notes to the basic financial statements

Exhibit D

City of Harrisonville
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Sales Tax Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 523,472	$ -	$ -	$ 144,052	$ 139,480	$ 807,004
Sales	2,856,938	1,010,150	-	284,741	-	4,151,829
Franchise	534,629	-	-	-	-	534,629
Other	316,737	-	-	-	-	316,737
Licenses, fess and permits	156,648	-	-	-	-	156,648
Charges for services	2,939,173	-	843,257	-	71,278	3,853,708
Intergovernmental	447,838	-	-	97,479	31,326	576,643
Fines and forfeitures	212,799	-	-	-	-	212,799
Investment income	118,684	2,788	-	1,284	1,995	124,751
Other	70,542	-	581	26	12,163	83,312
Reimbursements	72,445	-	-	-	-	72,445
Total revenues	8,249,905	1,012,938	843,838	527,582	256,242	10,890,505
Expenditures:						
Current:						
General government	1,770,539	-	-	-	-	1,770,539
Public safety	2,729,997	-	-	-	-	2,729,997
Streets	811,558	-	-	-	-	811,558
Community development	401,630	-	-	10,931	-	412,561
Animal control	175,523	-	-	-	-	175,523
Airport	179,513	-	-	-	-	179,513
Emergency services	2,201,925	-	-	-	-	2,201,925
Parks and recreation	-	-	-	-	493,664	493,664
Community center	-	-	1,104,224	-	-	1,104,224
Capital outlay	856,107	-	23,109	-	113,309	992,525
Debt service:						
Principal	47,949	-	25,828	340,000	720,000	1,133,777
Interest and fiscal charges	2,819	-	2,857	301,063	119,138	425,877
Total expenditures	9,177,560	-	1,156,018	651,994	1,446,111	12,431,683
Excess of revenues over (under) expenditures	(927,655)	1,012,938	(312,180)	(124,412)	(1,189,869)	(1,541,178)
Other financing sources (uses):						
Transfers in	-	-	390,209	180,000	1,091,263	1,661,472
Transfers out	(484,000)	(1,095,972)	-	-	(81,500)	(1,661,472)
Payments in lieu of taxes (PILOTS)	925,375	-	-	-	-	925,375
Sale of capital assets	41,451	-	-	-	-	41,451
Insurance proceeds	357,361	-	19,342	-	23,066	399,769
Total other financing sources (uses)	840,187	(1,095,972)	409,551	180,000	1,032,829	1,366,595
Net change in fund balances	(87,468)	(83,034)	97,371	55,588	(157,040)	(174,583)
Fund balances, beginning of year, as restated	6,104,159	217,655	(14,448)	760,320	335,417	7,403,103
Fund balances, end of year	$ 6,016,691	$ 134,621	$ 82,923	$ 815,908	$ 178,377	$ 7,228,520

See accompanying notes to the basic financial statements

Exhibit D
(continued)

City of Harrisonville
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017

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

Net change in fund balances - total governmental funds	$ (174,583)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay costs in excess of capitalization threshold	1,206,587
Depreciation	(1,227,998)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Principal payments on long-term debt	1,133,777
Changes in unamortized bond issuance discount and premium	(915)
Changes in accrued interest expense	(59,656)
Changes in deferred amount on refunding	(48,625)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	(39,453)
Change in net pension liability/asset	871,391
Change in pension related deferred outflows	(1,388,918)
Change in pension related deferred inflows	33,598
Change in net position of governmental activities	$ 305,205

See accompanying notes to the basic financial statements

Exhibit E

City of Harrisonville
Statement of Net Position
Proprietary Fund
December 31, 2017

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets				
Current assets:				
Cash and investments	$ 2,957,059	$ 4,913,728	$ 57,013	$ 7,927,800
Accounts receivable, net	1,496,004	575,338	44,488	2,115,830
Intergovenmental	232,190	-	-	232,190
Prepaid expenses	31,401	52,931	2,163	86,495
Inventory	427,583	187,363	-	614,946
Total current assets	5,144,237	5,729,360	103,664	10,977,261
Noncurrent assets:				
Restricted cash and investments	708,935	1,662,548	-	2,371,483
Capital assets:				
Not being depreciated	485,904	7,970,537	-	8,456,441
Being depreciated, net of depreciation	6,302,774	23,691,436	504,082	30,498,292
Net pension Asset	171,813	202,539	-	374,352
Total noncurrent assets	7,669,426	33,527,060	504,082	41,700,568
Total assets	12,813,663	39,256,420	607,746	52,677,829
Deferred Outflow of Resources				
Deferred outflow - pension related activity	207,090	244,124	-	451,214
Liabilities				
Current liabilities:				
Accounts payable	655,298	233,287	-	888,585
Accrued liabilities	84,716	29,832	52	114,600
Customer deposits	907,146	-	-	907,146
Current portion of long-term debt	272,402	849,674	-	1,122,076
Total current liabilities:	1,919,562	1,112,793	52	3,032,407
Long-term liabilities:				
Long-term debt	472,532	10,110,070	-	10,582,602
Total long-term liabilities:	472,532	10,110,070	-	10,582,602
Total liabilities	2,392,094	11,222,863	52	13,615,009
Deferred Inflow of Resources				
Deferred inflow - pension related activity	41,748	49,214	-	90,962
Net position				
Net investment in capital assets	6,092,381	20,797,230	504,082	27,393,693
Restricted net position for:				
Restricted for pension benefits	337,155	397,449		734,604
Debt service	708,935	1,662,548	-	2,371,483
Unrestricted	3,448,440	5,371,240	103,612	8,923,292
Total net position	$ 10,586,911	$ 28,228,467	$ 607,694	$ 39,423,072

See accompanying notes to the basic financial statements

Exhibit F

City of Harrisonville
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	$ 11,540,159	$ 4,885,863	$ 676,153	$ 17,102,175
Total operating revenues	11,540,159	4,885,863	676,153	17,102,175
Operating expenses:				
Production	-	1,159,121	-	1,159,121
Distribution	8,165,374	534,909	-	8,700,283
Administration	1,781,283	1,098,876	698,472	3,578,631
Depreciation	315,655	1,024,228	86,666	1,426,549
Total operating expenses	10,262,312	3,817,134	785,138	14,864,584
Operating income	1,277,847	1,068,729	(108,985)	2,237,591
Nonoperating revenues (expenses):				
Interest income	47,072	133,687	455	181,214
Intergovernmental	232,190	-	-	232,190
Other income	90,551	15,062	-	105,613
Gain (loss) on asset disposal	(7,929)	(33,509)	(8,464)	(49,902)
Interest expense and fees	(40,304)	(290,306)	-	(330,610)
Total nonoperating revenues (expenses)	321,580	(175,066)	(8,009)	138,505
Income before transfers and payment in lieu of taxes	1,599,427	893,663	(116,994)	2,376,096
Payments in lieu of taxes (PILOTS)	(925,375)	-	-	(925,375)
Change in net position	674,052	893,663	(116,994)	1,450,721
Total net position, beginning of year, as restated	9,912,859	27,334,804	724,688	37,972,351
Total net position, end of year	$ 10,586,911	$ 28,228,467	$ 607,694	$ 39,423,072

See accompanying notes to the basic financial statements

City of Harrisonville
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:				
Receipts from customers and others	$ 11,429,608	$ 4,927,793	$ 671,843	$ 17,029,244
Payments to suppliers	(9,007,422)	(1,391,687)	(617,428)	(11,016,537)
Payments to employees	(840,833)	(1,177,321)	(82,823)	(2,100,977)
Net cash provided by (used in) operating activities	1,581,353	2,358,785	(28,408)	3,911,730
Cash Flows Provided by (used in) Noncapital Financing Activities:				
Transfers in (out)	-	-	(102,980)	(102,980)
Interfund activity	302,980	-	-	302,980
Pilots in lieu of taxes	(925,375)	-	-	(925,375)
Net Cash Flows Provided by (used in) Noncapital Financing Activities	(622,395)	-	(102,980)	(725,375)
Cash flows from investing activities:				
Interest received	47,072	133,687	455	181,214
Purchases of certificates of deposit	2,191,484	4,479,979	-	6,671,463
Maturity of certificates of deposit	(2,192,727)	(3,959,225)	-	(6,151,952)
Net cash flows provided by (used in) investing activities	45,829	654,441	455	700,725
Cash flows from capital and related financing activities:				
Purchases of capital assets	(109,543)	(4,468,158)	-	(4,577,701)
Intergovernmental revenues	90,551	15,062	-	105,613
Interest and fiscal charges	(40,304)	(290,306)	-	(330,610)
Proceeds from long-term debt	-	4,057,567	-	4,057,567
Principal payments on long-term debt	(213,765)	(711,479)	-	(925,244)
Net cash flows provided by (used in) capital and related financing activities	(273,061)	(1,397,314)	-	(1,670,375)
Net change in cash and equivalents	731,726	1,615,912	(130,933)	2,216,705
Cash and equivalents, beginning of year	742,783	(43,255)	187,946	887,474
Cash and equivalents, end of year	1,474,509	1,572,657	57,013	3,104,179
Investments and long-term certificates of deposit	2,191,485	5,003,619	-	7,195,104
Total cash and investments reported on the Statement of Net Position	$ 3,665,994	$ 6,576,276	$ 57,013	$ 10,299,283
Cash and investments reported on the Statement of Net Position				
Cash and investments	$ 2,957,059	$ 4,913,728	$ 57,013	$ 7,927,800
Restricted cash and investments	708,935	1,662,548	-	2,371,483
Total cash and investments	$ 3,665,994	$ 6,576,276	$ 57,013	$ 10,299,283
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income	$ 1,277,847	$ 1,068,729	$ (108,985)	$ 2,237,591
Adjustments to reconcile operating income to net cash provided by operations:				
Depreciation and amortization	315,655	1,024,228	86,666	1,426,549
Change in compensated absences	12,298	-	-	12,298
Changes in net pension asset/liability	(138,535)	(140,169)	-	(278,704)
Changes in deferred outflows of resources	91,182	200,554	-	291,736
Changes in deferred inflows of resources	14,916	9,211	-	24,127
Changes in:				
Receivables	(37,067)	41,930	(4,310)	553
Prepaid expenses and deposits	(8,590)	21,014	278	12,702
Inventory	108,659	(6,246)	-	102,413
Accounts payable	(41,013)	141,092	(2,109)	97,970
Accrued liabilities	(32,426)	(1,558)	52	(33,932)
Customer deposits	18,427	-	-	18,427
Net cash provided by (used in) operating activities	$ 1,581,353	$ 2,358,785	$ (28,408)	$ 3,911,730

See accompanying notes to the basic financial statements

Exhibit H

City of Harrisonville
Statement Assets and Liabilities - Fiduciary Funds
December 31, 2017

	Agency Funds
ASSETS:	
Cash and investments	$ 328,926
Taxes receivable	181,156
Total assets	$ 510,082
LIABILITIES:	
Held for others	$ 510,082
Total liabilities	$ 510,082

See accompanying notes to the basic financial statements

(1) Summary of Significant Accounting Policies

The City of Harrisonville, Missouri (the City) was founded in 1837. The City is a fourth-class city in which citizens elect the Mayor at large and eight council members by wards. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, airport, and cemetery operations. Other services include electric, water, sewer, and sanitation operations.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The accompanying financial statements present the City (the primary government) and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In determining the financial reporting entity, the City complies with GAAP, and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden exists.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service, and special financing relationships. Component units are reported in the City's financial statements as follows:

Discretely Presented Component Unit

A discretely presented component unit is a separate legal entity that meets the component unit criteria. This criteria includes the ability to impose its will on or significantly influence the organization or if a financial benefit or burden relationship exists.

The Market Place TIF District Fund (the District) accounts for the revenues and expenses associated with the Market Place Redevelopment Project.

Blended Component Unit

In addition to the criteria noted above, a blended component unit's governing body is the same or substantially the same as the City's Board of Aldermen, or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation.

The Towne Center TIF Fund accounts for proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax proceeds and uses generated by the District. The City has not adopted an annual budget for this fund.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following is the City's major governmental funds:

General Fund – this fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. For financial reporting purposes, the City's Emergency Services Fund's activities are included in the General Fund.

Sales Tax Fund - this fund is used to accumulate revenues from a special sales tax for capital improvements.

Community Center Fund - this fund is responsible for the operations of the City's Community Center. The fund is financed by charges for services.

Towne Center TIF Fund - this fund accounts for the proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax proceeds and uses generated by the District. The City has not adopted an annual budget for this fund.

PROPRIETARY FUNDS

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following are the City's major proprietary funds:

Electric Fund – this fund accounts for the billing and collection of charges for electric service for most city residents. Revenues are used to pay for both operations and capital outlay to maintain this service.

Water and Sewer Fund – this fund accounts for the billing and collection of charges for water and sanitary sewer services to the residents of the City and a limited number of customers outside of City limits. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following nonmajor funds:

Governmental Funds

Park Fund – this fund is primarily used for the maintenance of the City's parks. The fund is financed by property and license fees.

Debt Service Fund – this fund is used to account for the accumulation of financial resources for, and the payment of, the principal and interest for the 2012 Certificates of Participation.

Proprietary Funds

Aquatic Center Fund – This fund accounts for the operations and maintenance of the Aquatic Center.

Refuse Fund – this fund accounts for the provision of refuse collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Fiduciary Funds

This fund accounts for the City's fiduciary responsibility to account for the receipts and disbursements associated with the Highway 71/291 Partners in Progress TDD and the Hospital Interchange TDD.

C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The City considers all revenues for investment earnings, special assessments and state levied, locally shared taxes (including motor vehicle fees) and other intergovernmental revenues to be available if the revenues are collected within sixty days after year-end. Proceeds and payments of long-term debt are reported as other financing sources and uses.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

D. Cash and Investments

The City maintains a cash and investment pool in which a majority of the City's funds share. Each fund type's portion of this pool is displayed in the financial statements as cash and investments, and investments made in accordance with bond ordinances are reflected as restricted cash and investments. Permissible investments include obligations of the U.S. Government, State of Missouri, bonds, bills or notes guaranteed by the U.S., state or city governments, certificates of deposit, repurchase agreements, banker's acceptances, and commercial paper. Investments are reported at fair value based on quoted market prices. Interest earned from the pool is allocated to the funds on the basis of average monthly cash and investment balances.

E. Accounts Receivable

Governmental activities accounts receivable consists of miscellaneous services provided to citizens. Business-type activities represent billed and unbilled charges for water, electric, sewer, and sanitation services. Accounts receivable are shown net of an allowance for uncollectible accounts.

F. Prepaid Items

Prepaid items reflect the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized using the consumption method over the policy periods in both the government-wide and fund financial statements.

G. Inventory

Inventory is stated at the lower of costs of market using the first-in, first-out (FIFO) method. Inventories primarily consist of materials and supplies. The costs of these inventories are recorded as an expense when consumed or sold.

H. Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more 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 capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	15 – 50 years
Machinery and equipment	5 – 40 years
Infrastructure – Streets	7 – 50 years
Transmission lines and mains	30 – 50 years

I. Compensated Absences

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

J. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The item results from actuarial assumption changes, the difference between actual and projected earnings in calculating the net pension asset, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The item relates to the change in actual and projected experience in calculating the pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

For purposes of measuring the net pension asset or 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.

K. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

Payment in Lieu of Taxes (PILOTS) – paid from the City's electric fund to the general fund were $925,375 for the year ended December 31, 2017.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

L. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance or resolution by the Board of Alderman, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not met the criteria to be classified as committed. In accordance with the approved City policy only City Council has the authority to assign amounts for a specific purpose in this category.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Deficit fund equity

At December 31, 2017, the Parks Fund and the Emergency Service Fund (which is reported with the City's General Fund) has deficit fund balances of $60,886 and $245,552, respectively. These deficits will be eliminated as resources are obtained from revenues and transfers in.

M. Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Statement of Cash Flows

Proprietary Fund investments maintained in the City's pooled investments are readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and generally have a maturity of less than three months when purchased. Accordingly, for purposes of the statement of cash flows, these investments are considered cash equivalents.

O. Stewardship, Compliance and Accountability

The Missouri Revised Statutes (RSMo) require all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted budgets include the general fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting. Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Section 67.010 RSMo.

P. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on total assets, liabilities, net position/fund balance or the change in net position/fund balance for any opinion unit.

Q. Use of Estimates

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

(2) Cash and Investments

A summary of the carrying values of deposits, investments and petty cash at December 31, 2017 is as follows:

Deposits	$	3,183,754
Certificates of deposit		9,456,910
Investments		2,407,141
Investments held in trust		1,248,573
Petty Cash		3,300
Total	$	16,299,678

These carrying values are reflected on the financial statements as follows:

Government-wide:		
Cash and investments	$	12,467,315
Restricted cash and investments		3,460,325
		15,927,640
Component unit:		
Cash and investments		43,112
Agency funds:		
Cash and investments		328,926
Total	$	16,299,678

Investment Policy

The City deposits and invests all monies as allowed by state statute and in accordance with its investment policy. State statutes allow the City to deposit in open accounts and certificates of deposit, and to invest in direct obligations of the U.S. Government, U.S. Government agency obligations and repurchase agreements. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by states statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially, all excess cash is invested in repurchase agreements, certificates of deposits, and federal agency securities. Each fund's portion of this pool is displayed as cash and investments or in restricted assets. Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets are invested in accordance with bond ordinances by the trustee in money market mutual funds and U.S. Government agency obligations.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize all deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name but does not limit the holdings of any one counterparty.

At December 31, 2017, the pooled U.S. Government agency investments were held by the City's financial institution in the City's name. Restricted investments are held in the City's name by the bond trustee in accordance with the related bond indenture.

At December 31, 2017, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held by the City's agent in the City's name.

The carrying amount and maturity segment for the City's investments at December 31, 2017 are as follows:

		Investment Maturity	
Investments	**Total**	**1 year or less**	**1 to 5 years**
Federal Farm Credit Banks	$ 1,135,299	$ 218,166	$ 917,133
Federal Home Loan Bank	518,703	-	518,703
Federal Home Loan Mortgage Corporation	499,809	499,809	-
Federal National Mortgage Association	253,330	-	253,330
Totals	$ 2,407,141	$ 717,975	$ 1,689,166
Investments held in trust			
Money market mutual funds	$ 1,248,573	$ 1,248,573	$ -

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to minimize credit risk by limiting its investments to Certificates of Deposit, bonds, or other obligations of the United States, and other debt securities given the highest available rating by a nationally recognized statistical rating organization. The only security listed above that is not either a U.S. Government obligation, or explicitly guaranteed by the U.S. Government is the Financial Square Treasury Money Market Fund which is rated Aaa-mf by Standard & Poor's as of yearend.

Interest Rate Risk

The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses arising from changes in interest rates. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. The U.S. Government and agency obligations above have maturity dates ranging from June 12, 2018 to August 8, 2021.

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of U.S. Government agency securities and are included above.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2017:

Investments	**Level 1**
Federal Farm Credit Banks	$ 1,135,299
Federal Home Loan Bank	518,703
Federal Home Loan Mortgage Corporation	499,809
Federal National Mortgage Association	253,330
Totals	$ 2,407,141
Investments held in trust	
Money market mutual funds	$ 1,248,573

All of the City's investments are classified as Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City, and are delinquent on January 1 (the lien date) following the levy date. Assessed values are established by the county assessor, subject to review by the County's Board of Equalization. The assessed value of local property at January 1, 2017, was $120,615,711.

The tax levy per $100 of assessed valuation of tangible property for the tax year ended December 31, 2017 was as follows:

General operating	$0.5672
Park	0.1283
	$0.6955

Taxes receivable consisted of the following at December 31, 2017:

	Property Taxes	Sales Taxes	Franchise Taxes	Total
Governmental funds:				
General fund	$ 14,202	$ 447,436	$ 58,519	$ 520,157
Sales tax fund	-	158,729	-	158,729
Towne Center TIF fund	-	7,657	-	7,657
Nonmajor funds	3,105	-	-	3,105
	$ 17,307	$ 613,822	$ 58,519	$ 689,648

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year consisted of the following:

	General Fund	Towne Center TIF Fund	Nonmajor Funds	Total Governmental Funds	Electric Fund
Grants - Federal, State and	$ 42,678	$ -	$ 31,326	$ 74,004	$ 232,190
State:					
Motor vehicle fees and	405,160	-	-	405,160	-
Local:					
Intergovernmental activity	-	97,479	-	97,479	-
Total Intergovernmental	$ 447,838	$ 97,479	$ 31,326	$ 576,643	$ 232,190

Amounts due from other governments at December 31, 2017, were as follows:

	General Fund	Towne Center TIF Fund	Total Governmental Funds	Electric Fund
Grants - Federal, State and	$ -	$ -	$ -	$ 232,190
State:				
Motor vehicle fees and	33,195	-	33,195	-
Local:				
Intergovernmental activity	-	31,741	31,741	-
Total Intergovernmental	$ 33,195	$ 31,741	$ 64,936	$ 232,190

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2017 were as follows:

	Transfers Out: General Fund	Sales Tax Fund	Nonmajor Governmental Fund	Total
Transfers In:				
Community Center Fund	$ 131,500	$ 258,709	$ -	$ 390,209
Towne Center TIF Fund	98,500	-	81,500	180,000
Nonmajor Governmental Funds	254,000	837,263	-	1,091,263
Total governmental activities	$ 484,000	$ 1,095,972	$ 81,500	$ 1,661,472

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to use unrestricted revenues collected in a fund used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Interfund receivable and payable balances as of December 31, 2017 were as follows:

	Due to: General	Towne Center TIF Fund	Total
Due from:			
Governmental activities:			
General Fund	$ -	$ 34,915	$ 34,915
Sales Tax Fund	-	12,696	12,696
	-	47,611	47,611
Fiduciary fund:			
Highways 71/291 TDD	477,941	-	477,941
	$ 477,941	$ 47,611	$ 525,552

The interfund balances represent sales taxes received that have not yet been transferred to the TIF fund at year end. Amounts due to the General Fund from the Highway 71/291 TDD fund represent amounts advanced to fund certain TDD improvements that the TDD will reimburse the General Fund as further discussed in Note 10 G.

(6) Capital Assets

A summary of the changes in capital assets for the year is as follows:

Governmental activities:	January 1, 2017	Additions	Retirements	December 31, 2017
Capital assets, not being depreciated				
Land	$ 813,674	$ -	$ -	$ 813,674
Construction in progress	813,041	113,309	-	926,350
Total capital assets, not being depreciated	1,626,715	113,309	-	1,740,024
Capital assets, being depreciated				
Building and improvements	25,069,312	596,860	-	25,666,172
Machinery and equipment	4,881,280	152,891	1,104,116	3,930,055
Vehicles	2,768,026	343,527	-	3,111,553
Infrastructure	5,254,904	-	-	5,254,904
Total capital assets being depreciated	37,973,522	1,093,278	1,104,116	37,962,684
Less accumulated depreciation for:				
Building and improvements	8,502,878	651,208	-	9,154,086
Machinery and equipment	3,825,631	202,537	1,104,116	2,924,052
Vehicles	2,291,564	162,492	-	2,454,056
Infrastructure	2,083,843	211,761	-	2,295,604
Total accumulated depreciation	16,703,916	1,227,998	1,104,116	16,827,798
Total capital assets being depreciated, net	21,269,606			21,134,886
Governmental activities capital assets, net	$ 22,896,321			$ 22,874,910

Electric Fund	January 1, 2017	Additions	Retirements	December 31, 2017
Capital assets, not being depreciated				
Land	$ 99,716	$ -	$ -	$ 99,716
Construction in progress	386,188	-	-	386,188
Total capital assets, not being depreciated	485,904	-	-	485,904
Capital assets, being depreciated				
Building and improvements	4,520,536	-	-	4,520,536
Machinery and equipment	1,019,845	-	425,070	594,775
Vehicles	763,332	-	-	763,332
Infrastructure	7,983,998	109,544	-	8,093,542
Total capital assets being depreciated	14,287,711	109,544	425,070	13,972,185
Less accumulated depreciation for:				
Building and improvements	2,415,351	87,855	-	2,503,206
Machinery and equipment	787,114	21,695	417,141	391,668
Vehicles	455,575	45,833	-	501,408
Infrastructure	4,112,857	160,272	-	4,273,129
Total accumulated depreciation	7,770,897	315,655	417,141	7,669,411
Total capital assets being depreciated, net	6,516,814			6,302,774
Electric Fund capital assets, net	$ 7,002,718			$ 6,788,678

Water/Sewer	January 1, 2017	Additions	Retirements	December 31, 2017
Capital assets, not being depreciated				
Land	$ 1,488,315	$ -	$ -	$ 1,488,315
Construction in progress	2,072,603	4,409,619	-	6,482,222
Total capital assets, not being depreciated	3,560,918	4,409,619	-	7,970,537
Capital assets, being depreciated				
Building and improvements	22,497,203	17,367	-	22,514,570
Machinery and equipment	1,547,712	10,384	280,408	1,277,688
Vehicles	541,240	31,389	-	572,629
Infrastructure	17,471,014	-	-	17,471,014
Total capital assets being depreciated	42,057,169	59,140	280,408	41,835,901
Less accumulated depreciation for:				
Building and improvements	9,099,408	525,331	-	9,624,739
Machinery and equipment	1,141,980	97,249	246,293	992,936
Vehicles	519,866	18,512	-	538,378
Infrastructure	6,605,276	383,136	-	6,988,412
Total accumulated depreciation	17,366,530	1,024,228	246,293	18,144,465
Total capital assets being depreciated, net	24,690,639			23,691,436
Water/Sewer Fund capital assets, net	$ 28,251,557			$ 31,661,973

Aquatic Center Fund	January 1, 2017	Additions	Retirements	December 31, 2017
Capital assets, being depreciated				
Building and improvements	$ 2,022,950	$ -	$ -	$ 2,022,950
Machinery and equipment	46,590	-	23,311	23,279
Total capital assets being depreciated	2,069,540	-	23,311	2,046,229
Less accumulated depreciation for:				
Building and improvements	1,462,524	84,311	14,847	1,531,988
Machinery and equipment	7,804	2,355	-	10,159
Total accumulated depreciation	1,470,328	86,666	14,847	1,542,147
Total capital assets being depreciated, net	599,212			504,082
Aquatic Center Fund capital assets, net	$ 599,212			$ 504,082

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

Governmental Activities:	
General government	$ 115,929
Public safety	132,337
Street	289,313
Community development	27,112
Animal control	3,635
Airport	125,048
Emergency services	147,702
Parks and recreation	61,805
Community center	325,117
Total depreciation expense for Governmental activities	$ 1,227,998
Business-type Activities:	
Electric	$ 315,655
Water and sewer	1,024,228
Aquatic center	86,666
Total depreciation expense for Business-type activities:	$ 1,426,549

(7) Long-Term Debt

A summary of the changes in long-term debt is as follows:

Governmental Activities:	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Capital lease obligations	$ 98,744	$ -	$ 47,949	$ 50,795	$ 50,975
Tax increment revenue bonds	6,585,000	-	340,000	6,245,000	365,000
Promissory notes	126,602	-	25,828	100,774	19,843
Certificates of Participation	4,650,000	-	720,000	3,930,000	745,000
Premiums	42,857	-	8,570	34,287	8,570
Discounts	(104,326)	-	(9,485)	(94,841)	(9,485)
Compensated absences **	260,171	39,453	-	299,624	299,624
Total Governmental activities	11,659,048	39,453	1,132,862	10,565,639	1,479,527
Business-Type Activities:					
Electric Fund					
Revenue bonds:					
Series 2007	915,000	-	215,000	700,000	225,000
Discounts	(4,938)	-	(1,235)	(3,703)	(1,235)
	910,062	-	213,765	696,297	223,765
Compensated absences	36,339	12,298	-	48,637	48,637
Electric fund total	946,401	12,298	213,765	744,934	272,402
Water/Sewer Fund					
Revenue bonds:					
Series 2002	1,770,000	-	235,000	1,535,000	240,000
Series 2003	1,680,000	-	175,000	1,505,000	185,000
Series 2005	865,000	-	85,000	780,000	90,000
Series 2010	2,951,700	-	192,500	2,759,200	196,300
Series 2017	-	4,057,567	-	4,057,567	-
Premiums	79,556	-	11,554	68,002	11,554
	7,346,256	4,057,567	699,054	10,704,769	722,854
Promissory note	190,250	-	30,276	159,974	31,819
Compensated absences	77,150	17,851	-	95,001	95,001
Water/Sewer fund total	7,613,656	4,075,418	729,330	10,959,744	849,674
Total Business-type activities	8,560,057	4,087,716	943,095	11,704,678	1,122,076
Total primary government	$ 20,219,105	$ 4,127,169	$ 2,075,957	$ 22,270,317	$ 2,601,603

** governmental compensated absences are liquidated by the General, Park, Community Center, and Emerg. Management Funds

Component Unit	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Note payable	$ 9,000,000	$ -	$ -	$ 9,000,000	$ 9,000,000
Developer obligations	5,326,059	-	-	5,326,059	-
	$ 14,326,059	$ -	$ -	$ 14,326,059	$ 9,000,000

A. Governmental Activities Debt

Tax Increment Revenue Bonds

$8,630,000 Series 2007 Tax Increment Revenue Bonds (Towne Center Project). Proceeds were used for the purpose of providing funds to refinance the Series 2005 Tax Increment Financing Temporary Notes. The City, subject to annual appropriation, has pledged certain payments in lieu of taxes and economic activity taxes generated within the Towne Center TIF District. The Bonds do not constitute a general obligation of the City of Harrisonville, Missouri. Due in annual installments through November 1, 2028 including interest ranges from 4.25% to 5.0%.

Promissory Notes Payable

In 2011, the City entered into a promissory note payable of $171,931 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the Community Center. The note requires semi-annual payments of principal including interest at 2% until maturity on April 1, 2023.	$	97,987
In 2015, the City entered into a promissory note payable of $27,512 with Community Bank of Raymore for the purchase of certain equipment for the Community Center. The note requires monthly payments of principal and interest at 4% maturing on February 20, 2018.		2,787
	$	100,774

Certificates of Participation

$7,830,000 Series 2012 Refunding Certificates of Participation. Proceeds were used refund the Series 2003 Certificates of Participation. Due in annual installments through December 1, 2022 including interest ranges from 2.00% to 2.75%.

Capital Lease Obligation

The City has entered into a capital leasing agreement for airport hangers. The cumulative amount of assets acquired under the capital lease are $596,729 as of December 31, 2017. The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2017 were as follows:

Governmental Activities:		
Year ending December 31:		
2018	$	53,034
Less imputed interest		(2,239)
Present value of minimum lease payments	$	50,795

B. Business-type Activities Debt

Revenue Bonds – Electric Fund

$2,730,000 Series 2007 Electric System Refunding Revenue Bonds. Proceeds were used to refund outstanding Series 1999 Electric System Revenue Bonds. Due in annual installments through November 1, 2020 including interest from 4.0% to 4.5%.

Revenue Bonds – Water/Sewer Fund

$4,370,000 Series 2002 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program). $3,660,000 of the proceeds were used to fund certain improvements to the City's combined waterworks and sewerage system and $710,000 was issued to refund a prior issue of bonds of the City. Due in annual installments through July 1, 2023 including interest from 2.05% to 5.0%.

$3,295,000 Series 2003 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2024 including interest from 2.0% to 5.25%.

$1,710,000 Series 2005 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2025 including interest from 3.0% to 5.0%.

$3,288,541 Series 2010 Combined Waterworks and Sewerage System Revenue Bonds (Original amount not to exceed $4,300,000). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2030 including interest at 30% of the Revenue Bond Index as published in The Bond Buyer.

(Not to exceed $9,544,000) Series 2017 Combined Waterworks and Sewerage System Revenue Bonds (Outstanding amount at December 31, 2017) Proceeds were used to fund certain improvements to the City's sewer system. Due in semi-annual installments beginning January 1, 2019 through January 1, 2038 including interest from 1.15% and an administrative fee of .05%.

As of December 31, 2017, the sinking funds and the reserve funds were adequately funded and the City was in compliance with its rate covenants for all bonds.

Promissory Note Payable

In 2011, the City entered into a promissory note payable of $380,000 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the City's water/sewer facilities. The note requires semi-annual payments of principal including interest at 2% until maturity on October 1, 2022.

	Principal	Interest
2018	$ 31,819	$ 3,783
2019	32,620	2,982
2020	33,440	2,162
2021	34,282	1,320
2022	27,813	458
	$ 159,974	$ 10,705

C. ***Future Debt Service Requirements***

	Governmental Activities					
	Tax Increment Financing Bonds		Promissory Notes		Series 2012 Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 365,000	$ 286,188	$ 19,843	$ 1,935	$ 745,000	$ 95,663
2019	390,000	269,763	17,399	1,532	760,000	79,831
2020	425,000	252,213	17,749	1,182	785,000	62,731
2021	450,000	233,088	18,105	826	810,000	44,085
2022	485,000	212,837	18,469	462	830,000	22,825
2023-2027	2,815,000	704,387	9,209	92	-	-
2028	1,315,000	60,819	-	-	-	-
	$ 6,245,000	$ 2,019,295	$ 100,774	$ 6,029	$ 3,930,000	$ 305,135

	Business-type Activities					
	Series 2007 Electric System Refunding Bonds		Series 2002 Waterworks and Sewerage Bonds		Series 2003 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 225,000	$ 31,275	$ 240,000	$ 79,175	$ 185,000	$ 70,069
2019	225,000	21,375	245,000	65,975	195,000	60,332
2020	250,000	11,250	255,000	52,500	205,000	50,082
2021	-	-	260,000	39,750	215,000	39,319
2022	-	-	265,000	26,750	225,000	28,185
2023-2027	-	-	270,000	13,500	480,000	22,795
Totals	$ 700,000	$ 63,900	$ 1,535,000	$ 277,650	$ 1,505,000	$ 270,782

	Series 2005 Waterworks and Sewerage Bonds		Series 2010 Waterworks and Sewerage Bonds		Series 2017 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 90,000	$ 39,000	$ 196,300	$ 40,385	$ -	$ 109,756
2019	90,000	34,500	200,200	37,445	420,000	155,752
2020	95,000	30,000	204,400	34,447	427,000	148,789
2021	95,000	25,250	208,500	31,386	434,000	141,719
2022	100,000	20,500	212,600	28,264	441,000	134,525
2023-2027	310,000	31,250	1,129,000	92,259	2,314,000	560,670
2028-2032	-	-	608,200	13,685	2,510,000	362,587
2023-2037	-	-	-	-	2,717,000	147,964
2038	-	-	-	-	281,000	2,318
Totals	$ 780,000	$ 180,500	$ 2,759,200	$ 277,871	$ 9,544,000	$ 1,764,080

D. Component Unit

Tax Increment Revenue Note

On December 18, 2009, the City issued $9,000,000 in Tax Increment Revenue Notes for the purpose of providing funds to pay for certain reimbursable costs associated with the Cooperation, Financing, and Pledge Agreement (CFP Agreement) dated December 18, 2009, between the City; Harrisonville MP, LLC; The Harrisonville Market Place Transportation Development District A (TDD A); and The Harrisonville Market Place Transportation Development District B (TDD B).

The City has pledged the incremental payments in lieu of taxes and Economic Activity Taxes generated by the private development within the Market Place TIF District (the District). Additional revenues generated by the TDD A and TDD B districts are also pledged to the repayment of the Note. The Note does not constitute a general obligation of the City.

From the date of this Note, the applicable interest rate on the unpaid principal balance of this Note was 6% per annum. During 2011, the interest rate on this Note was adjusted to 4.75% and as of April 1, 2014, it again changed to 6.5%, and on April 1, 2017 to 6.0% with payments due annually. The restructured Note does not call for regular principal payments, and no balloon payment is disclosed on the Note. The City is required to submit collections of revenues for the District to a separate account, which is used to pay the required annual payment.

Developer Obligations

Certain developers have incurred certain costs that are eligible for reimbursement under the Market Place TIF Plan. These obligations are special limited obligations of the City, payable only to the extent of available tax increment financing revenues are available upon retirement of the tax increment revenue note discussed above. At December 31, 2017, the total obligations under these agreements was $5,326,059.

(9) Employees Retirement System

A. Plan Description

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

B. 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) 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 receive a reduced allowance.

	2017 Valuation
Benefit Multiplier:	1.75% for life, plus 0.25% to age 65
Final Average Salary:	3 Years
Member Contributions:	0%

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

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive members or beneficiaries currently receiving benefits	47	16	1	64
Inactive members entitled to but not yet receiving benefits	43	15	13	71
Active members	73	22	28	123
	163	53	42	258

D. 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 do not contribute to the pension plan. Employer contribution rates are 9.1% (General), 7.0% (Police) and 6.8% (Fire) of annual covered payroll.

E. Net Pension Asset

The City's net pension asset was measured as of June 30, 2017, and the total pension liability used to calculate the net pension assets was determined by an actuarial valuation as of February 28, 2017.

F. Actuarial Assumptions

The total pension liability in the February 28, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation (General and Police)
	3.25% to 7.15% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006.The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2017 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

G. 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.

H. Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at beginning of year	$ 25,027,162	$ 25,360,246	$ (333,084)
Changes for the year:			
Service Cost	576,243	-	576,243
Interest	1,797,529	-	1,797,529
Change in benefit terms	-	-	-
Difference between expected and actual experience	11,392	-	11,392
Change in assumptions	-	-	-
Contributions - employer	-	549,378	(549,378)
Contributions - employee	-	-	-
Net investment income	-	3,029,700	(3,029,700)
Benefit payments, including refunds	(1,051,857)	(1,051,857)	-
Administrative expense	-	(18,037)	18,037
Other changes (net transfer)	-	(25,782)	25,782
Net changes	1,333,307	2,483,402	(1,150,095)
Balances at end of year	$ 26,360,469	$ 27,843,648	$ (1,483,179)

I. Sensitivity of the Net Pension Liability/ (Asset) to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	$ 30,230,759	$ 26,360,469	$ 23,183,925
Plan Fiduciary Net Position	(27,843,648)	(27,843,648)	(27,843,648)
Net Pension Liability/(Asset)	$ 2,387,111	$ (1,483,179)	$ (4,659,723)

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

For the year ended December 31, 2017, the City recognized LAGERS pension expense of $1,077,547 ($717,086 (General), $236,281 (Police) and $124,180 (Fire)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Difference in experience	$ 121,432	$ 67,270	$ 13,523	$ 202,225
Assumption changes	404,138	78,874	37,281	520,293
Excess investment returns	511,289	158,568	48,131	717,988
Contributions subsequent to the measurement date*	195,812	64,297	32,148	292,257
Total	$ 1,232,671	$ 369,009	$ 131,083	$ 1,732,763
Deferred Inflows of Resources:				
Difference in experience	$ 345,453	$ 60,660	$ 127,386	$ 533,499

*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/(Asset) for the year ending December 31, 2018.

Net amounts reported as deferred outflows and deferred inflows of resources, excluding contributions subsequent to the measurement date, related to LAGERS pension will be recognized in pension expense as follows:

Year ending December 31:	General	Police	Fire	Total
2018	$ 341,668	$ 117,049	$ 20,400	$ 479,117
2019	342,043	117,051	20,400	479,494
2020	170,522	62,545	124	233,191
2021	(162,827)	(52,593)	(29,221)	(244,641)
2022	-	-	(9,107)	(9,107)
Thereafter	-	-	(31,047)	(31,047)
Total	$ 691,406	$ 244,052	$ (28,451)	$ 907,007

K. Payable to the Pension Plan

At December 31, 2017, the City paid all outstanding contributions to the LAGERS pension plan.

L. Summary of financial reporting of the City's pension plan:

	General	Police	Fire	Total
Governmental activities:				
Net Pension Liability/(Asset)	$ (547,595)	$ (23,642)	$ (537,590)	$ (1,108,827)
Business-type activities:				
Net Pension Liability/(Asset)	(374,352)	-	-	(374,352)
Total Net Pension Liability/(Asset)	$ (921,947)	$ (23,642)	$ (537,590)	$ (1,483,179)

Governmental activities:				
Pension related deferred outflows	$ 781,457	$ 369,009	$ 131,083	$ 1,281,549
Pension related deferred inflows	(254,491)	(60,660)	(127,386)	(442,537)
Business-type activities:				
Pension related deferred outflows	451,214	-	-	451,214
Pension related deferred inflows	(90,962)	-	-	(90,962)
Total	$ 887,218	$ 308,349	$ 3,697	$ 1,199,264

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the participants. Investments are managed by the plan's trustee under several investment options. The choice of the investment options is made by the participants.

(10) Commitments and Contingencies

A. 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 has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

The City is a member of the MPR (Midwest Public Risk), a not-for-profit corporation consisting of governmental entities incorporated in 1984 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability, and workers' compensation. The City participates in the workers' compensation insurance coverages.

MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest-bearing deposits, U.S. Treasury, and U.S. governmental agency obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during such year, and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year, and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the City is a member of MPR at the time of such assessment.

MPR's financial statements are presented in its Comprehensive Annual Financial Report.

B. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

C. Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

D. Promissory Note Receivable

On March 18, 2011, the City received a promissory note from Harrisonville Housing Associates, L.P. Clarkton, Missouri, in the amount of $750,490 with zero percent interest. The note calls for repayment of principal annually in an amount equal to 50% of cash flow, if any, allowed by the Missouri Housing Development Commission and the United States Department of Agriculture, Rural Housing Service (Rural Development) "the Agency." Such payment is due thirty days after the date that the audit of the Harrisonville Housing Associates, L.P., is approved by the Agency. In any event, all remaining indebtedness is due and payable on March 18, 2062. The note is secured by a Deed of Trust.

Since the ultimate collectability is uncertain, City management has established an allowance for uncollectible note receivable that is equal to the outstanding balance of the note receivable of $746,343 at December 31, 2017. There were no payments received on the note receivable for the year ended December 31, 2017. Funding for the loan was made available with a CDBG grant which is available for re-use from collections of principal for other eligible CDBG activity.

E. Long-term Contract

On March 21, 2005, the City entered into the Amended and Restated Missouri Public Energy Pool #1 Agreement (the MoPEP Agreement) among the Missouri Joint Municipal Electric Utility Commission (MJMEUC) and various cities within the state of Missouri who have also signed the MoPEP Agreement. Each of the cities who have signed the MoPEP Agreement are collectively referred to as (MoPEP Members).

Under the MoPEP Agreement, each MoPEP Member, including the City, has agreed to purchase from MJMEUC all of the MoPEP Member's requirements for electric capacity, energy, transmission and other necessary electric services from MJMEUC. MoPEP Members may also dedicate any member-owned electric capacity to MJMEUC for the benefit of MoPEP.

MJMEUC is required under the MoPEP Agreement to provide electric capacity, energy, transmission and other necessary electric services needed by MoPEP Members to fulfill their full requirements to service the MoPEP Members' retail customers. To meet the power and energy requirements of the City and the other MoPEP Members, MJMEUC presently obtains power and energy through: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) MJMEUC-owned generation; (iii) MoPEP Member capacity; and (iv) spot market purchases. Neither the City nor any other MoPEP Member has an ownership interest in any of MJMEUC's assets.

Each MoPEP Member (including the City) is liable under the MoPEP Agreement for its proportionate share of all costs associated with MJMEUC's performance under the MoPEP Agreement.

MoPEP operations are governed by a committee (Pool Committee) consisting of one representative from each MoPEP Member and is currently comprised of 35 members as of December 31, 2017.

The Pool Committee is charged with setting rates for all services provided by MJMEUC to MoPEP Members. These rates include recovery of all of MJMEUC's costs (the Direct Costs) incurred in connection with acquiring, providing, arranging or financing the provision of full requirements service to MoPEP Members. Such rates are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make under contracts and/or financial commitments and obligations entered into by MJMEUC necessary to provide full requirements service, without regard to whether any particular resource is available to or used by any particular MoPEP Member. Direct Costs also include amounts required to fund capital and/or operating reserves and debt service coverages MJMEUC is required to maintain pursuant to contract to serve MoPEP Members as established from time to time by the Pool Committee.

The MoPEP Agreement requires that rates charged to each MoPEP Member be established at least annually and adjusted to recognize variances between budgeted and actual costs at least every six months. Charges based on such rates are assessed and billed monthly. The City's payment obligations under the MoPEP Agreement are limited to the obligation to make payments from revenues of the City's electric utility system and available electric utility system revenues. All payments made by the City pursuant to the MoPEP Agreement are considered operation and maintenance expenses of the electric utility system. MoPEP Members are required under the MoPEP Agreement to at all times establish, maintain and collect rates, fee and charges for electric service sufficient to meet the MoPEP Member's obligations under the MoPEP Agreement.

In the event a MoPEP Member cancels the MoPEP Agreement, the member remains responsible for its allocated share of MJMEUC's Direct Costs associated with all resource obligations entered into by MJMEUC for MoPEP prior to the notice of cancellation. MJMEUC would utilize or sell the MoPEP Member's allocated share of output in exchange for providing the MoPEP Member a credit or offset equal to the fair market value of the output up to the amount of the MoPEP Member's payment obligation under the MoPEP Agreement. As a result, the MoPEP Member would have a financial obligation after cancellation in the event that the fair market value of the output is less than the MoPEP Member's allocated share of MJMEUC' s Direct Costs with respect to the resource obligations at the time of cancellation. Since the amount of the cancelling MoPEP Member's obligation would depend on MJMEUC's Direct Costs after cancellation and the fair market value of the output at such times in the future, the amount of the obligation is not reasonably determinable. Currently, the City has no plans or intentions to cancel the MoPEP Agreement. MJMEUC's audited financial statements are available on its website at www.mpua.org

During the year ended December 31, 2017, the City’s electricity purchased for resale under this agreement totaling $8,165,374.

F. Encumbrances

Encumbrance accounting is used in the governmental funds by recording purchase orders, contracts and other commitments for the expenditure of funds in order to assure effective budgetary control and accountability. The following encumbrances were outstanding at year end:

Fund	Oustanding Encumbrances
General Fund	$ 350,467
Park Fund	112,967
Total	$ 463,434

G. Commitments

On March 15, 2015, the City entered into an agreement with The Highways 71/291 Partners in Progress Transportation Development District (a fiduciary fund), to coordinate efforts for the design, construction, and operation of District projects. The agreement established a funding plan in which the City will provide funding advances to the District in the amount not to exceed $1,500,000. Under the agreement, the District Highways 71/291 Partners in Progress Transportation Development District is scheduled to begin repaying the City with interest at 6% beginning late 2023. As of December 31, 2017, the total amount advanced under this agreement was $477,941. Subsequent to yearend, an additional $406,887 has been advanced.

On October 3, 2016, the City approved a contract for improvements to the water treatment plant for approximately $8,200,000. Approximately $4,300,000 remains outstanding as of December 31, 2017. These improvements will be funded from unused portion of the Series 2017 Combined Waterworks and Sewerage System Revenue Bonds.

11) Tax Abatement

Tax abatements may be granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. The Real Property Tax Increment Allocation Redevelopment Act described under Sections 99.800-99.865 of the RSMo, enables cities to finance certain redevelopment costs with the incremental tax revenues generated by the net increase in assessed valuation resulting from the redevelopment (payment in lieu of taxes) and certain local taxes generated by new economic activity (economic activity taxes). For the ended December 31, 2017, tax abatement and incentives were as follows:

Payment in lieu of taxes	$ 31,766
Economic activity taxes	438,253
	$ 470,019

(12) Adjustments to the Prior Period Financial Statements

For the year ended December 31, 2017, management determined that following adjustments were to be made to the opening net position and fund balances:

Certain revenue recognition adjustments between the governmental funds and government-wide financial statements related to property and sales taxes were required to be in conformity with GASB Statement No. 33.

Certain adjustments were necessary to recognize unearned revenues in the proper period.

Certain adjustments were necessary to properly report certain unbilled utility amounts.

	Governmental Funds	Governmental Activities	Business-type Activities	Component Unit
Net position/fund balance beginning of year as previously reported	$ 7,798,732	$ 21,759,525	$ 37,997,169	$ 30,333
Revenue recognition - taxes	(437,956)	(437,956)	-	(135,407)
Revenue recognition - unearned revenue	42,327	42,324	3,399	-
Revenue recognition - utility billings	-	-	(28,217)	-
Net position/fund balance beginning of year as restated	$ 7,403,103	$ 21,363,893	$ 37,972,351	$ (105,074)

In addition, management determined that following adjustments should be made in reporting of the Tax Increment Financing Note previously reported between the City and its component unit as the City is not obligated for the note.

	Governmental Funds	Component Unit	Total
Due from Component Unit as previously reported	$ 9,380,547	$ -	$9,380,547
Due to Primary Government as previously reported	-	(9,380,547)	(9,380,547)
Change in reporting of the Tax Increment Revenue Note and related amounts	(9,105,547)	9,105,547	-
Due from Component Unit/ (Due to Primary Government)	$ 275,000	$ (275,000)	$ -

(13) Subsequent Events

The City evaluated subsequent events through April 11, 2018, the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

City of Harrisonville
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - General Fund
For the Year Ended December 31, 2017

	2017			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes:				
Property	$ 757,600	$ 757,600	$ 523,472	$ (234,128)
Sales	2,283,500	2,283,500	2,352,115	68,615
Franchise	1,635,250	1,635,250	534,629	(1,100,621)
Other	302,900	302,900	316,737	13,837
Licenses, fess and permits	119,100	119,100	156,648	37,548
Charges for services	1,771,242	1,771,242	1,762,487	(8,755)
Intergovernmental	541,550	541,550	447,838	(93,712)
Fines and forfeitures	255,000	255,000	212,799	(42,201)
Investment income	42,000	42,000	118,684	76,684
Other	79,750	79,750	64,454	(15,296)
Reimbursements	74,760	74,760	72,445	(2,315)
Total revenues	7,862,652	7,862,652	6,562,308	(1,300,344)
Expenditures:				
Current:				
General government	1,631,332	1,943,057	1,815,549	127,508
Public safety	2,956,815	3,070,211	2,775,594	294,617
Streets	976,088	894,737	830,129	64,608
Community development	553,832	553,832	401,697	152,135
Animal control	218,832	260,942	203,708	57,234
Airport	249,678	198,439	179,513	18,926
Capital outlay	1,316,870	1,135,000	745,962	389,038
Debt service:				
Principal	200,000	53,040	47,949	5,091
Interest and fiscal charges	-	-	2,819	(2,819)
Total expenditures	8,103,447	8,109,258	7,002,920	1,106,338
Excess of revenues over (under) expenditures	(240,795)	(246,606)	(440,612)	(194,006)
Other financing sources (uses):				
Transfers out	(234,000)	(786,000)	(786,000)	-
Payments in lieu of taxes (PILOTS)	-	-	925,375	925,375
Sale of capital assets	12,000	12,000	-	(12,000)
Insurance proceeds	-	-	357,361	357,361
Total other financing sources (uses)	(222,000)	(774,000)	496,736	1,270,736
Net change in fund balances	$ (462,795)	$ (1,020,606)	56,124	$ 1,076,730
Fund balances, beginning of year, as restated			5,855,652	
Fund balance, end of year, budget basis			5,911,776	
Adjustments:				
Encumbrances			350,467	
Fund balance - end of year - GAAP basis			$ 6,262,243	
Net change in fund balance - budget basis			$ 56,124	
Adjustments:				
Encumbrances			350,467	
Net change in fund balance - GAAP basis			$ 406,591	

Schedule 2

City of Harrisonville
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Sales Tax Fund
For the Year Ended December 31, 2017

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Sales	$ 1,021,000	$ 1,021,000	$ 1,010,150	$ (10,850)
Investment income	1,000	1,000	2,788	1,788
Total revenues	1,022,000	1,022,000	1,012,938	(9,062)
Expenditures:				
Current:				
Parks and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	1,022,000	1,022,000	1,012,938	(9,062)
Other financing sources (uses):				
Transfers in	-	73,974	-	(73,974)
Transfers out	(1,022,000)	(1,095,974)	(1,095,972)	2
Total other financing sources (uses)	(1,022,000)	(1,022,000)	(1,095,972)	(73,972)
Net change in fund balances	$ -	$ -	(83,034)	$ (83,034)
Fund balances, beginning of year, as restated			217,655	
Fund balances, end of year			$ 134,621	

Schedule 3

City of Harrisonville
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Community Center
For the Year Ended December 31, 2017

	2017 Original Budget	2017 Final Budget	2017 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 946,730	$ 946,730	$ 843,257	$ (103,473)
Investment income	1,500	1,500	-	(1,500)
Other	8,600	8,600	581	(8,019)
Total revenues	956,830	956,830	843,838	(112,992)
Expenditures:				
Current:				
Community center	1,173,111	1,179,116	1,104,224	74,892
Capital outlay	60,005	54,000	23,109	30,891
Debt service:				
Principal	26,725	26,725	25,828	897
Interest and fiscal charges	2,215	2,215	2,857	(642)
Total expenditures	1,262,056	1,262,056	1,156,018	106,038
Excess of revenues over (under) expenditures	(305,226)	(305,226)	(312,180)	(6,954)
Other financing sources (uses):				
Transfers in	184,735	387,959	390,209	2,250
Insurance proceeds	-	-	19,342	19,342
Total other financing sources (uses)	184,735	387,959	409,551	21,592
Net change in fund balances	$ (120,491)	$ 82,733	97,371	$ 14,638
Fund balances, beginning of year, as restated			(14,448)	
Fund balances, end of year			$ 82,923	

CITY OF HARRISONVILLE, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1. 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 General Fund of the City. The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without the Board of Aldermen approval. A review of the current year's budget is made by the departments in December of each year and interdepartmental transfers are made with Board of Aldermen approval. Any remaining unencumbered appropriations lapse at fiscal year-end unless re-appropriated by the Board of Aldermen. Any increase in appropriations during the fiscal year must be approved by the Board of Aldermen.

Schedule 4

City of Harrisonville
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2017

	Lagers		
	2017	**2016**	**2015**
Total Pension Liability			
Service costs	$ 576,243	$ 594,597	$ 592,093
Interest on total pension liability	1,797,529	1,673,775	1,580,623
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	11,392	(492,706)	(68,776)
Changes of assumptions	-	852,733	-
Benefit payments and refunds	(1,051,857)	(777,773)	(861,393)
Net change in total pension liability	1,333,307	1,850,626	1,242,547
Total pension liability - beginning of year	25,027,162	23,176,536	21,933,989
Total pension liability - end of year (a)	$ 26,360,469	$ 25,027,162	$ 23,176,536
Plan Fiduciary Net Position			
Contributions - employer	$ 549,378	$ 586,924	$ 685,868
Contributions - employee	-	-	-
Net investment income	3,029,700	(78,361)	499,642
Benefit payments and refunds	(1,051,857)	(777,773)	(861,393)
Administrative expenses	(18,037)	(16,911)	(17,429)
Other (net transfer)	(25,782)	(6,963)	296,476
Net change in plan fiduciary net position	2,483,402	(293,084)	603,164
Plan fiduciary net position - beginning of year	25,360,246	25,653,330	25,050,166
Plan fiduciary net position - end of year (b)	$ 27,843,648	$ 25,360,246	$ 25,653,330
Net pension liability/(asset) (a) - (b)	$ (1,483,179)	$ (333,084)	$ (2,476,794)
Plan net position as a percentage of the total pension liability	105.63%	101.33%	110.69%
Covered employee payroll	5,217,578	5,254,719	5,466,344
Net pension liability/(asset) as a percentage of covered payroll	-28.43%	-6.34%	-45.31%

GASB 68 requires presentation of ten years. As of December 31, 2017, only three years of information is available.

Schedule 5

City of Harrisonville
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2017

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2008	$ 459,484	$ 441,384	$ 18,100	$ 4,581,311	9.63%
2009	458,455	452,094	6,361	4,700,856	9.62%
2010	219,204	217,246	1,958	5,032,095	4.32%
2011	727,308	595,284	132,024	5,186,404	11.48%
2012	757,093	748,708	8,385	5,373,244	13.93%
2013	775,215	691,373	83,842	5,236,634	13.20%
2014	738,479	721,852	16,627	5,327,580	13.55%
2015	737,736	737,736	-	5,581,355	13.22%
2016	622,293	622,293	-	5,469,323	11.38%
2017	572,275	560,285	11,990	5,416,108	10.34%

Lagers

Valuation Date February 28, 2017

Notes: The roll-forward of total pension liability from February 28, 2017 to December 31, 2017 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to

Actuarial Entry Age Normal and Modified Terminal Funding

Amortiza Level percentage of payroll, closed

Remainin Multiple bases from 13 to 25 years

Asset va 5-year smoothed market; 20% corridor

Inflation 3.25% wage inflation; 2.5% price inflation

Salary in 3.25% to 6.55% including wage inflation (General and Police)
3.25% to 7.15% including wage inflation (Fire)

Investme 7.25%, net of investment and administrative expenses

Retireme Experienced-based table of rates that are specific to the type of eligibility condition

Mortality The healthy retiree mortality tables, for post retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for male and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for male and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period based year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other inf New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule 6

City of Harrisonville
Combining Balance Sheet - General Fund
December 31, 2017

	General Fund	Emergency Services Fund	Eliminations	Total
Assets				
Cash and investments	$ 4,461,306	$ -	$ -	$ 4,461,306
Receivables:				
Taxes	440,793	79,364	-	520,157
Accounts and other	4,181	516,561	-	520,742
Due from other governments	33,195	-	-	33,195
Due from other funds	1,309,941	-	(832,000)	477,941
Due from component unit	275,000	-	-	275,000
Prepaids, deposits and other assets	155,748	60,576	-	216,324
Inventory	85,030	33,045	-	118,075
Restricted cash and investments	121,830	-	-	121,830
Total Assets	$ 6,887,024	$ 689,546	$ (832,000)	$ 6,744,570
Liabilities				
Accounts payable	$ 94,557	$ 29,927	$ -	$ 124,484
Accrued liabilities	106,853	44,976	-	151,829
Unearned revenues	-	14,467	-	14,467
Court bonds payable	6,621	-	-	6,621
Due to component unit	33,210	7,380	-	40,590
Due to other funds	28,567	838,348	(832,000)	34,915
Total Liabilities	269,808	935,098	(832,000)	372,906
Deferred inflows of resources				
Unavailable revenues	354,973	-	-	354,973
Fund balances:				
Nonspendable:				
Prepaid items and inventory	240,778	93,621	-	334,399
Advances to component unit and other funds	752,941	-	-	752,941
Restricted:				
Other programs	115,209	-	-	115,209
Unassigned	5,153,315	(339,173)	-	4,814,142
Total fund balance	6,262,243	(245,552)	-	6,016,691
Total liabilities, deferred inflows and fund balances	$ 6,887,024	$ 689,546	$ (832,000)	$ 6,744,570

Schedule 7

City of Harrisonville
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund
For the Year Ended December 31, 2017

	General Fund	Emergency Services Fund	Eliminations	Total
Revenues:				
Taxes:				
Property	$ 523,472	$ -	$ -	$ 523,472
Sales	2,352,115	504,823	-	2,856,938
Franchise	534,629	-	-	534,629
Other	316,737	-	-	316,737
Licenses, fess and permits	156,648	-	-	156,648
Charges for services	1,762,487	1,176,686	-	2,939,173
Intergovernmental	447,838	-	-	447,838
Fines and forfeitures	212,799	-	-	212,799
Investment income	118,684	-	-	118,684
Other	64,454	6,088	-	70,542
Grants/donations	-	-	-	-
Reimbursements	72,445	-	-	72,445
Total revenues	6,562,308	1,687,597	-	8,249,905
Expenditures:				
Current:				
General government	1,770,539	-	-	1,770,539
Public safety	2,729,997	-	-	2,729,997
Streets	811,558	-	-	811,558
Community development	401,630	-	-	401,630
Animal control	175,523	-	-	175,523
Airport	179,513	-	-	179,513
Emergency services	-	2,201,925	-	2,201,925
Capital outlay	532,925	323,182	-	856,107
Debt service:			-	-
Principal	47,949	-	-	47,949
Interest and fiscal charges	2,819	-	-	2,819
Total expenditures	6,652,453	2,525,107	-	9,177,560
Excess of revenues over (under) expenditures	(90,145)	(837,510)	-	(927,655)
Other financing sources (uses):				
Transfers in	-	302,000	(302,000)	-
Transfers out	(786,000)	-	302,000	(484,000)
Payments in lieu of taxes (PILOTS)	925,375	-	-	925,375
Sale of capital assets	-	41,451	-	41,451
Insurance proceeds	357,361	-	-	357,361
Total other financing sources (uses)	496,736	343,451	-	840,187
Net change in fund balances	406,591	(494,059)	-	(87,468)
Fund balances, beginning of year, as restated	5,855,652	248,507	-	6,104,159
Fund balances, end of year	$ 6,262,243	$ (245,552)	$ -	$ 6,016,691

Schedule 8

City of Harrisonville
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2017

	Park Fund	Debt Service Fund	Total
Assets			
Cash and investments	$ 19,419	$ -	$ 19,419
Receivables:			
Taxes	3,105	-	3,105
Prepaids, deposits and other assets	9,268	-	9,268
Restricted cash and investments	-	239,263	239,263
Total Assets	$ 31,792	$ 239,263	$ 271,055
Liabilities			
Accounts payable	$ 5,931	$ -	$ 5,931
Accrued liabilities	13,329	-	13,329
Total Liabilities	19,260	-	19,260
Deferred inflows of resources			
Unavailable revenues	73,418	-	73,418
Fund balances:			
Nonspendable:			
Prepaid items and inventory	9,268	-	9,268
Restricted:			
Debt service	-	239,263	239,263
Unassigned (deficit)	(70,154)	-	(70,154)
Total fund balance (deficit)	(60,886)	239,263	178,377
Total liabilities, deferred inflows and fund balances	$ 31,792	$ 239,263	$ 271,055

Schedule 9

City of Harrisonville
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Park Fund	Debt Service Fund	Total
Revenues:			
Taxes:			
Property	$ 139,480	$ -	$ 139,480
Charges for services	71,278	-	71,278
Intergovernmental	31,326	-	31,326
Investment income	355	1,640	1,995
Other	12,163	-	12,163
Total revenues	254,602	1,640	256,242
Expenditures:			
Current:			
Parks and recreation	493,664	-	493,664
Capital outlay	113,309	-	113,309
Debt service:			
Principal	-	720,000	720,000
Interest and fiscal charges	-	119,138	119,138
Total expenditures	606,973	839,138	1,446,111
Excess of revenues over (under) expenditures	(352,371)	(837,498)	(1,189,869)
Other financing sources (uses):			
Transfers in	254,000	837,263	1,091,263
Transfers out	-	(81,500)	(81,500)
Insurance proceeds	23,066	-	23,066
Total other financing sources (uses)	277,066	755,763	1,032,829
Net change in fund balances	(75,305)	(81,735)	(157,040)
Fund balances, beginning of year, as restated	14,419	320,998	335,417
Fund balances, (deficit) end of year	$ (60,886)	$ 239,263	$ 178,377

Schedule 10

City of Harrisonville
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017

	Refuse Fund	Aquatic Center Fund	Total
Assets			
Current assets:			
Cash and investments	$ 37,778	$ 19,235	$ 57,013
Accounts receivable, net	44,488	-	44,488
Prepaid expenses	-	2,163	2,163
Total current assets	82,266	21,398	103,664
Noncurrent assets:			
Being depreciated, net of depreciation	-	504,082	504,082
Total noncurrent assets	-	504,082	504,082
Total assets	82,266	525,480	607,746
Liabilities			
Current liabilities:			
Accrued liabilities	$ -	$ 52	$ 52
Total current liabilities:	-	52	52
Net position			
Net investment in capital assets	-	504,082	504,082
Unrestricted	82,266	21,346	103,612
Total net position	$ 82,266	$ 525,428	$ 607,694

Schedule 11

City of Harrisonville
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	Refuse Fund	Aquatic Center Fund	Total
Operating revenues:			
Charges for services	$ 515,499	$ 160,654	$ 676,153
Total operating revenues	515,499	160,654	676,153
Operating expenses:			
Administration	505,148	193,324	698,472
Depreciation	-	86,666	86,666
Total operating expenses	505,148	279,990	785,138
Operating income	10,351	(119,336)	(108,985)
Nonoperating revenues (expenses):			
Interest income	179	276	455
Gain (loss) on asset disposal	-	(8,464)	(8,464)
Total nonoperating revenues (expenses)	179	(8,188)	(8,009)
Change in net position	10,530	(127,524)	(116,994)
Total net position, beginning of year	71,736	652,952	724,688
Total net position, end of year	$ 82,266	$ 525,428	$ 607,694

Schedule 12

City of Harrisonville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	Refuse Fund	Aquatic Center Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	$ 511,189	$ 160,654	$ 671,843
Payments to suppliers	(505,148)	(112,280)	(617,428)
Payments to employees	-	(82,823)	(82,823)
Net cash provided by (used in) operating activities	6,041	(34,449)	(28,408)
Cash Flows from noncapital financing activities:			
Interfund activity	-	(102,980)	(102,980)
Net cash (used in) noncapital financing activities	-	(102,980)	(102,980)
Cash flows from investing activities:			
Interest received	179	276	455
Net cash flows provided by investing activities	179	276	455
Net change in cash and equivalents	6,220	(137,153)	(130,933)
Cash and equivalents, beginning of year	31,558	156,388	187,946
Cash and equivalents, end of year	$ 37,778	$ 19,235	$ 57,013
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$ 10,351	$ (119,336)	(108,985)
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Depreciation and amortization	-	86,666	86,666
Changes in:			
Receivables	(4,310)	-	(4,310)
Prepaid expenses and deposits	-	278	278
Accounts payable	-	(2,109)	(2,109)
Accrued liabilities	-	52	52
Net cash provided by operating activities	$ 6,041	$ (34,449)	$ (28,408)

Schedule 13

City of Harrisonville
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Park Fund
For the Year Ended December 31, 2017

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Property	$ 172,250	$ 172,250	$ 139,480	$ (32,770)
Charges for services	86,230	86,230	71,278	(14,952)
Intergovernmental	-	158,740	31,326	(127,414)
Investment income	200	200	355	155
Other	16,500	16,500	12,163	(4,337)
Total revenues	275,180	433,920	254,602	(179,318)
Expenditures:				
Current:				
Parks and recreation	509,007	509,007	494,319	14,688
Capital outlay	-	225,620	225,621	(1)
Total expenditures	509,007	734,627	719,940	14,687
Excess of revenues over (under) expenditures	(233,827)	(300,707)	(465,338)	(164,631)
Other financing sources (uses):				
Transfers in	234,000	302,997	254,000	(48,997)
Insurance proceeds	-	-	23,066	23,066
Total other financing sources (uses)	234,000	302,997	277,066	(25,931)
Net change in fund balances	$ 173	$ 2,290	(188,272)	$ (190,562)
Fund balances, beginning of year, as restated			14,419	
Fund balances (deficit), end of year, budet basis			(173,853)	
Adjustments:				
Encumbrances			112,967	
Fund balance (deficit) - end of year - GAAP basis			$ (60,886)	
Net change in fund balance - budget basis			$ (188,272)	
Adjustments:				
Encumbrances			112,967	
Net change in fund balance - GAAP basis			$ (75,305)	

Schedule 14

City of Harrisonville
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2017

	2017 Original Budget	2017 Final Budget	2017 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	$ 500	$ 2,750	$ 1,640	$ (1,110)
Total revenues	500	2,750	1,640	(1,110)
Expenditures:				
Debt service:				
Principal	720,000	720,000	720,000	-
Interest and fiscal charges	120,015	120,015	119,138	877
Total expenditures	840,015	840,015	839,138	877
Excess of revenues over (under) expenditures	(839,515)	(837,265)	(837,498)	(233)
Other financing sources (uses):				
Transfers in	839,515	918,765	837,263	(81,502)
Transfers out	-	(81,500)	(81,500)	-
Total other financing sources (uses)	839,515	837,265	755,763	(81,502)
Net change in fund balances	$ -	$ -	(81,735)	$ (81,735)
Fund balances, beginning of year			320,998	
Fund balances, end of year			$ 239,263	

Schedule 15

City of Harrisonville
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Emergency Service Fund
For the Year Ended December 31, 2017

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Sales	$ 490,500	$ 490,500	$ 504,823	$ 14,323
Charges for services	1,714,880	1,714,880	1,176,686	(538,194)
Other	13,450	13,450	6,088	(7,362)
Total revenues	2,218,830	2,218,830	1,687,597	(531,233)
Expenditures:				
Current:				
Emergency services	2,210,343	2,210,343	2,201,925	8,418
Capital outlay	302,000	316,600	323,182	(6,582)
Total expenditures	2,512,343	2,526,943	2,525,107	1,836
Excess of revenues over (under) expenditures	(293,513)	(308,113)	(837,510)	(529,397)
Other financing sources (uses):				
Transfers in	302,000	302,000	302,000	-
Sale of capital assets	-	-	41,451	41,451
Total other financing sources (uses)	302,000	302,000	343,451	41,451
Net change in fund balances	$ 8,487	$ (6,113)	(494,059)	$ (487,946)
Fund balances, beginning of year, as restated			248,507	
Fund balance, (deficit), end of year			$ (245,552)	

Schedule 16

City of Harrisonville
Balance Sheet - Discretely Presented Component Unit
Market Place TIF Plan
December 31, 2017

Assets		
Cash and cash equivalents	$	43,112
Receivables:		
Taxes		36,467
Due from other governments		36,900
Due from primary government		55,350
Total Assets	$	171,829
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$	-
Due to primary government		275,000
Total liabilities		275,000
Fund balances:		
Unassigned		(103,171)
Total fund balances		(103,171)
Total liabilities and fund balances	$	171,829

Amounts reported in the government-wide statements are different because:

Fund balances	$	(103,171)
The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction has any effect on net position. The Commission's governmental funds report the effect of premiums, discounts 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:		
Long-term debt		(9,000,000)
Developer obligations		(5,326,059)
Accrued interest payable		(105,547)
Net position (deficit) of component unit	$	(14,534,777)

Schedule 17

City of Harrisonville
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Discretely Presented Component Unit - Market Place TIF Plan
For the Year Ended December 31, 2017

Revenues:		
Taxes:		
Property	$	171,361
Sales		427,602
Other		15,820
Total Revenues		614,783
Expenditures:		
Current:		
Community development		7,880
Debt service:		
Interest		605,000
Total expenditures		612,880
Excess of revenues over (under) expenditures		1,903
Net change in fund balances		1,903
Fund balances, beginning of year, as restated		(105,074)
Fund balances (deficit), end of year	$	(103,171)

Schedule 18

City of Harrisonville
Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2017

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
Highways 71/291 TDD				
ASSETS:				
Cash and investments	$ -	$ 1,307,970	$ 983,001	$ 324,969
Taxes receivable	93,768	1,160,809	1,073,637	180,940
Total assets	$ 93,768	$ 2,468,779	$ 2,056,638	$ 505,909
LIABILITIES:				
Held for others	$ 93,768	$ 2,468,779	$ 2,056,638	$ 505,909
Total liabilities	$ 93,768	$ 2,468,779	$ 2,056,638	$ 505,909
Hospital Interchange TDD				
ASSETS:				
Cash and investments	$ 3,268	$ 2,861	$ 2,172	$ 3,957
Taxes receivable	-	3,056	2,840	216
Total assets	$ 3,268	$ 5,917	$ 5,012	$ 4,173
LIABILITIES:				
Held for others	$ 3,268	$ 5,917	$ 5,012	$ 4,173
Total liabilities	$ 3,268	$ 5,917	$ 5,012	$ 4,173
Total - All Agency Funds				
ASSETS:				
Cash and investments	$ 3,268	$ 1,310,831	$ 985,173	$ 328,926
Taxes receivable	93,768	1,163,865	1,076,477	181,156
Total assets	$ 97,036	$ 2,474,696	$ 2,061,650	$ 510,082
LIABILITIES:				
Held for others	$ 97,036	$ 2,474,696	$ 2,061,650	$ 510,082
Total liabilities	$ 97,036	$ 2,474,696	$ 2,061,650	$ 510,082

STATISTICAL SECTION

This part of the City of Harrisonville'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**

Sources: Unless otherwise noted, the information in these tables are derived from the comprehensive annual financial reports for the relevant year.

CITY OF HARRISONVILLE, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

		Fiscal Year									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities											
Net investment in capital assets	$	10,653,678	11,264,304	12,728,792	13,911,126	14,660,071	16,629,597	17,372,336	17,620,666	18,094,342	19,097,020
Restricted		2,959,767	2,180,313	2,184,248	2,662,683	1,186,071	1,007,888	1,062,950	1,000,182	3,674,556	3,252,840
Unrestricted (deficit)		1,823,309	1,557,045	859,829	(818,266)	344,053	(1,427,705)	(1,829,279)	2,337,987	(405,005)	(680,762)
Total governmental activities net position	$	15,436,754	15,001,662	15,772,869	15,755,543	16,190,195	16,209,780	16,606,007	16,606,007	21,363,893	21,669,098
Business-type activities											
Net investment in capital assets	$	15,656,284	17,241,269	21,441,550	22,603,002	22,757,615	24,103,550	25,037,013	25,377,303	27,020,727	27,393,693
Restricted		2,131,131	2,044,493	2,054,861	2,557,484	2,194,593	2,170,113	1,957,857	1,745,814	3,196,059	3,106,087
Unrestricted		5,467,973	5,513,489	4,316,580	5,600,624	7,506,505	7,455,912	7,691,175	9,818,049	7,755,565	8,923,292
Total business-type activities net position	$	23,255,388	24,799,251	27,812,991	30,761,110	32,458,713	33,729,575	34,686,045	36,941,166	37,972,351	39,423,072
Primary government											
Net investment in capital assets	$	26,309,962	28,505,573	34,170,342	36,514,128	37,417,686	40,733,147	42,409,349	42,409,349	45,115,069	46,490,713
Restricted		5,090,898	4,224,806	4,239,109	5,220,167	3,380,664	3,178,001	3,020,807	3,020,807	6,870,615	6,358,927
Unrestricted		7,291,282	7,070,534	5,176,409	4,782,358	7,850,558	6,028,207	5,861,896	5,861,896	7,350,560	8,242,530
Total primary government net position	$	38,692,142	39,800,913	43,585,860	46,516,653	48,648,908	49,939,355	51,292,052	51,292,052	59,336,244	61,092,170

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

		Fiscal Year									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES											
Governmental activities											
General Government	$	1,774,334	1,794,612	1,787,553	1,974,816	1,795,064	1,905,925	2,002,426	1,583,748	1,722,897	1,947,920
Administration of Justice		2,816,808	2,592,948	2,643,954	2,663,787	2,688,722	2,662,905	2,902,002	2,645,741	2,877,989	2,944,912
Fire and Emergency		588,701	367,525								
Street		1,157,618	1,258,830	1,398,582	1,217,982	871,419	997,572	1,134,034	1,001,075	1,157,722	1,038,983
Economic Development		207,625	171,560	197,936	201,891	237,807	306,143	320,186	439,050	504,401	462,686
Animal Control		156,545	143,313	143,878	162,758	167,154	176,656	179,525	192,396	192,369	188,968
Airport		391,387	347,264	331,203	321,968	319,622	359,292	300,459	308,994	339,387	310,155
Ambulance		945,798	2,017,191	2,237,316	2,489,922	2,472,147	2,273,547	2,346,331	2,310,217	2,497,603	2,465,996
Park		466,886	470,549	530,106	529,697	590,728	578,777	611,935	550,704	606,756	578,632
Community Center		1,277,944	1,413,738	1,367,488	1,450,404	1,506,078	1,650,035	1,617,794	1,458,666	1,488,614	1,478,570
CDBG pass-through expenses					753,740	6,500					
Interest on long-term debt		919,217	902,258	873,168	860,401	772,777	615,807	581,180	559,742	526,562	535,073
Total governmental activities expenses		10,702,863	11,479,788	11,511,184	12,627,366	11,428,018	11,526,659	11,995,872	11,050,333	11,914,300	11,951,895
Business-type activities											
Electric		11,171,665	10,820,766	11,029,794	10,637,961	11,247,956	11,427,822	11,861,775	10,969,788	10,344,770	10,310,545
Water and Sewer		4,245,705	4,031,290	4,214,590	3,652,972	3,703,248	3,693,731	4,102,397	3,953,599	4,079,377	4,140,949
Aquatic Center		233,572	252,734	229,978	289,610	276,719	260,514	255,901	247,561	262,529	288,454
Refuse		367,444	416,592	452,778	466,719	473,660	468,685	483,766	494,997	505,064	505,148
Total business-type activities expenses		16,018,386	15,521,382	15,927,140	15,047,262	15,701,583	15,850,752	16,703,839	15,665,945	15,191,740	15,245,096
Total primary government expenses	$	26,721,249	27,001,170	27,438,324	27,674,628	27,129,601	27,377,411	28,699,711	26,716,278	27,106,040	27,196,991
PROGRAM REVENUES											
Governmental activities											
Charges for services											
General	$	2,269,442	1,943,791	2,024,687	1,985,007	1,936,801	1,915,453	1,874,146	1,859,509	1,964,977	1,756,474
Administration of Justice		248,580	235,958	226,217	239,292	251,138	293,448	282,196	227,768	222,035	219,959
Ambulance		981,217	1,104,773	1,362,127	1,423,372	1,399,295	1,280,799	1,210,496	1,332,256	1,351,037	1,180,436
Community Center		750,617	784,011	870,262	850,019	926,252	953,512	949,769	880,798	852,482	843,257
Others		25,313	23,276	22,609	24,015	28,807	60,448	60,478	68,955	125,741	239,739
Operating grants and contributions		184,774	36,610	218,541	939,601	144,163	187,359	258,367	293,635	537,687	521,480
Capital grants and contributions				320,525	508,546					352,785	42,678
Total governmental activities program revenues		4,459,943	4,128,419	5,044,968	5,969,852	4,686,456	4,691,019	4,635,452	4,662,921	5,406,744	4,804,023
Business-type activities											
Charges for services											
Electric		11,712,338	11,355,377	11,529,975	11,200,157	11,688,342	12,020,203	12,272,400	11,451,836	11,328,726	11,540,159
Water and Sewer		4,651,353	4,866,050	4,588,165	4,458,249	4,581,605	4,313,059	4,351,387	4,747,235	4,864,960	4,885,863
Refuse		399,814	424,579	451,427	469,763	462,386	465,954	490,664	500,253	504,735	515,499
Aquatic Center		133,344	125,189	125,450	166,394	137,666	109,665	111,505	131,291	147,697	160,654
Operating grants and contributions								10,000			232,190
Capital grants and contributions				2,017,313	982,687	280,500			91,811		
Total business-type activities program revenues		16,896,849	16,771,195	18,712,330	17,277,250	17,150,499	16,908,881	17,235,956	16,922,426	16,846,118	17,334,365
Total primary government program revenues	$	20,883,004	21,712,876	24,222,448	22,575,247	21,836,955	21,599,900	21,871,408	21,585,347	22,252,862	22,138,388

NET (EXPENSE) REVENUE											
Governmental activities	$	(6,242,920)	(7,351,369)	(6,657,514)	(6,741,562)	(6,741,562)	(6,835,640)	(7,360,420)	(6,387,412)	(6,507,556)	(7,147,872)
Business-type activities		878,463	1,249,813	3,205,334	2,187,208	1,448,916	1,058,129	532,117	1,256,481	1,654,378	2,089,269
Total primary government net expense	$	(5,364,457)	(6,101,556)	(3,452,180)	(4,554,354)	(5,292,646)	(5,777,511)	(6,828,303)	(5,130,931)	(4,853,178)	(5,058,603)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION											
Governmental activities											
Taxes											
Property taxes	$	906,279	864,193	896,169	816,771	915,825	965,993	957,930	971,143	780,924	807,004
Sales taxes		3,605,629	3,388,455	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,215,750	4,151,829
Franchise taxes		1,969,979	1,657,903	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	545,349	534,629
Other taxes		152,724	215,065	211,217	152,046	157,339	352,997	338,935	345,644	437,378	414,216
Unrestricted investment earnings		313,661	118,459	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751
Miscellaneous		196,470	458,050	351,344	320,148	294,193	169,275	307,504	271,252	237,768	495,273
Transfers					(490,485)	(32,595)	(33,265)	(23,095)		905,183	925,375
Total governmental activities		7,144,742	6,702,125	7,237,423	6,640,188	7,176,214	7,314,039	7,756,647	8,064,100	7,178,975	7,453,077
Business-type activities											
Unrestricted investment earnings		374,907	294,050	228,550	227,646	216,092	149,424	246,333	239,868	246,329	181,214
Miscellaneous							130,771	154,925	153,871	60,480	105,613
Transfers					490,485	32,595	33,265	23,095	(200,000)	(905,183)	(935,375)
Total business-type activities		374,907	294,050	228,550	718,131	248,687	313,460	424,353	193,739	(598,374)	(648,548)
Total primary government	$	7,519,649	6,996,175	7,465,973	7,358,319	7,424,901	7,627,499	8,181,000	8,257,839	6,580,601	6,804,529
CHANGE IN NET POSITION											
Governmental activities	$	901,822	(649,244)	579,909	(101,374)	434,652	478,399	396,227	1,676,688	671,419	305,205
Business-type activities		1,253,370	1,543,863	3,433,884	2,905,339	1,697,603	1,371,589	956,470	1,450,220	1,056,004	1,440,721
Total primary government	$	2,155,192	894,619	4,013,793	2,803,965	2,132,255	1,849,988	1,352,697	3,126,908	1,727,423	1,745,926

CITY OF HARRISONVILLE, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL FUND											
Nonspendable	$				137,711	148,835	170,485	184,885	211,284	222,988	1,087,340
Restricted					113,630	114,065	114,159	114,855	115,021	111,610	115,209
Unassigned					5,930,458	6,304,295	5,384,287	4,784,005	5,336,961	5,810,251	4,814,142
Reserved		134,148	122,118	101,466							
Unreserved		8,203,393	8,179,575	7,202,484							
Total General Fund	$	8,337,541	8,301,693	7,303,950	6,181,799	6,567,195	5,668,931	5,083,745	5,663,266	6,144,849	6,016,691
ALL OTHER GOVERNMENTAL FUNDS											
Nonspendable	$				112,270	101,248	114,063	113,131	129,281	135,774	31,659
Restricted					2,549,053	1,073,822	851,553	944,488	1,313,363	1,280,789	1,189,792
Committed											60,532
Assigned					1,064,581	907,262	772,069	659,243	243,727	308,293	-
Unassigned (deficit)					(183,323)	(318,367)	(470,882)	(410,099)		(70,973)	(70,154)
Reserved		1,020,234	1,081,070	1,107,459							
Unreserved, reported in:											
Special revenue funds		3,532,205	2,350,584	2,523,616							
Total all other governmental funds	$	4,552,439	3,431,654	3,631,075	3,542,581	1,763,965	1,266,803	1,306,763	1,686,371	1,653,883	1,211,829

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes										
Property $	911,262	874,222	923,255	891,842	915,825	965,993	957,930	971,143	967,740	807,004
Sales	3,605,629	3,388,455	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,695,188	4,151,829
Franchise	1,969,979	1,657,903	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	1,450,532	534,629
Other	152,724	215,065	211,217	152,046	157,339	352,997	338,935	345,644	347,882	316,737
Licenses, fees, and permits	411,668	140,049	193,055	162,417	161,692	129,094	124,911	148,648	189,068	156,648
Fines and forfeitures	248,580	235,958	226,217	239,292	251,138	293,448	282,196	227,768	222,035	212,799
Charges for services	3,614,921	3,715,802	4,086,630	4,119,996	4,129,463	4,081,118	3,969,978	3,992,870	4,062,842	3,853,708
Grants/Intergovernmental	184,774	36,610	539,066	1,362,928	229,382	187,359	258,367	293,635	485,312	576,643
Investment earnings	313,661	118,459	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751
Miscellaneous	196,470	458,050	351,583	336,855	294,193	169,275	307,504	271,252	241,132	155,757
Total revenues	11,609,668	10,840,573	12,309,716	13,107,084	11,980,484	12,038,323	12,415,194	12,727,021	12,718,354	10,890,505
EXPENDITURES										
General Government	1,675,957	1,705,939	1,686,829	1,875,373	1,667,057	1,787,238	1,857,424	1,578,196	1,593,951	1,770,539
Administration of Justice	2,720,316	2,481,177	2,529,476	2,554,360	2,581,042	2,571,510	2,824,957	2,545,685	2,568,837	2,729,997
Fire and Emergency	514,913	305,195								
Street	888,273	986,420	1,139,023	962,085	635,787	770,736	900,050	759,010	837,799	811,558
Economic Development	186,738	140,428	164,220	176,936	210,273	275,794	296,174	431,365	455,440	412,561
Animal Control	149,789	136,557	137,122	156,002	160,398	171,273	177,458	194,045	178,943	175,523
Airport	275,850	232,654	219,903	180,079	171,867	210,681	162,129	177,497	196,537	179,513
Ambulance	859,740	1,914,395	2,087,034	2,324,734	2,389,722	2,163,113	2,229,575	2,224,086	2,307,984	2,201,925
Park	396,746	395,146	462,220	462,593	488,375	463,459	505,454	463,685	474,849	493,664
Community Center	979,138	1,112,725	1,066,878	1,151,513	1,197,703	1,322,084	1,284,251	1,122,009	1,123,877	1,104,224
Towne Center Project	5,678	15,923	18,726	10,187	12,766	13,046	8,126	7,654	7,075	
CDBG pass-through expenses				753,740	6,500					
Capital outlay	849,141	1,142,304	1,938,203	1,837,010	1,020,483	2,152,920	1,163,730	733,847	950,944	992,525
Debt service										
Principal	575,000	780,000	825,000	733,926	815,940	942,088	1,006,082	1,030,336	1,105,726	1,133,777
Interest and fiscal fees	879,454	862,495	833,404	820,637	699,696	556,542	521,915	500,477	467,297	425,877
Total expenditures	10,956,733	12,211,358	13,108,038	13,999,175	12,057,609	13,400,484	12,937,325	11,767,892	12,269,259	12,431,683
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	652,935	(1,370,785)	(798,322)	(892,091)	(77,125)	(1,362,161)	(522,131)	959,129	449,095	(1,541,178)
OTHER FINANCING SOURCES (USES)										
Other sources										441,220
Proceeds of long-term debt				171,931						
Payments to escrow agent					(1,283,500)					
Transfers in & PILOTs	1,343,412	1,425,335	3,779,288	2,680,436	2,578,093	2,228,146	3,018,833	2,851,276	2,034,398	2,586,847
Transfers out	(1,343,412)	(1,425,335)	(3,779,288)	(3,170,921)	(2,610,688)	(2,261,411)	(3,041,928)	(2,851,276)	(2,034,398)	(1,661,472)
Total other financing sources (uses)				(318,554)	(1,316,095)	(33,265)	(23,095)			1,366,595
NET CHANGES IN FUND BALANCES $	(1,370,785)	(798,322)	(892,091)	(395,679)	(1,393,220)	(1,395,426)	(545,226)	959,129	449,095	(174,583)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	14.8%	14.8%	12.8%	13.7%	13.7%	13.3%	13.0%	13.9%	13.9%	13.6%

CITY OF HARRISONVILLE, MISSOURI
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2008	$ 91,927,554	$ 23,243,342	$ 115,170,896	0.78
2009	93,646,146	21,440,771	115,086,917	0.66
2010	93,250,444	25,538,774	118,789,218	0.66
2011	94,022,248	25,241,452	119,263,700	0.67
2012	94,424,728	23,546,390	117,971,118	0.68
2013	95,845,535	22,091,806	117,937,341	0.69
2014	94,552,735	22,682,321	117,235,056	0.69
2015	94,992,339	25,948,277	120,940,616	0.69
2016	96,409,365	25,097,110	121,506,475	0.69
2017	96,807,843	23,807,868	120,615,711	0.69

Note: A statewide real property reassessment program was implemented January 1, 1985, to create a more equitable sharing of the property tax burden by owners of real property.

Assessed value was determined by applying one of three percentages to the "Market Value." Those percentages are 32 for commercial, 19 for residential, and 12 for agriculture.

Tax rates are per $100 of assessed value.

CITY OF HARRISONVILLE, MISSOURI
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	City Direct Rates				Overlapping Rates			
Fiscal Year Ended September 30,	General Fund	Ambulance Fund	Park Fund	Total Direct	State	Other	Total Overlapping Rates	Total Direct and Overlapping
2008	0.5278	0.1195	0.12	0.7668	0.03	6.04	6.07	6.84
2009	0.5358	0.1213	0.1213	0.7784	0.03	6.19	6.22	7.00
2010	0.5422	0.0000	0.1227	0.6649	0.03	6.19	6.22	6.88
2011	0.5422	0.0000	0.1227	0.6649	0.03	6.20	6.23	6.89
2012	0.5501	0.0000	0.1245	0.6746	0.03	6.20	6.23	6.90
2013	0.5585	0.0000	0.1264	0.6849	0.03	6.18	6.23	6.91
2014	0.5658	0.0000	0.1280	0.6938	0.03	6.18	6.21	6.90
2015	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2016	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2017	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91

Source: Cass County Collector

Note: The City's direct property tax rate may be increased only by a majority vote of the City's residents.

CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

	2017			2008		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Church & Dwight	7,066,170	1	0.30	8,043,035	1	0.42
Wal-Mart	3,116,970	2	0.13	2,970,910	2	0.16
HFMD Properties LLC	2,522,350	3	0.11			
Harrisonville MP II LLC	2,422,730	4	0.10			
Universal Forest Products	2,187,500	5	0.09	976,020	6	0.05
Sutherlands Lumber Co.	1,551,600	6	0.07	1,753,745	3	0.09
Mill-Walk Mall	1,449,300	7	0.06	1,447,670	4	0.08
Love's Travel Stops & Country Store	1,431,030	8	0.06			
Harrisonville Crossings Properties	921,370	9	0.04	986,850	5	0.05
H.V. Hotel Investment LLC	841,050	10	0.04			
AHG, Inc.				880,010	7	0.05
Crown Properties LLC				581,240	10	0.03
Flanery, Steven and Debbie				694,210	9	0.04
APTUIT (Kansas City) LLC				715,450	8	0.04
TOTAL	23,510,070			19,049,140		1.00

Data provided by the Cass County Collector

CITY OF HARRISONVILLE, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2008	895,837	858,631	95.85%	37,206	895,837	100.00%	-	0.00%
2009	789,830	763,896	96.72%	25,934	789,830	100.00%	-	0.00%
2010	792,984	721,512	90.99%	71,472	792,984	100.00%	-	0.00%
2011	795,833	746,929	93.85%	47,436	794,365	99.82%	1,468	-0.18%
2012	807,753	732,284	90.66%	74,038	806,322	99.82%	1,431	-0.18%
2013	813,377	728,785	89.60%	83,468	812,253	99.86%	1,124	-0.14%
2014	841,142	792,712	94.24%	46,785	839,497	99.80%	1,645	-0.20%
2015	845,078	826,840	97.84%	9,138	835,978	98.92%	9,100	-1.08%
2016	838,882	774,804	92.36%		774,804	92.36%	64,078	-7.64%
2017	856,393	813,075	94.94%	36,498	849,573	99.20%	6,820	-0.80%

CITY OF HARRISONVILLE, MISSOURI
DIRECT AND OVERLAPPING
SALES TAX RATES
LAST SEVEN FISCAL YEARS

Fiscal Year	City Rate	Cass County	State	Total
2011	1.875	1.250	4.225	7.350
2012	1.875	1.750	4.225	7.850
2013	1.875	1.750	4.225	7.850
2014	1.875	1.750	4.225	7.850
2015	1.875	1.750	4.225	7.850
2016	1.875	1.750	4.225	7.850
2017	1.875	2.000	4.225	8.100

Source: Missouri Department of Revenue

CITY OF HARRISONVILLE, MISSOURI
TAXABLE RETAIL SALES
LAST TEN CALENDAR YEARS
(in thousands of dollars)

		2008	2009	2010	2011	2,012	2013	2014	2015	2016	2017
TOTAL RETAIL SALES	$	200,585	193,052	192,046	201,671	204,736	203,559	213,512	217,311	223,335	225,610

Note: This report does not breakout taxable sales by retail category as some detail information is considered confidential by state law.

Source: Missouri Department of Revenue

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-Type Activities				
Fiscal Year Ended December 31,	Certificates of Participation	TIF Revenue Bonds	Promissory Notes	Capital Lease Payable	Revenue Bonds	Promissory Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2008	10,235,000	8,630,000		397,257	10,290,000		29,552,257	0.15	2,842
2009	9,635,000	8,450,000		367,027	9,580,000		28,032,027	0.14	2,695
2010	9,010,000	8,250,000		335,002	9,059,375		26,654,377	0.13	2,563
2011	8,530,000	8,030,000	171,931	301,076	11,718,541	380,000	29,131,548	0.13	2,908
2012	7,295,000	7,785,000	171,931	265,136	11,556,672	380,000	27,453,739	0.12	2,737
2013	6,665,000	7,520,000	162,916	227,063	10,711,700	278,869	25,565,548	0.11	2,546
2014	6,015,000	7,220,000	147,165	186,732	9,885,400	250,060	23,704,357	0.10	2,361
2015	5,350,000	6,920,000	152,066	144,006	9,045,400	220,526	21,831,998	0.09	2,175
2016	4,650,000	6,585,000	126,602	98,744	8,181,700	190,250	19,832,296	0.09	1,963
2017	3,930,000	6,245,000	100,774	50,795	11,401,066	159,974	21,887,609	0.06	1,555

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2017
(UNAUDITED)

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Assessed valuation	120,615,711		120,615,711
Constitutional debt limit	12,061,571	12,061,571	24,123,142
Less general obligation bonds payable			
	12,061,571	12,061,571	24,123,142
Cash and securities available for retirement			
	12,061,571	12,061,571	24,123,142

(1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.

(2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not exceeding the aggregate and additional 10% for the purpose of acquiring rights-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm systems, and purchasing or construction waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING DEBT
DECEMBER 31, 2017

Taxing Jurisdiction	Gross Debt Less Sinking Fund (1)	Approximate Percentage Applicable to Harrisonville (1)	Approximate Amount Applicable to Harrisonville (1)
School Districts, Cass R-IX	22,740,682	65%	14,781,443
Direct debt obligations of the City of Harrisonville (general obligation bonds), net of debt service funds		100%	
Total direct and estimated overlapping debt	22,740,682		14,781,443

(1) On the basis of assessed valuation.

NOTE: Other government entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. This schedule of direct and estimated overlapping ad valorem debt was compiled from information furnished by the jurisdictions responsible for debt. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no representation regarding the reliability of such information is made.

Furthermore, certain entities listed in the statement may have issued additional bonds and such entities may have programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

Lease purchase agreements are not included in this schedule but have been included in the past. This change accounts for the significant difference among this year and previous years' schedules.

CITY OF HARRISONVILLE, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(2) Unemployment Rate
2008	10,400	201,040,000	19,331	2,504	6.10%
2009	10,400	201,040,000	19,331	2,580	10.00%
2010	10,400	201,040,000	19,331	2,580	10.00%
2011	10,019	218,915,150	21,850	2,580	7.90%
2012	10,030	230,630,000	23,063	2,585	6.40%
2013	10,040	235,000,000	23,400	2,590	6.40%
2014	10,040	240,000,000	23,750	2,500	6.40%
2015	10,040	232,000,000	23,103	2,459	5.70%
2016	10,104	232,000,000	21,717	2,425	5.70%
2017	14,076	375,000,000	26,849	2,600	4.60%

Data Sources:

1 Bureau of Census and City estimates
2 KCADC and City estimates
3 School District

CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL EMPLOYERS
THIS FISCAL YEAR AND SEVEN YEARS AGO

	2017		2010	
Employer	Employees	Rank	Employees	Rank
Wal-Mart Distribution Center	630	1	696	1
Cass Medical Center	394	2	350	2
Cass R-IX Schools	382	3	360	4
Wal-Mart	298	4	450	2
Cass County Government	276	5	240	5
Church & Dwight Co., Inc.	230	6	210	6
City of Harrisonville	198	7	240	7
Casco Area Workshop	194	8	210	8
Crown Care Center	105	9	145	9
Family Center	90	10	75	10
Total Employment	2,797		2,976	

Source: Harrisonville Area Chamber of Commerce and Economic Development

CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF PROPERTY VALUE, CONSTRUCTION PERMITS ISSUED
AND TOTAL DOLLARS ON DEPOSIT AT YEAR END
WITH LOCAL BANKS AND SAVINGS AND LOANS
LAST TEN YEARS

	Construction Permits and Value (1) and (2)				Total Year End Deposits	Total Property
	Residential		Commercial		at Local Banks	Value
Year	Number	Value	Number	Value	(Thousands)	(3)
December 2008	319	3,054,774	93	59,978,221	277,759	115,086,917
December 2009	245	1,672,246	68	1,180,815	295,081	118,789,218
December 2010	276	1,283,561	95	18,650,228	317,327	119,263,700
December 2011	318	1,403,626	98	3,392,188	329,770	117,971,118
December 2012	240	2,103,410	76	3,685,500	341,344	117,937,341
December 2013	176	1,331,781	73	5,293,503	379,785	117,235,056
December 2014	176	1,973,875	66	2,416,903	326,918	120,940,616
December 2015	180	2,202,655	59	8,042,346	348,202	121,506,475
December 2016	241	6,672,912	83	10,622,390	340,592	120,615,711
December 2017	782	7,364,612	110	7,445,028	109,967	130,337,446

(1) Permit totals include additions to existing structures.

(2) Information obtained from Codes Administration Department.

(3) Assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Patrol units	23	23	23	20	20	20	21	21	21	20
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	670	678	678	678	678	678	678	678	678	792
Streets										
Miles	69	69	69	69	69	69	69	69	69	64
Street lights	900	900	900	900	900	900	900	900	900	2,000
Miles of storm sewers	9	9	9	9	9	9	9	9	9	17
Parks										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	250	250	250	250	250	250	250	250	250	450
Golf courses	2	2	2	2	2	2	2	2	2	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	7		7	7	7	7	7	7	7	2
Sewer										
Sanitary sewer (miles)	54.0	54.0	54	54	54	54	54	54	54	63
Plant capacity (mgl)	1.5	1.5	2	2	2	2	2	2	2	2
Treatment plants	1	1	1	1	1	1	1	1	1	1
Service connections	4,102	4,084	4,071	4,037	4,062	4,061	4,073	4,083	4,106	3,629
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water										
Miles of water mains	56	56	56	56	56	56	56	56	56	63
Service connections	3,992	3,978	3,966	3,923	3,937	3,950	3,944	3,955	4,188	4,105
Daily average consumption in gallons	1,300,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	880,000

Source: City Department Heads

CITY OF HARRISONVILLE, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

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Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Management	5	5	5	4	4	3	3	3	3	3
Finance	8	7	6	7	6	7	6	6	7	8
Codes*	4	4	4	4	2	2	-	-	-	-
Community Development/Codes	1	2	2	2	3	3	4	5	5	4
Police										
Officers	20	21	23	25	23	23	24	23	20	23
Civilians	5	6	6	6	6	5	6	6	8	6
Animal control	1	2	2	2	1	2	2	2	2	2
Court	1	1	1	1	1	1	1	1	2	2
Fire/EMS										
Firefighters*	5	1	1	1	1	-	-	1	1	-
Director/Paramedics/Firefighters	2	19	17	15	19	21	19	18	17	20
Clerk	1	1	1	1	1	1	1	1	1	1
Public Works										
Engineering	1	1	1	1	1	1	1	1	-	0
Streets	8	2	7	7	8	8	8	8	8	9
Electric	9	9	8	8	7	8	10	11	8	8
Water	13	13	13	12	12	12	12	12	12	10
Wastewater	5	4	4	4	4	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Community Center/Parks	11	11	11	10	8	10	11	11	11	10
Total	101	110	113	111	108	112	113	114	110	111

For 2014 the Codes Department is combined with Community Development
For 2014 the Fire Fighter category is combined with Paramedics