

CITY OF VALLEY PARK, MISSOURI
AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

CITY OF VALLEY PARK, MISSOURI
MODIFIED CASH BASIS FINANCIAL STATEMENTS
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CITY OF VALLEY PARK, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

Board of Aldermen
City of Valley Park, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valley Park, Missouri ("City"), as of and for the year ended June 30, 2018, 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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 modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valley Park, Missouri, as of June 30, 2018, and the respective changes in modified cash basis financial position and where applicable, cash flows-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Other Matters

Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Valley Park's basic financial statements. The budgetary comparison information, combining general fund and nonmajor fund financial statements, management's discussion and analysis and LAGERS retirement system information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information on pages 42 through 51 and combining nonmajor fund financial statements on pages 52 through 57, 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 the auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and the combining general fund and nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the modified cash basis of accounting described in Note 1.

The management's discussion and analysis on pages 3 through 6, and LAGERS retirement system information on pages 58 through 60, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Crogh + Crogh P.C.
Certified Public Accountants

Kirkwood, Missouri
December 19, 2018

UNAUDITED

**City of Valley Park, Missouri
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2018**

The discussion and analysis of the City of Valley Park's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the City's financial performance.

The financial statements of the City have been prepared on the modified cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the modified cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid rather than when incurred.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2018 include the following:

- The City is continuing to work on various projects that were damaged during the floods in 2015/2016 & 2017.
- The City built a new maintenance shed for the Public Works Department.
- The City relocated a pedestrian bridge from Vance Road to Vance Trails Park
- The City purchased a used bucket truck and new single axel dump truck
- The City worked Backstop & Fencing project at the Levee Recreation Area, which was a grant by the St. Louis Municipal Park Commission

The City's net position (modified cash basis) and the governmental funds ending cash and investments balances (modified cash basis) were \$4,050,118.36. This represents a 7.97% increase over the fiscal year ending June 30, 2017.

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Revenue and Expenditure Comparison for years
Ending June 30, 2017 and 2018

	6/30/2017	%	6/30/2018	%
Revenue all Funds				
Taxes (net)	\$ 4,769,782.88	61.53%	\$ 4,817,884.34	61.26%
Licenses and Permits	383,111.79	4.94%	438,790.16	5.58%
Charges for Services	395,518.34	5.10%	510,394.50	6.49%
Fines and Forfeitures	81,275.49	1.05%	94,579.00	1.20%
Intergovernmental	1,820,161.58	23.48%	1,494,028.23	19.00%
Interest	10,997.28	0.14%	19,524.65	0.25%
Bond Interest Subsidy	111,431.69	1.44%	107,453.26	1.37%
Miscellaneous	179,484.79	2.32%	382,009.44	4.86%
Total	<u>\$ 7,751,763.84</u>	<u>100.00%</u>	<u>\$ 7,864,663.58</u>	<u>100.00%</u>
Expenditures all Funds				
Administrative	\$ 913,334.71	10.71%	\$ 776,475.55	10.37%
Streets	724,960.40	8.50%	878,995.30	11.74%
Sewer Lateral	28,535.22	0.33%	67,559.34	0.90%
Parks	298,417.53	3.50%	246,647.54	3.29%
Community Development	3,114,458.01	36.51%	1,697,354.82	22.67%
Police	1,298,901.90	15.23%	1,335,444.79	17.83%
Court	82,577.92	0.97%	86,135.47	1.15%
Mayor	11,101.25	0.13%	10,167.50	0.14%
Emergency Management	1,227.21	0.01%	1,837.68	0.02%
Public Image			48.00	0.00%
Operating Expenses - Utilities	410,364.59	4.81%	416,874.11	5.57%
Debt Service				
Principal	445,447.83	5.22%	466,173.95	6.23%
Interest and Fees	1,201,173.34	14.08%	1,504,853.61	20.10%
Total	<u>\$ 8,530,499.91</u>	<u>100.00%</u>	<u>\$ 7,488,567.66</u>	<u>100.00%</u>

Using the Basic Financial Statements

The City's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the modified cash basis operations of the City as a whole. The "Basic Financial Statements" section includes government- wide financial statements, fund financial statements and notes to financial statements. The government-wide financial statements, consisting of the Statement of Net Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the City's modified cash basis financial condition.

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By showing the change in net position (modified cash basis) for the year, the reader may ascertain whether the City's modified cash basis financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the City's financial condition include increases in or erosion of the property tax base, current property tax laws in Missouri restricting revenue growth, facility conditions, and other factors.

Government-wide Financial Analysis

Net position of the City at June 30, 2018, of \$4,318,327.90 reflects the City's total assets of cash and investments (net). Net position at June 30, 2018 of \$2,005,531.14 is unrestricted.

Governmental Funds Financial Analysis

Revenues Collected	6/30/2017	6/30/2018
Program Revenues Collected		
Charges for Services	\$ 469,815.28	\$ 549,770.16
Intergovernmental	1,820,161.58	1,494,028.23
General Revenues Collected:		
Property Taxes	1,348,917.13	1,294,484.35
Franchise & Public Service Taxes	790,124.40	849,353.64
Sales Tax	2,628,044.51	2,672,208.26
Financial Institutions Tax	2,696.84	1,838.09
Investment Income	10,997.28	19,524.65
Miscellaneous	179,484.79	382,009.44
Bond Interest Subsidy	111,431.69	107,453.26
Total Revenues Collected	<u>7,361,673.50</u>	<u>7,370,670.08</u>
Expenses Paid		
Administrative	925,663.17	788,528.73
Public Safety	1,381,479.82	1,421,580.26
Streets	724,960.40	878,995.30
Sewer Lateral	28,535.22	67,559.34
Parks	298,417.53	246,647.54
Community Development	3,114,458.01	1,697,354.82
Debt Service		
Principal	445,447.83	466,173.95
Interest and Fees	1,201,173.34	1,504,853.61
Total Expenses Paid	<u>8,120,135.32</u>	<u>7,071,693.55</u>
Excess of Revenues over Expenses	<u>(758,461.82)</u>	<u>298,976.53</u>
Net Position July 1	<u>4,509,603.65</u>	<u>3,751,141.83</u>
Net Position, June 30	<u>\$ 3,751,141.83</u>	<u>\$ 4,050,118.36</u>

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Business Type Activities

	<u>6/30/2017</u>	<u>6/30/2018</u>
<u>Sanitation Fund</u>		
Revenue	\$ 390,090.34	\$ 493,993.50
Expenditures	<u>410,364.59</u>	<u>416,874.11</u>
Net Income/Loss	<u>\$ (20,274.25)</u>	<u>\$ 77,119.39</u>

The Sanitation Fund experienced net income of \$77,119.39.

General Fund Budgetary Highlights

On June 29, 2017, the City adopted its budget. Overall General Fund revenues were 5% higher than projections, and expenditures were 3% lower than projections.

Capital Assets and Debt Administration

The City operates under the modified cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

At year end the City had debt in the amount of \$12,214,913.14:

Certificates of Participation	\$ 4,435,000.00
Tax Increment Revenue Notes	7,717,027.61
Capital Lease Obligations	62,885.53

Next Year's Budget

The June 30, 2019 budget, as adopted by the Board of Aldermen in June of 2018, proposed revenues of \$7,767,535.00 and expenditures of \$7,277,303.18. The budget calls for general fund revenue of \$3,764,900.00 and general fund expenditures and transfers of \$3,762,404.18.

Contacting the City's Financial Management

While this Management's Discussion & Analysis is designed to provide a general overview of the cash basis financial condition and operations of the City, citizens, tax payers and creditors may want further details. To obtain such details, please contact Bill Hanks, City Clerk at the Valley Park City Hall, 300 Benton, Valley Park, Missouri, 63088 or call 636/225-5171 during regular office hours, Monday through Friday, 8:30am to 4:30pm.

EXHIBIT A

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Investments	\$ 1,737,321.60	\$ 268,209.54	\$ 2,005,531.14
Restricted Assets:			
Cash and Investments	2,312,796.76		2,312,796.76
Total Assets	4,050,118.36	268,209.54	4,318,327.90
<u>LIABILITIES</u>			
Liabilities:			
None	-	-	-
<u>NET POSITION</u>			
Restricted for:			
Bond Deposits	26,120.98	-	26,120.98
Capital Improvements	676,146.45		676,146.45
Debt Service	1,134,459.11		1,134,459.11
Other purposes	15,563.09		15,563.09
Sewer Lateral	460,507.13		460,507.13
Unrestricted	1,737,321.60	268,209.54	2,005,531.14
Total Net Position	\$ 4,050,118.36	\$ 268,209.54	\$ 4,318,327.90

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues Received			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 788,528.73	\$ 438,790.16	\$ -	\$ -	\$ (349,738.57)	\$ -	\$ (349,738.57)
Public Safety	1,421,580.26	94,579.00			(1,327,001.26)		(1,327,001.26)
Streets	878,995.30		414,453.17		(464,542.13)		(464,542.13)
Sewer Lateral	67,559.34				(67,559.34)		(67,559.34)
Parks	246,647.54	16,401.00			(230,246.54)		(230,246.54)
Community Development	1,697,354.82			1,079,575.06	(617,779.76)		(617,779.76)
Debt Service							
Principal	466,173.95				(466,173.95)		(466,173.95)
Interest and Fees	1,504,853.61		107,453.26		(1,397,400.35)		(1,397,400.35)
Total governmental activities	<u>7,071,693.55</u>	<u>549,770.16</u>	<u>521,906.43</u>	<u>1,079,575.06</u>	<u>(4,920,441.90)</u>	<u>-</u>	<u>(4,920,441.90)</u>
Business-type Activities:							
Sanitation	416,874.11	493,993.50	-	-	-	77,119.39	77,119.39
Total business-type activities	<u>416,874.11</u>	<u>493,993.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,119.39</u>	<u>77,119.39</u>
Total City	<u>\$ 7,488,567.66</u>	<u>\$ 1,043,763.66</u>	<u>\$ 521,906.43</u>	<u>\$ 1,079,575.06</u>	<u>(4,920,441.90)</u>	<u>77,119.39</u>	<u>(4,843,322.51)</u>
General Revenues:							
Taxes							
Property Taxes					1,294,484.35	-	1,294,484.35
Franchise and Public Service Taxes					849,353.64		849,353.64
Sales Tax					2,672,208.26		2,672,208.26
Financial Institutions Tax					1,838.09		1,838.09
Investment Income					19,524.65		19,524.65
Miscellaneous					382,009.44		382,009.44
Total General Revenues					<u>5,219,418.43</u>	<u>-</u>	<u>5,219,418.43</u>
Change in Net Position					298,976.53	77,119.39	376,095.92
Net Position - beginning					<u>3,751,141.83</u>	<u>191,090.15</u>	<u>3,942,231.98</u>
Net Position - ending					<u>\$ 4,050,118.36</u>	<u>\$ 268,209.54</u>	<u>\$ 4,318,327.90</u>

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT C

CITY OF VALLEY PARK, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Major Funds						Total Governmental Funds
	General Fund	Restricted Sales Tax Fund	TIF - Peerless Park (UMB) Revenue	Sewer Lateral	COP 2010 Reserve B	Non-Major Funds	
<u>ASSETS</u>							
Cash and Investments	\$ 1,737,321.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,737,321.60
Restricted Assets:							
Cash and Investments		676,009.37	596,164.56	460,507.13	478,107.20	102,008.50	2,312,796.76
Total Assets	<u>\$ 1,737,321.60</u>	<u>\$ 676,009.37</u>	<u>\$ 596,164.56</u>	<u>\$ 460,507.13</u>	<u>\$ 478,107.20</u>	<u>\$ 102,008.50</u>	<u>\$ 4,050,118.36</u>
<u>LIABILITIES AND FUND EQUITY</u>							
Liabilities:							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:							
Fund Balance:							
Restricted							
Bond Deposits	-	-	-	-	-	26,120.98	26,120.98
Capital Improvements		676,009.37				137.08	676,146.45
Debt Service			596,164.56		478,107.20	60,187.35	1,134,459.11
Sewer Lateral				460,507.13			460,507.13
Other purposes						15,563.09	15,563.09
Unassigned	<u>1,737,321.60</u>						<u>1,737,321.60</u>
Total Fund Equity	<u>1,737,321.60</u>	<u>676,009.37</u>	<u>596,164.56</u>	<u>460,507.13</u>	<u>478,107.20</u>	<u>102,008.50</u>	<u>4,050,118.36</u>
Total Liabilities and Fund Equity	<u>\$ 1,737,321.60</u>	<u>\$ 676,009.37</u>	<u>\$ 596,164.56</u>	<u>\$ 460,507.13</u>	<u>\$ 478,107.20</u>	<u>\$ 102,008.50</u>	
Reconciliation to Statement of Net Position:							
Amounts reported for governmental activities in the statement of net position are different because:							
There are no adjustments							<u>-</u>
Net position of governmental activities							<u>\$ 4,050,118.36</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Major Funds						Total Governmental Funds
	General Fund	Restricted Sales Tax	TIF - Peerless Park (UMB) Revenue	Sewer Lateral	COP 2010 Reserve B	Non-Major Funds	
REVENUES:							
Taxes	\$ 2,502,353.54	\$ 1,026,451.71	\$ 1,004,775.10	\$ 48,705.10	\$ -	\$ 235,598.89	\$ 4,817,884.34
Intergovernmental	414,453.17	1,079,575.06					1,494,028.23
Charges for Services	16,401.00						16,401.00
Fines and Forfeitures	93,129.00					1,450.00	94,579.00
Licenses and Permits	438,790.16						438,790.16
Investment Income	8,634.42	840.66	1,103.43		7,745.61	1,200.53	19,524.65
Miscellaneous	330,705.13	51,304.31					382,009.44
Total Revenues	<u>3,804,466.42</u>	<u>2,158,171.74</u>	<u>1,005,878.53</u>	<u>48,705.10</u>	<u>7,745.61</u>	<u>238,249.42</u>	<u>7,263,216.82</u>
EXPENDITURES:							
Administration	753,755.72	-	1,537.00	-	(359.18)	21,542.01	776,475.55
Streets	878,995.30						878,995.30
Sewer Lateral				67,559.34			67,559.34
Parks	246,647.54						246,647.54
Community Development	147,494.49	1,549,860.33					1,697,354.82
Police	1,335,444.79						1,335,444.79
Court	86,135.47						86,135.47
Mayor	10,167.50						10,167.50
Emergency Management	1,837.68						1,837.68
Public Image	48.00						48.00
Debt Service							
Principal	28,635.94	16,475.56		3,971.52		417,090.93	466,173.95
Interest and Fees	1,659.96	427.73		107.18		1,502,658.74	1,504,853.61
Total Expenditures	<u>3,490,822.39</u>	<u>1,566,763.62</u>	<u>1,537.00</u>	<u>71,638.04</u>	<u>(359.18)</u>	<u>1,941,291.68</u>	<u>7,071,693.55</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>313,644.03</u>	<u>591,408.12</u>	<u>1,004,341.53</u>	<u>(22,932.94)</u>	<u>8,104.79</u>	<u>(1,703,042.26)</u>	<u>191,523.27</u>
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	-	-	-	-	-	1,919,899.34	1,919,899.34
Operating Transfers Out		(576,580.76)	(1,129,844.49)		(2,801.41)	(210,672.68)	(1,919,899.34)
Bond Interest Subsidy		107,453.26					107,453.26
Total Other Financing Sources (Uses)	<u>-</u>	<u>(469,127.50)</u>	<u>(1,129,844.49)</u>	<u>-</u>	<u>(2,801.41)</u>	<u>1,709,226.66</u>	<u>107,453.26</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>313,644.03</u>	<u>122,280.62</u>	<u>(125,502.96)</u>	<u>(22,932.94)</u>	<u>5,303.38</u>	<u>6,184.40</u>	<u>298,976.53</u>
FUND BALANCE, JULY 1, 2017	<u>1,423,677.57</u>	<u>553,728.75</u>	<u>721,667.52</u>	<u>483,440.07</u>	<u>472,803.82</u>	<u>95,824.10</u>	<u>3,751,141.83</u>
FUND BALANCE, JUNE 30, 2018	<u>\$ 1,737,321.60</u>	<u>\$ 676,009.37</u>	<u>\$ 596,164.56</u>	<u>\$ 460,507.13</u>	<u>\$ 478,107.20</u>	<u>\$ 102,008.50</u>	<u>\$ 4,050,118.36</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- MODIFIED CASH BASIS- GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$ 298,976.53
There are no adjustments	<u>-</u>
Change in Net Position of Governmental Activities	<u>\$ 298,976.53</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2018

	Major Enterprise Fund
	<u>Sanitation</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ <u>268,209.54</u>
Total Assets	\$ <u><u>268,209.54</u></u>
 <u>LIABILITIES</u>	
Liabilities:	
None	\$ <u>-</u>
 <u>NET POSITION</u>	
Unrestricted	<u>268,209.54</u>
Total Net Position	\$ <u><u>268,209.54</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	Major Enterprise Fund
	<u>Sanitation</u>
OPERATING REVENUES:	
Charges for Service	\$ 493,993.50
OPERATING EXPENSES:	
Salaries and Labor	211,856.01
Payroll Taxes	15,558.80
Pension Expense	269.62
Hospital Insurance	46,035.42
Beneflex	(7,388.46)
Dumping Fees	86,268.52
Truck Expense	9,561.67
General Insurance	6,592.64
Lubes & Fluids	172.50
Computer Consulting	12,796.08
Other Expenses	90.99
Uniform Expense	685.89
Fuel	14,205.80
Tires and Tubes	16,168.46
Billing Expense	4,000.17
Total Operating Expenses	<u>416,874.11</u>
NET INCOME (LOSS)	77,119.39
TOTAL NET POSITION, JULY 1, 2017	<u>191,090.15</u>
TOTAL NET POSITION, JUNE 30, 2018	<u>\$ 268,209.54</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	<u>Major Enterprise Fund</u>
	<u>Sanitation</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 493,993.50
Cash Payments to Suppliers for Goods and Services	(150,542.72)
Cash Payments to Employees For Services	<u>(266,331.39)</u>
Net Cash Provided (Used) by Operating Activities	<u>77,119.39</u>
Cash Flows from Noncapital Financing Activities:	
None	<u>-</u>
Cash Flows from Capital and Related Financing Activities:	
None	<u>-</u>
Cash Flows from Investing Activities:	
None	<u>-</u>
Cash and Cash Equivalents, Beginning of Year	<u>191,090.15</u>
Cash and Cash Equivalents, End of Year	<u>\$ 268,209.54</u>
Reconciliation of Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income(Loss)	\$ 77,119.39
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities	
Changes in assets and liabilities:	
None	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 77,119.39</u>

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT I

CITY OF VALLEY PARK, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
JUNE 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Restricted Assets:	
Cash and Investments	\$ <u>1,550.00</u>
 <u>LIABILITIES</u>	
Due to Others - Court Bonds	\$ <u>1,550.00</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF VALLEY PARK, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies

The City of Valley Park, Missouri was incorporated in 1917. The City operates under a Mayor-Board of Alderman form of government. The City's major operations include police, parks, public works, and general administrative services. In addition, the City owns and operates a sanitation system.

The City's financial statements are prepared in accordance with the modified cash basis of accounting. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Principals Used to Determine Scope of Entity

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by both GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The City has determined that no outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity which would exercise such oversight which would result in the City being considered a component unit of the entity.

Included within the reporting entity:

Tax Increment Financing (TIF) Commission of the City of Valley Park, Missouri (effective October 7, 2009, the City also assumed jurisdiction over the TIF redevelopment area in the annexation area formally known as the City of Peerless Park, and assumed the duties and responsibilities of the TIF). The Tax Increment Financing Commission was formed to encourage economic development in the City. It is governed by a Board of Commissioners. The Commission oversees certain redevelopment activities. The City has established several special allocation funds into which payments in lieu of taxes derived from increases in the equalized assessed value of property and economic activity revenues are deposited and the funds required by the provisions of the Bond ordinance. The Commission does not issue a separate financial statement.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis present financial information about the City’s government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities- Modified Cash Basis presents a comparison between direct expenses and program revenue for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) 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, including taxes, are presented as general revenues.

General Government	Licenses, permits and fees
Public Safety	Fine revenue
Streets	Vehicle fees and sales tax and gasoline excise tax shared by the State; operating grants
Parks	Rentals
Community Development	Operating and capital grants
Debt Service	Certificate interest subsidy

Fund Financial Statements

During the year, the City segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of the governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. A fund is considered major if it is the primary operating fund of the City, the City chooses the fund, or a fund meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds; governmental, proprietary, and fiduciary.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The following are the City's governmental funds:

Governmental Funds

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

GASB 54 clarifies the definitions of the governmental fund types. The following is reported as part of the General Fund for financial reporting purposes but is maintained individually for accounting purposes and budgetary comparisons of legally adopted budgets.

Valley Days Fund – to account for the collection of special monies and expenditures related thereto.

Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are either restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Restricted Sales Tax Fund – to account for the collection of storm water and capital improvement sales tax and expenditures related thereto.

TIF- Peerless Park (UMB) Revenue Fund – to account for payments in lieu of taxes, economic activity tax revenues and amounts necessary to be transferred to TIF - Peerless Park Debt Service (UMB) Fund.

Former Corps Escrow Fund – to account for payment of remaining costs associated with levee construction project.

Sewer Lateral Fund – to account for revenues and expenditures related to the sewer lateral programs.

Police Training Fund – to account for revenues and expenditures pertaining to police training.

Bond Deposit Fund – to account for bond deposits.

TIF- Route 141/Marshall Road Project (UMB) Revenue- Eats Account – to account for economic activity tax revenues to be transferred to TIF- Route 141/Marshall Road Project (UMB) Debt Service Fund.

TIF- Route 141/Marshall Road Project (UMB) Revenue- Pilots Account – to account for payments in lieu of taxes to be transferred to TIF- Route 141/Marshall Road Project (UMB) Debt Service Fund.

TIF- Route 141/Marshall Road Project (UMB) Revenue- CID Revenues Account – to account for CID sales tax revenue to be transferred to TIF- Route 141/Marshall Road Project (UMB) Debt Service Fund.

Debt Service Funds:

Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs.

COP 2010 Reserve B – to account for an amount from proceeds of the Certificate of Participation (2010B) applied in accordance with the provisions of the lease purchase agreement.

COP 2010 Debt Service – to account for the accumulation of resources and payment of interest and principal of the Certificate of Participation (Series 2010).

TIF-Peerless Park Debt Service (UMB) Fund – to account for accumulation of resources and payment of interest and principal of the Tax Increment Revenue Notes.

TIF- 2015 Series A Debt Service – to account for accumulation of resources and payment of interest and principal of the TIF- 2015 Series A Debt Service.

TIF- 2015 Series B Debt Service– to account for accumulation of resources and payment of interest and principal of the TIF- 2015 Series B Debt Service.

Capital Projects Funds:

Capital project funds are used to account for and report financial resources restricted, committed, or assigned for capital outlays, including the acquisition or construction of specific capital facilities or other capital items.

COP 2010 Project A – to account for costs of acquiring, constructing, and installing certain stormwater and road improvements. Financing provided by Certificates of Participation.

Proprietary Funds

Enterprise Funds:

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

Sanitation Fund – to account for the charges to residents for trash pick-up and expenses pertaining to that service.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and other operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Agency Fund:

Municipal Court – represents monies that are held by the City's municipal court in a fiduciary capacity on behalf of various individuals and entities. This fund is not considered an operating fund of the City.

Major and Non-major Funds

The funds are classified as major or non-major as follows:

Major Funds:

General Funds

Special Revenue Funds:

Restricted Sales Tax
Sewer Lateral Fund
TIF-Peerless Park (UMB) Revenue

Enterprise Funds:

Sanitation

Debt Service Funds:

COP 2010 Reserve B

Non-Major Funds:

Special Revenue Funds:

Former Corps Escrow Fund
Police Training
Bond Deposit
TIF- Route 141/Marshall Road Project
(UMB) Revenue- Eats Account
TIF- Route 141/Marshall Road Project
(UMB) Revenue- Pilots Account
TIF- Route 141/Marshall Road Project
(UMB) Revenue- CID Revenues

Debt Service Funds:

COP 2010 Debt Service
TIF- Peerless Park Debt Service (UMB)
TIF- 2015 Series A Debt Service
TIF- 2015 Series B Debt Service

Capital Projects Funds:

COP 2010 Project A

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis, both governmental and business-like activities are presented using the “economic resources” measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All government funds utilize a “current financial resources” measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

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

Basis of Accounting

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments arising from cash transactions or events.

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and

deferred inflows of resources that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the City utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government- wide financial statements would be presented in accordance with the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
2. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
3. The budget was formally adopted on June 29, 2017.
4. Budgets for City funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid.
5. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

For the year ended June 30, 2018, the City complied, in all material respects, with applicable budget laws, except as noted below:

1. Excess of expenditures and transfers over appropriations in individual funds. The following is a summary:

Fund	Appropriations	Transfers / Expenditures	Excess
Valley Days	\$ 17,700.00	\$ 33,382.41	\$ 15,682.41
TIF-2015 Series B Debt Service	176,000.00	178,010.95	2,010.95
TIF Peerless Park Debt Service	1,058,000.00	1,129,844.49	71,844.49

E. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the City. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

For the purpose of the Statement of Net Position- Modified Cash Basis, “cash and investments” includes all cash on hand, demand deposits, repurchase agreements, open-ended money market mutual funds, and government agency and corporate bonds. For the purpose of the proprietary funds Statement of Cash Flows- Modified Cash Basis, “cash and cash equivalents” includes all cash on hand and demand deposits.

F. Capital Assets

Capital outlays of the various funds are recorded as expenditures when incurred. These capital outlays represent the cost of land, buildings and improvements, and furniture and equipment. The City does not maintain a record of its capital assets.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

The restricted assets at June 30, 2018 are as follows:

Restricted Sales Tax Fund	\$ 676,009.37
TIF-Peerless Park (UMB) Revenue	596,164.56
Sewer Lateral Fund	460,507.13
Police Training Fund	15,563.09
Bond Deposit Fund	26,120.98
Former Corps Escrow Fund	132.43
TIF - Route 141/Marshall Road Project (UMB) Revenue - Eats Account	28,269.97
TIF - Route 141/Marshall Road Project (UMB) Revenue - Pilots Account	24,899.45
TIF - Route 141/Marshall Road Project (UMB) Revenue - CID Revenues Account	6,464.81
COP 2010- Reserve B	478,107.20
COP 2010- Debt Service Fund	388.68
TIF- Peerless Park Debt Service (UMB)	164.44
COP 2010 - Project A	4.65
	<u>\$ 2,312,796.76</u>

H. Governmental Fund Balances

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

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

Restricted- Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed- Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action (ordinance) of the City's highest level of decision-making authority.

Assigned- Amounts constrained by the City's intent (resolution) to be used for specific purposes but that are neither restricted nor committed.

Unassigned- The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

It is the City's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also City policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The City has no formal minimum fund balance policies or any formal stabilization arrangement in place.

Fund balances of the City's governmental funds at June 30, 2018, are classified as follows regarding level of constraint:

Fund Balances:	General Fund	Special Revenue Funds	Capital Projects	Debt Service Funds
Restricted for:				
Bond Deposits	\$ -	\$ 26,120.98	\$ -	\$ -
Capital Improvements		676,146.45	4.65	
Debt Service		655,798.79		478,660.32
Sewer Lateral		460,507.13		
Other Purposes		15,563.09		
Unassigned	1,737,321.60			
Total Fund Balances:	<u>\$ 1,737,321.60</u>	<u>\$ 1,834,136.44</u>	<u>\$ 4.65</u>	<u>\$ 478,660.32</u>

I. Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

J. Interfund Activity

In the process of aggregating the financial information for the government-wide Statement of Net Position- Modified Cash Basis and Statement of Activities- Modified Cash Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. *Interfund loans.* Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. *Interfund services.* Sales or purchases of goods and services between funds are reported as revenues and expenditures or expenses.
- c. *Interfund reimbursement.* Repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures or expenses in the respective funds.
- d. *Interfund transfers.* Flow of assets from one fund to another when repayment is not expected and reported as transfers in and out.

Interfund activity and balances resulting from cash transaction or events, if any, are eliminated or reclassified in the government-wide financial statement as follows:

- a. Interfund balances.* Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the "Governmental" and "Business-Type Activities" columns of the Statement of Net Position- Modified Cash Basis, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- b. Internal activities.* Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities – Modified Cash Basis, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers- Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds. See Note 5 for details of interfund transactions.

K. Fines and Court Costs

Missouri statute now requires municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for minor traffic violations. The City's fines, court costs and other revenues pertaining to minor traffic violations totaled \$60,567.51 for the fiscal year. "Annual general operating revenue" is defined in the statute and may or may not include various sources of the City's revenues. "General operating revenue" totaled \$3,159,689.37. The City's fines and court costs for minor traffic violations are 1.92% "annual general operating revenue."

L. Estimates

The preparation of the financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the final statements and accompanying notes. Actual results may differ from those estimates.

M. Adoption of New Accounting Standards

The City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

The City also adopted GASB Statement 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

The City also adopted GASB Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits

The City also adopted GASB Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt.

N. Pensions

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

Because of the accounting method used, the City does not record the net pension asset, deferred outflows of resources, or deferred inflows of resources for the pension plan.

2. Cash and Investments

The City is governed by the deposit and investment limitations of the City Investment Policy and state law. The depository banks are to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes. Debt certificate proceeds held by trustees are invested in accordance with the provisions of the trust indentures.

The City may invest the funds in bonds or any instrument permitted by law for the investment of state money's in accordance with section 165.051 of the Missouri Revised Statutes.

The cash and investments held at June 30, 2018, and reported at cost are as follows:

Type	Maturities	Carrying Value
Cash on hand		\$ 950.00
Deposits:		
Demand deposits	Demand	1,196,478.16
Investments:		
Repurchase Agreement	July 1, 2018	1,986,435.98
Money market mutual funds:		
Fidelity		
Treasury Fund	Demand	659,533.58
Government Agency Bonds	Various	322,993.56
Corporate Bonds	Various	151,934.62
Other	Various	2.00
Total Investments:		3,120,899.74
Total Cash and Investments:		\$ 4,318,327.90
Reconciliation to financial statements:		
Cash and Investments		\$ 2,005,531.14
Restricted Assets:		
Cash and Investments		2,312,796.76
		\$ 4,318,327.90

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk that requires a depository contract with each safekeeping bank that complies with the Financial Institutions Reform, Recovery and Enforcement Act of 1989. At June 30, 2018 bank balances were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized the pledging financial institution or its agent in the City's name.

Custodial Credit Risk - Investments - Custodial credit risk 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 the investments or collateral securities that are in the possession of an outside party. The City has a written investment policy covering custodial credit risk, and in accordance with its policy, the City's addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio and maintaining a standard of quality for investments.

Investment Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City has a written investment policy covering interest rate risk stating that the City will minimize interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities.

Investment Credit Risk - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has a written investment policy covering investment credit risk stating that the City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio so that potential losses on individual securities will be minimized.

At June 30, 2018, the City's investments were rated as follows:

Investment Type	City of Valley Park Investment Maturities			Credit Rating
	<1 year	1-3 years	4-5 years	
Repurchase Agreement	\$ 1,986,435.98	\$ -	\$ -	not rated
Money Market Mutual Fund	659,533.58			Aaa-mf
Government Agency Bonds	163,414.20		159,579.36	Aaa
Corporate Bonds		151,934.62		Aaa
Other	2.00			not rated

Concentration of Credit Risk: It is the City's policy that deposits and investments shall be diversified to minimize the risk of loss resulting from over concentrations of assets in specific maturity, specific issuer or specific class of securities. The maximum invested by security type and issuer shall be:

	City Policy Limit
U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S. government	100%
Collateralized time and demand deposits	100%
U.S. Government agencies and sponsored enterprises	<60%
Collateralized repurchase agreements	none stated

At June 30, 2018, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, the City had the following investments with one issuer, which represented 5% or more of total investments by fund and overall:

		Percent of Fund's <u>Total Investments</u>	Percent of City's <u>Total Investments</u>
COP 2010 Reserve B Fund			
FNMA notes	\$ 322,993.56	68%	10%
Private Export Funding Corp.	151,934.62	32%	5%

The City categorizes its fair value measurements within the fair value hierarchy established by generally 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 prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Fair Value Measurements Using			Cost Measurement Using
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Measured at Fair Value
U.S. Government Agency Bonds	\$ -	\$ 314,776.82	\$ -	\$ 322,993.56
Corporate Bonds		148,957.50		151,934.62
Other			2.00	2.00

3. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31.

The assessed valuation of the tangible taxable property for the calendar year 2017 for purposes of local taxation was:

Real Estate	\$ 126,940,920.00
Personal Property	19,370,210.00
Railroad and Utilities	4,336,690.00
Total	<u>\$ 150,647,820.00</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2017 for purposes of local taxation was:

Residential	\$ 0.444
Agricultural	-
Commercial	0.623
Personal Property	0.570

4. Long-Term Debt

Governmental Activities

As of June 30, 2018, the long-term debt outstanding, arising from cash transactions, to be repaid from governmental funds consisted of the following:

Certificates of Participation

\$5,395,000.00 taxable certificates, due in varying installments through April 1, 2025; interest at 4.25%-7%:	<u>\$ 4,435,000.00</u>
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Total Certificates of Participation:	<u>\$ 4,435,000.00</u>
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Tax Increment Revenue Notes:

\$4,520,100.00 tax increment revenue notes, due in varying annual installments from available funds through January 2, 2020; interest at 10%:	\$ 4,520,100.00
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\$2,679,900.00 tax increment revenue notes, due in varying annual installments from available funds through January 2, 2020; interest at prime +1%, currently at 4.25%:	2,679,900.00
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\$490,295.71 tax increment revenue notes, due in varying annual installments from available funds through September 19, 2033; interest at 6%:	355,390.07
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\$942,457.31 tax increment revenue notes, due in varying annual installments from available funds through September 19, 2033; interest at 7.5%:	<u>161,637.54</u>
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Total Tax Increment Revenue Notes:	<u>\$ 7,717,027.61</u>
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Capital Lease Obligations:

2015 capital lease with Meramec Valley Bank for a vehicle (cost \$22,585.50), payable in installments of \$5,000.98, including principal and interest at 3.5%, final payment due November 5, 2017: \$ 4,803.67

2017 capital lease with Meramec Valley Bank for a vehicle (cost \$25,631.00), payable in installments of \$5,489.82, including principal and interest at 3.5%, final payment due October 5, 2020: 15,367.62

2017 capital lease with Meramec Valley Bank for a vehicle (cost \$54,563.00), payable in installments of \$11,868.65, including principal and interest at 4.255%, final payment due September 5, 2021: 42,714.24

Total Capital Lease Obligations: \$ 62,885.53

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2018.

Type of Debt	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amount Due Within One Year
Governmental Activities:					
Certificates of Participation	\$ 4,685,000.00	\$ -	\$ 250,000.00	\$ 4,435,000.00	\$ 260,000.00
TIF Revenue Notes*	7,884,118.54		167,090.93	7,717,027.61	-
Capital Leases	57,405.55	54,563.00	49,083.02	62,885.53	19,722.34
Total	<u>\$ 12,626,524.09</u>	<u>\$ 54,563.00</u>	<u>\$ 466,173.95</u>	<u>\$ 12,214,913.14</u>	<u>\$ 279,722.34</u>

*Includes debt acquired through the assumption of the Tax Increment Financing Commission of the City of Peerless Park, Missouri totaling \$7,200,000.00.

Payments on the Certificates of Participation are made by the COP 2010 Debt Service fund. Payments on the TIF Revenue Notes are made by the TIF 2015 Series A Debt Service and TIF 2015 Series B Debt Service Funds. Payments on the capital leases are made by the General, Sewer Lateral, and Restricted Sales Tax funds.

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2018, are as follows:

Year Ended June, 30	Governmental Activities			
	Certificates of Participation		Tax Increment Revenue Notes** (Peerless Park)	
	Principal	Interest	Principal	Interest
2019	\$ 260,000.00	\$ 315,482.50	\$ -	\$ 17,717,213.35
2020	270,000.00	299,882.50	7,200,000.00	1,195,823.15
2021	280,000.00	283,412.50		
2022	295,000.00	265,772.50		
2023	305,000.00	246,597.50		
2024-2028	1,755,000.00	891,256.25		
2029-2033	1,270,000.00	196,725.00		
2034-2038				
	<u>\$ 4,435,000.00</u>	<u>\$ 2,499,128.75</u>	<u>\$ 7,200,000.00</u>	<u>\$ 18,913,036.50</u>
Year Ended June, 30	Tax Increment Revenue Notes (Route 141/Marshall Rd Project)		Capital Leases	
	Principal	Interest	Principal	Interest
2019	\$ -	\$ 30,761.55	\$ 19,722.34	\$ 2,637.11
2020		28,076.88	15,575.33	1,783.14
2021		28,076.88	16,210.05	1,148.42
2022		28,076.88	11,377.81	490.84
2023		28,076.88		
2024-2028		140,384.40		
2029-2033		140,384.40		
2034-2038	517,027.61	14,038.44		
	<u>\$ 517,027.61</u>	<u>\$ 437,876.31</u>	<u>\$ 62,885.53</u>	<u>\$ 6,059.51</u>
Year Ended June, 30	Total Governmental Activities			
	Principal	Interest		
2019	\$ 279,722.34	\$ 18,066,094.51		
2020	7,485,575.33	1,525,565.67		
2021	296,210.05	312,637.80		
2022	306,377.81	294,340.22		
2023	305,000.00	274,674.38		
2024-2028	1,755,000.00	1,031,640.65		
2029-2033	1,270,000.00	337,109.40		
2034-2038	517,027.61	14,038.44		
	<u>\$ 12,214,913.14</u>	<u>\$ 21,856,101.07</u>		

**Includes unpaid interest accrued and added to interest through March 1, 2018.

5. Interfund Transfers and Balances

Interfund Transfers

Transfers between funds for the year ended for the year ended June 30, 2018, were as follows:

Major Funds:	Transfers In	Transfers Out
Special Revenue Funds:		
Restricted Sales Tax	\$ -	\$ 576,580.76
TIF-Peerless Park (UMB) Revenue		1,129,844.49
	-	1,706,425.25
Debt Service Funds:		
COP 2010 Reserve B	-	2,801.41
Non-Major Funds:		
Special Revenue Funds:		
TIF- Route 141/Marshall Road Project (UMB) Revenue – CID Revenues Account	-	32,661.73
TIF- Route 141/Marshall Road Project (UMB) Revenue – Pilots Account		8,468.28
TIF- Route 141/Marshall Road Project (UMB) Revenue – Eats Account		169,542.67
	-	210,672.68
Debt Service Funds:		
TIF – 2015 Series A Debt Service	32,661.73	
TIF – 2015 Series B Debt Service	178,010.95	
COP 2010 – Debt Service	579,382.17	
TIF – Peerless Park Debt Service (UMB)	1,129,844.49	
	1,919,899.34	-
	\$ 1,919,899.34	\$ 1,919,899.34

Transfers are used to (a) 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 to (b) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

6. Redevelopment Plans and Projects

In December 1988, the City approved an ordinance designating a redevelopment project area, known as the Valley Park Levee and Infrastructure Development Plan and Project, and authorizing tax increment financing (TIF). In the fall of 2006, the United States Army Corps of Engineers, with the City as local sponsor, completed a 100 year levee system to protect the City from floodwaters of the Meramec River and tributaries. In March 2011, the City made final payments on its TIF revenue bonds related to this project.

Effective October 7, 2009, the City assumed jurisdiction over the TIF redevelopment area in the annexation formally known as the City of Peerless Park and assumed the duties and responsibilities of the TIF. In January 1997, an agreement was signed between the City of Peerless Park and a developer for undertaking a redevelop plan and project known as the Druco, Inc. Project. In December 1997, the City of Peerless Park issued TIF notes not to exceed \$7,200,000.00. The Notes constitute special, limited obligations of the City payable as to principal, premium, if any, and interest solely from "Pledged Revenues" means (1) all Net Proceeds and (2) all moneys held in the Revenue Fund under the Indenture and all moneys held in the Debt Service Fund under the

Indenture together with investment earnings thereon. "Net Proceeds" means all moneys on deposit in (a) the Pilots Account of the Special Allocation Fund and (b) subject to annual appropriation, the Economic Activity Tax Account of the Special Allocation Fund, excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum. The Obligations of the City with respect to these notes terminate on January 2, 2020, whether or not the principal amount or interest hereon has been paid in full.

In March 2011, an agreement was signed between the City of Valley Park and a developer for undertaking a redevelopment plan and project known as the Route 141/Marshall Road Redevelopment Plan & Project. In January 2015, the City of Valley Park issued TIF notes totaling \$1,437,753.02. The Notes constitute special, limited obligations of the City payable as to principal, premium, if any, and interest solely from the Pledged Revenues and other moneys pledged thereto and held by the Trustee pursuant to the Indenture. "Pledged Revenues" mean all Net Proceeds and all moneys held in the Revenue Fund and the Debt Service Fund under the Indenture, together with investment earnings thereon. "Net Proceeds" means (a) all PILOTs on deposit in the PILOTs Account of the Special Allocation Fund, (b) all EATS on deposit in the EATS Account of the Special Allocation Fund that have been appropriated by the City to the repayment of the Notes and (c) all CID Portion of CID Sales Tax Revenues that have been appropriated by the Route 141/Marshall Road Community Improvement District to the repayment of the Notes (provided that the CID Portion of CID Sales Tax Revenues may not be used to pay principal and interest on the Series B Notes). Net Proceeds do not include (1) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer and (2) any sum received by the City that is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum. The obligations of the City with respect to these notes terminate on September 19, 2033, whether or not the principal amount or interest hereon has been paid in full.

7. Operating Leases

The City is committed under leases for equipment. The leases for accounting purposes are considered operating leases. Operating leases do not give rise to property rights or lease obligations. Lease expenditures for the year ended June 30, 2018, amounted to \$ 5,208.36.

Year Ending	
June 30,	Amount
2019	\$ 1,736.12

8. Retirement Plan

General Information about the Pension Plan

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

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

	<u>2018 Valuation</u>
Benefit Multiplier:	1.75% for life
Final Average Salary:	5 years
Member Contributions:	4%

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

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	3
Active employees	21
	<hr/>
	32

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rate is 1.9% of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial assumptions. The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
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 table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality tables 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 the pre-retirement tables were adjusted for mortality improvement back to the observation period base year for 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, 2018 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%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total	Plan	
	Pension	Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2017	<u>\$ 2,682,326</u>	<u>\$ 3,198,705</u>	<u>\$ (516,379)</u>
Changes for the year:			
Service cost	82,749	-	82,749
Interest	192,564		192,564
Difference between expected and actual experience	102,787		102,787
Contributions - employer		17,634	(17,634)
Contributions - employee		37,124	(37,124)
Net investment income		399,585	(399,585)
Benefit payments, including refunds	(136,223)	(136,223)	
Administrative expense		(2,647)	2,647
Other changes		6,803	(6,803)
Net changes	<u>241,877</u>	<u>322,276</u>	<u>(80,399)</u>
Balances at 6/30/2018	<u><u>\$ 2,924,203</u></u>	<u><u>\$ 3,520,981</u></u>	<u><u>\$ (596,778)</u></u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	Current Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.25%	7.25%	8.25%
Total pension liability (TPL)	<u>\$ 3,482,418</u>	<u>\$ 2,924,203</u>	<u>\$ 2,474,976</u>
Plan fiduciary net position	<u>3,520,981</u>	<u>3,520,981</u>	<u>3,520,981</u>
Net pension liability/(asset) (NPL)	<u><u>\$ (38,563)</u></u>	<u><u>\$ (596,778)</u></u>	<u><u>\$ (1,046,005)</u></u>

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

For the year ended June 30, 2018 the employer recognized pension expense was \$6,513. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 90,268	\$ (202,034)
Differences in assumptions	83,560	
Excess (deficit) investment returns		(119,758)
Contributions subsequent to the measurement date*		
Total	<u>\$ 173,828</u>	<u>\$ (321,792)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2018.

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

<u>Year ended</u>	<u>General</u>
2019	\$ 1,632
2020	(30,167)
2021	(72,864)
2022	(39,331)
2023	(4,083)
Thereafter	(3,151)
Total	<u>\$ (147,964)</u>

Payable to the Pension Plan

At June 30, 2018, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

9. Commitments and Contingencies

Commitments

The City contracts for police services with St. Louis County. The contract consists of five, one-year terms, commencing on the 1st day of January 2018 and expiring on the 31st day of December 2018, with renewal terms through December 31, 2022, and required monthly payments of approximately \$115,219.30 for 2018.

Contingencies

The City is involved in various legal actions in which claims are being asserted against the City. The aggregate liability, after insurance coverage, if any, is not determinable at this time. Accordingly, and as a result of the City's use of the modified cash basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

On November 1, 2016, the City executed an agreement with the Valley Park School District in settlement of litigation. The City has agreed to pay \$1,837,480.00 to the Valley Park School District over the next 30 years, with \$47,916.00 paid during the year ended June 30, 2018.

The City participates in various federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, which may be disallowed by the grantor, cannot be determined at this time, although the City is not aware of any noncompliance that might require the City to provide reimbursement.

The City is not current with submissions to the Missouri Department of Economic Development of its annual reports concerning the status of all redevelopment plans and projects.

10. Tax Abatement

The City has established Tax Increment Financing (TIF) Districts pursuant to Missouri Statutes. TIFs allow for the redevelopment of the areas and use incremental tax revenues to provide for eligible expenditures related to the project.

The City has established separate special revenue funds to account for these TIFs. Incremental tax revenues for the year (City portion), could not be determined.

11. Risk Management

Worker's Compensation

The City is a member of the Missouri Rural Services Workers' Compensation Insurance Trust, a protected self-insurance program of member participants. The City does not pay premiums to purchase insurance policies, but pays an assessment to be a member of self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The pooling agreement requires the pool to be self-sustaining. The City believes it is not possible to estimate the range or contingent losses to be borne by the City. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in insurance coverage from the prior year.

Group Medical Insurance

The City purchases commercial insurance for eligible employees. The City also funds a health reimbursement arrangement plan for eligible employees.

12. Conduit Debt Obligations

The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2018, there were several series of Industrial Revenue Bonds outstanding. The aggregate principal amount outstanding at June 30, 2018 could not be determined.

13. Subsequent Event

The City entered into an operating lease for a copier on November 25, 2018 for 60 months at \$344.71 per month.

SUPPLEMENTARY INFORMATION

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES:				
Taxes				
Real Estate and Personal Property Tax	\$ 679,800.00	\$ 679,800.00	\$ 678,251.18	\$ (1,548.82)
Railroad & Utility Tax	32,000.00	32,000.00	30,497.30	(1,502.70)
Gross Receipts Tax	803,400.00	803,400.00	802,586.19	(813.81)
Cigarette Tax	20,600.00	20,600.00	16,270.15	(4,329.85)
Sales Tax	1,090,201.00	974,380.00	972,910.63	(1,469.37)
Financial Institution Tax	1,500.00	1,500.00	1,838.09	338.09
	<u>2,627,501.00</u>	<u>2,511,680.00</u>	<u>2,502,353.54</u>	<u>(9,326.46)</u>
Intergovernmental				
County Road Fund	133,900.00	133,900.00	134,277.46	377.46
Gasoline Tax	264,000.00	264,000.00	280,175.71	16,175.71
CDBG Reimbursement	40,000.00	40,000.00		(40,000.00)
	<u>437,900.00</u>	<u>437,900.00</u>	<u>414,453.17</u>	<u>(23,446.83)</u>
Licenses, Permits and Fees				
Merchants, Manufacturing and				
Business Licenses	223,000.00	223,000.00	280,652.93	57,652.93
Billboard License	15,000.00	15,000.00	14,781.27	(218.73)
Liquor Licenses	14,000.00	14,000.00	31,300.00	17,300.00
Vehicle Fees	32,960.00	32,960.00	33,663.96	703.96
Filing Fees	200.00	200.00	300.00	100.00
Bad Check Fee	200.00	200.00	267.00	67.00
Permits	35,000.00	35,000.00	47,918.00	12,918.00
Occupancy Inspection	38,000.00	38,000.00	29,807.00	(8,193.00)
Nuisance / Weed Cutting	1,000.00	1,000.00	100.00	(900.00)
Community Development Fees	50.00	50.00		(50.00)
	<u>359,410.00</u>	<u>359,410.00</u>	<u>438,790.16</u>	<u>79,380.16</u>
Interest				
	<u>3,200.00</u>	<u>3,200.00</u>	<u>8,634.42</u>	<u>5,434.42</u>
Fines and Forfeitures				
Police, Court and Fines	82,500.00	82,500.00	85,528.50	3,028.50
Battered Women (Court)	750.00	750.00	723.00	(27.00)
Inmate Security Fund	1,500.00	1,500.00	1,440.00	(60.00)
Crime Victim Compensation	4,500.00	4,500.00	5,437.50	937.50
	<u>89,250.00</u>	<u>89,250.00</u>	<u>93,129.00</u>	<u>3,879.00</u>
Miscellaneous				
Photo Copies	-	-	6.30	6.30
Insurance From Individuals	500.00	500.00		(500.00)
Library Utility Reimbursement	500.00	500.00	500.00	
Park Rental Deposit	5,500.00	5,500.00	10,651.00	5,151.00
Deposits on Specs and Plans	5,000.00	5,000.00	10,200.00	5,200.00
Refunds	1,000.00	1,000.00	1,896.99	896.99
Deposit-Public Hearing Ad	2,000.00	2,000.00		(2,000.00)
Alarm	1,125.00	1,125.00	895.00	(230.00)
Cell Tower Rent	11,000.00	11,000.00	12,588.00	1,588.00
Insurance Refund	1,500.00	1,500.00	8,354.86	6,854.86
Cell Phone Tower License	4,000.00	4,000.00	4,000.00	
Bond Forfeiture	1,000.00	1,000.00	525.00	(475.00)
Park Misc.			5,750.00	5,750.00
Other	2,000.00	2,000.00	23,162.03	21,162.03
Street Equipment Purchase		23,408.00	23,408.00	
Permit (St. Louis County)		115,821.00	208,843.18	93,022.18
Flood Ins. Payment		19,565.57	19,565.57	
	<u>35,125.00</u>	<u>193,919.57</u>	<u>330,345.93</u>	<u>136,426.36</u>
Total Revenues	3,552,386.00	3,595,359.57	3,787,706.22	192,346.65

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES:				
Administration Department				
Salaries	\$ 123,080.00	\$ 125,800.00	\$ 125,419.25	\$ 380.75
Payroll Taxes	14,300.00	16,300.00	15,610.16	689.84
Pension Expense	3,100.00	15,210.00	16,619.53	(1,409.53)
Street Lights	67,000.00	68,800.00	68,700.04	99.96
Code Book	1,500.00	1,500.00	995.00	505.00
Equipment Expense	50,000.00	50,000.00	48,872.68	1,127.32
Office Supplies and Expense	17,000.00	15,800.00	15,071.99	728.01
Hospital Insurance	21,000.00	9,200.00	8,191.35	1,008.65
General Insurance	120,000.00	120,000.00	119,070.90	929.10
Accounting Fees	40,000.00	38,500.00	38,500.00	
Supplies	1,500.00	4,648.00	4,691.11	(43.11)
Advertising	1,000.00	1,000.00	391.20	608.80
Gas	5,000.00	6,727.00	6,477.15	249.85
Electric	14,000.00	14,000.00	12,920.83	1,079.17
Telephone	5,200.00	5,200.00	4,514.81	685.19
Legal Fees	175,000.00	139,595.00	133,857.50	5,737.50
Dues and Meeting Expense	9,000.00	9,000.00	6,900.55	2,099.45
Building Maintenance	27,000.00	14,890.00	14,606.61	283.39
Battered Women	800.00	800.00	723.00	77.00
Official Expense	38,400.00	38,400.00	36,600.00	1,800.00
Other Expense	5,000.00	6,005.00	5,940.33	64.67
Floral Account	500.00	254.00	79.69	174.31
Sewer and Water	2,500.00	2,600.00	2,098.08	501.92
Drug Testing	2,500.00	2,500.00	813.00	1,687.00
Newsletter	3,000.00	3,000.00		3,000.00
Refund Bldg & Occ. Permits	2,000.00	3,200.00	3,200.00	
Annexation	10,000.00	6,400.00	5,408.50	991.50
Recreational Facility Reimbursement	900.00	684.00	600.00	84.00
Computer Consulting Expense	12,000.00	30,800.00	30,777.61	22.39
Uniforms	1,000.00	1,000.00	801.44	198.56
Document Management	1,500.00	1,167.00		1,167.00
Beneflex	20,000.00	20,000.00	18,570.96	1,429.04
Bank fees		6,800.00	6,732.45	67.55
	<u>794,780.00</u>	<u>779,780.00</u>	<u>753,755.72</u>	<u>26,024.28</u>
Street Department				
Salaries	422,726.00	423,026.00	422,057.66	968.34
Payroll Taxes	32,000.00	32,000.00	31,372.46	627.54
Pension Expense	10,400.00	10,100.00	957.54	9,142.46
Hospital Insurance	134,000.00	136,313.31	136,313.31	
General Insurance	35,000.00	22,416.06	17,305.68	5,110.38
Office Supplies & Expense	1,000.00	1,000.00	437.52	562.48
Tree Removal	1,500.00	1,500.00	640.00	860.00
Telephone	2,100.00	2,100.00	1,745.51	354.49
Tools	4,000.00	4,585.55	4,585.55	
Advertisement	500.00	500.00		500.00
Dues & Meeting Expense	1,000.00	1,000.00		1,000.00
Equipment	18,000.00	29,929.61	10,124.51	19,805.10
Ice	300.00	300.00		300.00
Truck Expense	35,000.00	26,498.96	24,040.01	2,458.95

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES: (Continued)				
Street Department (continued)				
Uniforms	\$ 4,000.00	\$ 4,000.00	\$ 3,318.40	\$ 681.60
O & M Garage	3,000.00	3,182.23	3,182.23	
Chemicals	2,000.00	9,119.28	310.37	8,808.91
Tractor Expense	15,000.00	6,474.11	6,474.11	
Mosquito Spraying	9,500.00	9,500.00	9,074.00	426.00
Materials	50,000.00		10,586.41	(10,586.41)
Other	1,000.00	3,483.95	3,467.95	16.00
Signs	2,500.00	3,255.59	3,255.59	
Equipment Rental	2,500.00	2,500.00	605.00	1,895.00
Fuel	25,000.00	25,000.00	22,400.59	2,599.41
First Aid & Safety Equipment	3,500.00	3,500.00	2,980.96	519.04
Street Materials	15,000.00	15,000.00	7,135.28	7,864.72
Tires and Tubes	6,500.00	6,500.00	5,865.86	634.14
Lubes and Fluids	3,500.00	3,500.00	2,422.56	1,077.44
Weedeater/Supplies	2,000.00	2,000.00	1,343.40	656.60
Damage to Non-City Property		214.67	214.67	
Computer Equipment Purchase	1,600.00	1,600.00	1,086.00	514.00
Computer Consulting Expense	1,800.00	1,960.64	1,960.64	
Education	1,000.00	1,000.00		1,000.00
Buildings-Public Works		143,731.53	143,731.53	
Debt Service				
Principal			19,268.21	(19,268.21)
Interest and Fees			536.89	(536.89)
	<u>846,926.00</u>	<u>936,791.49</u>	<u>898,800.40</u>	<u>37,991.09</u>
Parks				
Salaries	113,867.00	113,867.00	107,516.19	6,350.81
Payroll Taxes	9,400.00	9,400.00	7,881.19	1,518.81
Pension Expense	2,000.00	219.51	219.51	
General Insurance	2,500.00	824.08	824.08	
Beautification - Flowers	6,000.00	4,207.74	4,207.74	
Vance Trails	2,000.00	122.98	122.98	
Contractor Fees		5,200.00	5,200.00	
Park Deposit	400.00	400.00	75.00	325.00
Damage to City Property	300.00	300.00		300.00
Park Materials/Supplies	12,500.00	8,720.73	8,926.85	(206.12)
Advertising	1,000.00	1,000.00	625.10	374.90
Events	9,000.00	9,000.00	8,866.75	133.25
Office Supplies	1,100.00	300.00	185.95	114.05
Park Equipment	11,133.00	5,342.67	4,850.17	492.50
Park Electric	6,000.00	4,315.54	4,315.54	
Electric	4,500.00	3,000.00	2,842.02	157.98
Truck Expense	1,000.00	1,500.00	1,372.40	127.60
Uniforms	900.00	900.00	433.65	466.35
Telephone	1,000.00	1,000.00	733.55	266.45
Heat	750.00	750.00	421.81	328.19
Park Fuel	4,500.00	4,500.00	2,315.24	2,184.76
Tires & Tubes	750.00	750.00	256.21	493.79
Tractor Expense	1,500.00	1,500.00	1,325.66	174.34
Hospital Insurance	39,000.00	39,217.23	39,217.23	
Engineering	12,500.00	29,638.31	28,830.00	808.31
O & M General	1,000.00			
Computer Consulting Expense	2,700.00	2,700.00	2,625.84	74.16
Weedeater Supplies	500.00	500.00		500.00
Other	1,500.00	1,605.92	599.37	1,006.55
Sewer and Water	1,900.00	1,900.00	1,293.05	606.95
Education	1,000.00	506.52		506.52
Dues/ Meeting Expense	500.00	500.00		500.00
Leonard Park Repairs	5,000.00	5,000.00	4,671.28	328.72
Bringnole Park Repairs	4,000.00	3,010.79	3,010.79	
Johnny On Spot	3,000.00	3,000.00	2,882.39	117.61
Debt Service				
Principal	5,000.00	5,000.98	4,607.78	393.20
Interest and Fees			393.20	(393.20)
	<u>269,700.00</u>	<u>269,700.00</u>	<u>251,648.52</u>	<u>18,051.48</u>

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES: (Continued)				
Community Development				
Salaries	\$ 84,500.00	\$ 75,100.00	\$ 67,496.79	\$ 7,603.21
Payroll Taxes	6,700.00	6,700.00	5,163.44	1,536.56
Pension Expense		100.00	98.69	1.31
General Insurance	2,500.00	2,500.00	2,060.20	439.80
Engineering Fees	4,000.00	4,000.00	3,145.00	855.00
Office Supplies and Expense	3,000.00	1,200.00	1,067.31	132.69
Telephone	2,500.00	4,300.00	4,244.14	55.86
Advertising	150.00	150.00	136.12	13.88
Equipment Purchase	1,500.00	1,532.00	132.00	1,400.00
Hospital Insurance	15,500.00	16,500.00	16,413.02	86.98
Training	2,500.00			
Dues and Meeting Expense	1,000.00	1,000.00		1,000.00
Truck Expense and Fuel	2,350.00	2,250.00	1,812.80	437.20
Uniforms	500.00	368.00		368.00
Computer Consulting Expense		9,400.00	9,378.05	21.95
Refund Public Hearing Ad		2,000.00	1,936.20	63.80
Other Expense		100.00	1,028.32	(928.32)
Debt Service				
Principal	6,000.00	5,500.00	4,759.95	740.05
Interest and Fees			729.87	(729.87)
	<u>132,700.00</u>	<u>132,700.00</u>	<u>119,601.90</u>	<u>13,098.10</u>
Police Department :				
Police Department Contract	1,336,291.00	1,332,791.00	1,328,597.76	4,193.24
Telephone	2,000.00	2,000.00	1,681.38	318.62
Miscellaneous	5,000.00	8,500.00	5,165.65	3,334.35
	<u>1,343,291.00</u>	<u>1,343,291.00</u>	<u>1,335,444.79</u>	<u>7,846.21</u>
Court Department				
Salaries	47,900.00	47,900.00	40,441.58	7,458.42
Payroll Taxes	3,400.00	3,400.00	2,816.23	583.77
Office Supplies and Equipment	3,511.00	3,511.00	3,465.51	45.49
Uniforms	300.00	300.00	269.45	30.55
Hospital Insurance	5,300.00	5,300.00	4,601.92	698.08
Telephone	700.00	700.00	697.26	2.74
Regis	9,418.00	9,418.00	9,263.07	154.93
Dues and Meeting	3,341.00	3,341.00	3,340.23	0.77
Housing for Prisoners-Clayton	880.00	880.00	450.00	430.00
Computer Consulting Expense	7,128.00	7,128.00	7,127.32	0.68
Prosecuting Attorney	13,154.00	13,154.00	13,153.40	0.60
Other Expense	568.00	568.00	509.50	58.50
	<u>95,600.00</u>	<u>95,600.00</u>	<u>86,135.47</u>	<u>9,464.53</u>
Public Image				
Drug Testing	-	-	48.00	(48.00)
	<u>-</u>	<u>-</u>	<u>48.00</u>	<u>(48.00)</u>
Mayors Office				
Salaries	9,600.00	9,600.00	9,600.00	-
Payroll Taxes	800.00	800.00	77.90	722.10
Office Supplies and Expenses	100.00	100.00	489.60	(389.60)
Dues and Meeting Expense	100.00	100.00		100.00
	<u>10,600.00</u>	<u>10,600.00</u>	<u>10,167.50</u>	<u>432.50</u>

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES: (Continued)				
Emergency Management Account				
Salaries	\$ 2,280.00	\$ 2,280.00	\$ 1,709.76	\$ 570.24
Payroll Taxes	200.00	200.00	127.92	72.08
Operating Expense	1,000.00	1,000.00		1,000.00
	<u>3,480.00</u>	<u>3,480.00</u>	<u>1,837.68</u>	<u>1,642.32</u>
 Total Expenditures	 <u>3,497,077.00</u>	 <u>3,571,942.49</u>	 <u>3,457,439.98</u>	 <u>114,502.51</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 55,309.00	 23,417.08	 330,266.24	 (306,849.16)
 OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(5,000.00)	(20,000.00)	(20,000.00)	-
Total other financing sources (uses):	<u>(5,000.00)</u>	<u>(20,000.00)</u>	<u>(20,000.00)</u>	<u>-</u>
 EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	 50,309.00	 3,417.08	 310,266.24	 (306,849.16)
 FUND BALANCE, JULY 1, 2017	 <u>1,420,546.16</u>	 <u>1,420,546.16</u>	 <u>1,420,546.16</u>	 <u>-</u>
FUND BALANCE, JUNE 30, 2018	<u>\$ 1,470,855.16</u>	<u>\$ 1,423,963.24</u>	<u>\$ 1,730,812.40</u>	<u>\$ (306,849.16)</u>

STATEMENT 2

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND (VALLEY DAYS FUND)
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Miscellaneous	\$ 19,600.00	\$ 19,600.00	\$ 16,760.20	\$ (2,839.80)
Total Revenues	19,600.00	19,600.00	16,760.20	(2,839.80)
EXPENDITURES:				
General Government:				
Community Development				
Entertainment	6,000.00	6,000.00	7,295.00	(1,295.00)
Concessions	2,700.00	2,700.00	4,004.52	(1,304.52)
Rentals	2,500.00	2,500.00	9,928.28	(7,428.28)
Fireworks	4,500.00	4,500.00	11,250.00	(6,750.00)
Other	2,000.00	2,000.00	904.61	1,095.39
Total Expenditures	17,700.00	17,700.00	33,382.41	(15,682.41)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,900.00	1,900.00	(16,622.21)	(18,522.21)
OTHER FINANCING SOURCES(USES):				
Operating Transfers In	5,000.00	5,000.00	20,000.00	15,000.00
Total Other Financing Sources (Uses)	5,000.00	5,000.00	20,000.00	15,000.00
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER FINANCING USES	6,900.00	6,900.00	3,377.79	(3,522.21)
FUND BALANCE, JULY 1, 2017	3,131.41	3,131.41	3,131.41	-
FUND BALANCE, JUNE 30, 2018	\$ 10,031.41	\$ 10,031.41	\$ 6,509.20	\$ (3,522.21)

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - RESTRICTED SALES TAX FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes				
Sales Tax-Capital Improvements	\$ 365,000.00	\$ 365,000.00	\$ 395,939.46	\$ 30,939.46
Sales Tax-Storm Water	325,000.00	325,000.00	355,681.55	30,681.55
Sales Tax - Peerless Park	350,000.00	350,000.00	274,830.70	(75,169.30)
	<u>1,040,000.00</u>	<u>1,040,000.00</u>	<u>1,026,451.71</u>	<u>(13,548.29)</u>
Intergovernmental				
Federal Grant	802,500.00	802,500.00	756,026.77	(46,473.23)
FEMA/SEMA		323,548.29	323,548.29	-
	<u>802,500.00</u>	<u>1,126,048.29</u>	<u>1,079,575.06</u>	<u>(46,473.23)</u>
Interest	-	-	840.66	840.66
Other	-	-	51,304.31	51,304.31
Total Revenues	<u>1,842,500.00</u>	<u>2,166,048.29</u>	<u>2,158,171.74</u>	<u>(7,876.55)</u>
EXPENDITURES:				
Community Development				
Labor	47,300.00	29,768.05	30,283.73	(515.68)
Payroll Taxes	6,300.00	2,215.25	1,828.03	387.22
Hospital Insurance	22,705.00	16,431.98	16,431.98	
Pension Expense		133.27	119.19	14.08
O&M Expense	15,000.00		2,831.56	(2,831.56)
Vegetation Control	3,000.00	1,330.59	1,330.59	
Equipment	44,000.00	32,054.68	15,151.39	16,903.29
Materials/Sidewalk	122,000.00	98,237.03	98,174.01	63.02
Tires & Tubes	1,000.00	628.49	628.49	
Relief Well Testing	24,000.00			
Fuel	2,000.00	436.70	436.70	
Capital Improvements	27,746.00			
Contractors Fees	739,000.00	735,287.17	735,287.17	
Legal Fees		75.00	75.00	
Engineering Fees		9,240.00	9,240.00	
Parks	89,300.00	49,823.43	49,886.45	(63.02)
Truck Expense	1,000.00			
Tractor Expense	5,000.00	3,622.08	3,622.08	
Other	5,000.00	13,668.72	10,837.16	2,831.56
Flood		573,696.80	573,696.80	
Debt Service				
Principal			16,475.56	(16,475.56)
Interest and Fees			427.73	(427.73)
Total Expenditures	<u>1,154,351.00</u>	<u>1,566,649.24</u>	<u>1,566,763.62</u>	<u>(114.38)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	688,149.00	599,399.05	591,408.12	(7,990.93)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	10.00	10.00	-	(10.00)
Operating Transfers Out	(600,000.00)	(576,580.76)	(576,580.76)	
Bond Interest Subsidy	112,000.00	112,000.00	107,453.26	(4,546.74)
Total other financing sources (uses)	<u>(487,990.00)</u>	<u>(464,570.76)</u>	<u>(469,127.50)</u>	<u>(4,556.74)</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	200,159.00	134,828.29	122,280.62	(12,547.67)
FUND BALANCE, JULY 1, 2017	<u>553,728.75</u>	<u>553,728.75</u>	<u>553,728.75</u>	-
FUND BALANCE, JUNE 30, 2018	<u>\$ 753,887.75</u>	<u>\$ 688,557.04</u>	<u>\$ 676,009.37</u>	<u>\$ (12,547.67)</u>

CITY OF VALLEY PARK, MISSOURI
 SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 MODIFIED CASH BASIS - BUDGET AND ACTUAL -
 TIF PEERLESS PARK (UMB) REVENUE FUND
 YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES:				
Taxes				
Real Estate	\$ 685,000.00	\$ 685,000.00	\$ 616,233.17	\$ (68,766.83)
Sales Tax	375,000.00	375,000.00	388,541.93	13,541.93
	<u>1,060,000.00</u>	<u>1,060,000.00</u>	<u>1,004,775.10</u>	<u>(55,224.90)</u>
Interest	-	-	1,103.43	1,103.43
Total Revenues	<u>1,060,000.00</u>	<u>1,060,000.00</u>	<u>1,005,878.53</u>	<u>(54,121.47)</u>
EXPENDITURES:				
Administration				
Bank Fees	2,000.00	1,537.00	1,537.00	-
Total Expenditures	<u>2,000.00</u>	<u>1,537.00</u>	<u>1,537.00</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,058,000.00	1,058,463.00	1,004,341.53	(54,121.47)
OTHER FINANCING SOURCES(USES):				
Operating Transfers Out	<u>(1,058,000.00)</u>	<u>(1,058,463.00)</u>	<u>(1,129,844.49)</u>	<u>(71,381.49)</u>
Total Other Financing Sources (Uses)	<u>(1,058,000.00)</u>	<u>(1,058,463.00)</u>	<u>(1,129,844.49)</u>	<u>(71,381.49)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	(125,502.96)	(125,502.96)
FUND BALANCE, JULY 1, 2017	<u>721,667.52</u>	<u>721,667.52</u>	<u>721,667.52</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2018	<u>\$ 721,667.52</u>	<u>\$ 721,667.52</u>	<u>\$ 596,164.56</u>	<u>\$ (125,502.96)</u>

CITY OF VALLEY PARK, MISSOURI
 SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 MODIFIED CASH BASIS - BUDGET AND ACTUAL -
 SEWER LATERAL
 YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes				
Sewer Lateral	\$ 48,500.00	\$ 48,500.00	\$ 48,705.10	\$ 205.10
	<u>48,500.00</u>	<u>48,500.00</u>	<u>48,705.10</u>	<u>205.10</u>
Total Revenues	<u>48,500.00</u>	<u>48,500.00</u>	<u>48,705.10</u>	<u>205.10</u>
EXPENDITURES:				
Sewer Lateral				
Labor	8,500.00	9,000.00	8,447.24	552.76
Payroll Taxes	700.00	700.00	481.05	218.95
Hospital Insurance	2,000.00	2,265.53	2,265.53	
Pension Expense	200.00	200.00	17.96	182.04
Equipment	85,800.00	85,434.47	54,086.98	31,347.49
Material	3,000.00	909.18	469.76	439.42
Damage to City Property		1,590.82	1,590.82	
Truck Expense	500.00	500.00		500.00
Other Expenses	100.00	200.00	200.00	
Debt Service				
Principal			3,971.52	(3,971.52)
Interest and Fees			107.18	(107.18)
Total Expenditures	<u>100,800.00</u>	<u>100,800.00</u>	<u>71,638.04</u>	<u>29,161.96</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(52,300.00)	(52,300.00)	(22,932.94)	29,367.06
FUND BALANCE, JULY 1, 2017	<u>483,440.07</u>	<u>483,440.07</u>	<u>483,440.07</u>	-
FUND BALANCE, JUNE 30, 2018	<u>\$ 431,140.07</u>	<u>\$ 431,140.07</u>	<u>\$ 460,507.13</u>	<u>\$ 29,367.06</u>

CITY OF VALLEY PARK, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2018

The City follows these procedures establishing the budgetary data reflected in the financial statements:

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
2. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
3. The budget was formally adopted on June 29, 2017.
4. Budgets for City funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid
5. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

For the year ended June 30, 2018, the City complied, in all material respects, with applicable budget laws, except as noted below:

1. Excess of expenditures and transfers over appropriations in individual funds. The following is a summary:

Fund	Appropriations	Transfers / Expenditures	Excess
Valley Days	\$ 17,700.00	\$ 33,382.41	\$ 15,682.41
TIF-2015 Series B Debt Service	176,000.00	178,010.95	2,010.95
TIF Peerless Park Debt Service	1,058,000.00	1,129,844.49	71,844.49

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Valley Days Fund</u>	<u>Total General Funds</u>
<u>ASSETS</u>			
Cash and Investments	\$ 1,730,812.40	\$ 6,509.20	\$ 1,737,321.60
Restricted Assets			
Cash and Investments	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>1,730,812.40</u>	\$ <u>6,509.20</u>	\$ <u>1,737,321.60</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
None	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Fund Balances:			
Restricted			
Bond Deposits	-	-	-
Capital Improvements			
Debt Service			
Sewer Lateral			
Other purposes			
Unassigned	<u>1,730,812.40</u>	<u>6,509.20</u>	<u>1,737,321.60</u>
Total Fund Balance	<u>1,730,812.40</u>	<u>6,509.20</u>	<u>1,737,321.60</u>
Total Liabilities and Fund Equity	\$ <u>1,730,812.40</u>	\$ <u>6,509.20</u>	\$ <u>1,737,321.60</u>

STATEMENT 7

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

	General Fund	Valley Days Fund	Total General Funds
REVENUES:			
Taxes	\$ 2,502,353.54	\$ -	\$ 2,502,353.54
Intergovernmental	414,453.17		414,453.17
Charges for Services	16,401.00		16,401.00
Fines and Forfeitures	93,129.00		93,129.00
Licenses and Permits	438,790.16		438,790.16
Interest	8,634.42		8,634.42
Miscellaneous	313,944.93	16,760.20	330,705.13
Total Revenues	<u>3,787,706.22</u>	<u>16,760.20</u>	<u>3,804,466.42</u>
EXPENDITURES:			
Administration	753,755.72	-	753,755.72
Streets	878,995.30		878,995.30
Parks	246,647.54		246,647.54
Community Development	114,112.08	33,382.41	147,494.49
Police	1,335,444.79		1,335,444.79
Court	86,135.47		86,135.47
Mayor	10,167.50		10,167.50
Emergency Management	1,837.68		1,837.68
Public Image	48.00		48.00
Debt Service			
Principal	28,635.94		28,635.94
Interest and Fees	1,659.96		1,659.96
Total Expenditures	<u>3,457,439.98</u>	<u>33,382.41</u>	<u>3,490,822.39</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>330,266.24</u>	<u>(16,622.21)</u>	<u>313,644.03</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	20,000.00	20,000.00
Operating Transfers Out	(20,000.00)		(20,000.00)
Total Other Financing Sources (Uses)	<u>(20,000.00)</u>	<u>20,000.00</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	310,266.24	3,377.79	313,644.03
FUND BALANCE, JULY 1, 2017	<u>1,420,546.16</u>	<u>3,131.41</u>	<u>1,423,677.57</u>
FUND BALANCE, JUNE 30, 2018	<u>\$ 1,730,812.40</u>	<u>\$ 6,509.20</u>	<u>\$ 1,737,321.60</u>

CITY OF VALLEY PARK, MISSOURI
 SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	Police Training	Bonds Deposit	Former Corps Escrow Fund	TIF- Route 141/ Marshall Road Project (UMB) Revenue Eats Account	TIF- Route 141/ Marshall Road Project (UMB) Revenue Pilots Account	TIF- Route 141/ Marshall Road Project (UMB) Revenue CID Revenues Account
<u>ASSETS</u>						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets						
Cash and Investments	15,563.09	26,120.98	132.43	28,269.97	24,899.45	6,464.81
Total Assets	<u>\$ 15,563.09</u>	<u>\$ 26,120.98</u>	<u>\$ 132.43</u>	<u>\$ 28,269.97</u>	<u>\$ 24,899.45</u>	<u>\$ 6,464.81</u>
<u>LIABILITIES AND FUND EQUITY</u>						
Liabilities:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:						
Restricted						
Bond Deposits	-	26,120.98	-	-	-	-
Capital Improvements			132.43			
Debt Service				28,269.97	24,899.45	6,464.81
Sewer Lateral						
Other purposes	15,563.09					
Unassigned						
Total Fund Balance	<u>15,563.09</u>	<u>26,120.98</u>	<u>132.43</u>	<u>28,269.97</u>	<u>24,899.45</u>	<u>6,464.81</u>
Total Liabilities and Fund Equity	<u>\$ 15,563.09</u>	<u>\$ 26,120.98</u>	<u>\$ 132.43</u>	<u>\$ 28,269.97</u>	<u>\$ 24,899.45</u>	<u>\$ 6,464.81</u>

STATEMENT 8
(CONTINUED)

	Debt Service Funds				Capital Projects	
	COP 2010 Debt Service	TIF - Peerless Park Debt Service (UMB)	TIF - 2015 Series A Debt Service	TIF - 2015 Series B Debt Service	COP 2010 Project A Fund	Governmental Funds
<u>ASSETS</u>						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets						
Cash and Investments	<u>388.68</u>	<u>164.44</u>			<u>4.65</u>	<u>102,008.50</u>
Total Assets	\$ <u><u>388.68</u></u>	\$ <u><u>164.44</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4.65</u></u>	\$ <u><u>102,008.50</u></u>
<u>LIABILITIES AND FUND EQUITY</u>						
Liabilities:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:						
Restricted						
Bond Deposits	-	-	-	-	-	26,120.98
Capital Improvements					4.65	137.08
Debt Service	388.68	164.44				60,187.35
Sewer Lateral						
Other purposes						15,563.09
Unassigned						
Total Fund Balance	<u>388.68</u>	<u>164.44</u>	<u>-</u>	<u>-</u>	<u>4.65</u>	<u>102,008.50</u>
Total Liabilities and Fund Equity	\$ <u><u>388.68</u></u>	\$ <u><u>164.44</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4.65</u></u>	\$ <u><u>102,008.50</u></u>

CITY OF VALLEY PARK, MISSOURI
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	Police Training	Bond Deposit	Former Corps Escrow Fund	TIF- Route 141/ Marshall Road Project (UMB) Revenue Eats Account	TIF- Route 141/ Marshall Road Project (UMB) Revenue Pilots Account	TIF- Route 141/ Marshall Road Project (UMB) Revenue CID Revenues Account
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 173,219.03	\$ 24,915.93	\$ 37,463.93
Fines and Forfeitures	1,450.00					
Interest		263.65	24.00	464.03		60.13
Total Revenues	<u>1,450.00</u>	<u>263.65</u>	<u>24.00</u>	<u>173,683.06</u>	<u>24,915.93</u>	<u>37,524.06</u>
EXPENDITURES:						
Administration	-	-	-	993.60	16,139.25	4,409.16
Debt Service						
Principal						
Interest and Fees						
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>993.60</u>	<u>16,139.25</u>	<u>4,409.16</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,450.00</u>	<u>263.65</u>	<u>24.00</u>	<u>172,689.46</u>	<u>8,776.68</u>	<u>33,114.90</u>
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out				(169,542.67)	(8,468.28)	(32,661.73)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(169,542.67)</u>	<u>(8,468.28)</u>	<u>(32,661.73)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,450.00	263.65	24.00	3,146.79	308.40	453.17
FUND BALANCE, JULY 1, 2017	<u>14,113.09</u>	<u>25,857.33</u>	<u>108.43</u>	<u>25,123.18</u>	<u>24,591.05</u>	<u>6,011.64</u>
FUND BALANCE, JUNE 30, 2018	<u>\$ 15,563.09</u>	<u>\$ 26,120.98</u>	<u>\$ 132.43</u>	<u>\$ 28,269.97</u>	<u>\$ 24,899.45</u>	<u>\$ 6,464.81</u>

STATEMENT 9
(CONTINUED)

	Debt Service				Capital Projects	Total Non-Major Governmental Funds
	COP 2010 Debt Service	TIF - Peerless Park Debt Service (UMB)	TIF - 2015 Series A Debt Service	TIF - 2015 Series B Debt Service	COP 2010 Project A	
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,598.89
Fines and Forfeitures						1,450.00
Interest	227.98	160.74				1,200.53
Total Revenues	227.98	160.74	-	-	-	238,249.42
EXPENDITURES:						
Administration	-	-	-	-	-	21,542.01
Debt Service						
Principal	250,000.00		10,828.04	156,262.89		417,090.93
Interest and Fees	329,232.50	1,129,844.49	21,833.69	21,748.06		1,502,658.74
Total Expenditures	579,232.50	1,129,844.49	32,661.73	178,010.95	-	1,941,291.68
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(579,004.52)	(1,129,683.75)	(32,661.73)	(178,010.95)	-	(1,703,042.26)
OTHER FINANCING SOURCES (USES):						
Operating Transfers-In	579,382.17	1,129,844.49	32,661.73	178,010.95	-	1,919,899.34
Operating Transfers-Out						(210,672.68)
Total Other Financing Sources (Uses)	579,382.17	1,129,844.49	32,661.73	178,010.95	-	1,709,226.66
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	377.65	160.74	-	-	-	6,184.40
FUND BALANCE, JULY 1, 2017	11.03	3.70	-	-	4.65	95,824.10
FUND BALANCE, JUNE 30, 2018	\$ 388.68	\$ 164.44	\$ -	\$ -	\$ 4.65	\$ 102,008.50

OTHER INFORMATION - UNAUDITED

CITY OF VALLEY PARK, MISSOURI
OTHER INFORMATION (UNAUDITED)
LAGERS RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2018

Year Ended June 30,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Employee Payroll	Net Pension Liability as a Percentage of Covered Employee Payroll
2015	\$ 2,383,433	\$ 3,059,435	\$ (676,002)	128.36%	\$ 829,422	(81.5)%
2016	2,688,374	2,970,292	(281,918)	110.49%	974,394	(28.9)%
2017	2,682,326	3,198,705	(516,379)	119.25%	832,097	(62.1)%
2018	2,924,203	3,520,981	(596,778)	120.41%	996,496	(59.9)%

* Note: The above information is not available for years prior to the implementation of GASB 68.

SCHEDULE 2

CITY OF VALLEY PARK, MISSOURI
 OTHER INFORMATION (UNAUDITED)
 LAGERS RETIREMENT SYSTEM
 SCHEDULE OF CONTRIBUTIONS
 LAST 10 FISCAL YEARS

Year Ended June 30,	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2009	\$ 3,827.43	\$ 3,827.53	\$ (0.10)	\$ 765,486.95	0.50%
2010	4,060.72	4,060.74	(0.02)	812,144.43	0.50%
2011	26,761.24	12,949.05	13,812.19	863,265.95	1.50%
2012	24,553.55	20,461.21	4,092.34	818,451.78	2.50%
2013	33,744.03	45,550.70	(11,806.67)	865,231.43	5.26%
2014	28,985.69	42,572.39	(13,586.70)	905,802.95	4.70%
2015	30,861.19	30,861.11	0.08	857,255.36	3.60%
2016	17,815.85	17,815.86	(0.01)	989,765.20	1.80%
2017	7,897.71	7,897.84	(0.13)	877,516.00	0.90%
2018	19,490.10	17,633.93	1,856.17	928,094.09	1.90%

CITY OF VALLEY PARK, MISSOURI
OTHER INFORMATION (UNAUDITED)
NOTES TO LAGERS RETIREMENT SYSTEM
JUNE 30, 2018

Valuation Date:	February 28, 2018
Notes:	The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 15 to 24 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>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 tables for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.</p> <p>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.</p>
Other information:	None