



Upstream from ordinary.

Comprehensive Annual Financial Report



**For the fiscal year ended
June 30, 2018**

City of Riverside, Missouri

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Prepared by Finance Department

Donna Oliver, Finance Director

City of Riverside, Missouri
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2018

Table of Contents

	<u>Page Number</u>
Introductory Section	
Table of contents	1
Letter of transmittal	3
Organizational chart	6
Principal officials	7
GFOA certificate of achievement	8
 Financial Section	
Independent auditor’s report	9
Management’s discussion and analysis	11
Basic financial statements:	
Government-wide financial statements	
Statement of net position	21
Statement of activities	22
Fund financial statements	
Balance sheet – governmental funds	23
Reconciliation of the governmental fund balances to the net position of governmental activities	24
Statement of revenues, expenditures and changes in fund balance - governmental funds	25
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	26
Statement of revenues, expenditures and changes in fund balances - general fund – budget to actual	27
Statement of net position– fiduciary fund	28
Notes to basic financial statements	30
Required supplemental information:	
Schedules of changes in total OPEB liability and related ratios	56
Schedule of changes in net pension liability and related ratios	57
Schedule of contributions	58
Supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	59
Combining statement of revenues, expenditures and changes in fund balance	61
Combining schedule of revenues, expenditures and changes in fund balances, nonmajor special revenue funds, budget to actual	63

Combining schedule of revenues, expenditures and changes in fund balances, capital project funds, budget to actual	64
Schedule of revenues, expenditures and changes in fund balances, tax increment financing debt service fund, budget to actual	66
Statement of changes in assets and liabilities, agency fund	67
Statistical Section (unaudited)	
Statistical section contents	68
Net position	69
Changes in net position	71
Fund balances, governmental funds	73
Changes in fund balances, governmental funds	74
Tax revenues by source	77
Direct and overlapping sales tax rates	78
Gaming revenue and real estate income	79
Gaming revenue rates	79
Riverside Argosy Casino Kansas City market share	80
Ratios of outstanding debt	81
Direct and overlapping debt	82
Pledged-revenue coverage	83
Demographic and economic statistics	84
Principal employers	85
Full-time equivalent city government employees by function	86
Operating indicators by function/program	87
Capital asset statistics by function/program	88



2950 NW Vivion Road
Riverside, MO 64150

November 15, 2018

To the Honorable Mayor, Board of Aldermen and Citizens of the City of Riverside:

This document is the Comprehensive Annual Financial Report (CAFR) for the City of Riverside for the fiscal year ended June 30, 2018. The CAFR was prepared by the City's Finance Division in close cooperation with the external auditor, RSM US, LLP.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, have issued an unmodified ("clean") opinion on the City of Riverside's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Riverside is a suburban community located in Platte County, Missouri, and within the northern sector of the Kansas City metropolitan area. It currently occupies 5.87 square miles and serves an estimated population of 3,254.

The City of Riverside was incorporated in 1951 and is governed by a Mayor-Board of Aldermen-City Administrator form of government. The Mayor and the 6 Board of Aldermen members are elected on an at large basis and serve two- year staggered terms. The Board of Aldermen appoints the City Administrator who serves as the chief administrative officer of the City.

The City of Riverside provides a full range of services including police and fire protection, traffic regulation and municipal court service, construction and maintenance of City streets and bridges, and recreational activities. The financing of infrastructure projects in the L-385 Tax Increment Financing District is provided through two legally separate entities. The Tax Increment Financing Commission and the Riverside Industrial Development Authority, which

function, in essence, as departments of the City of Riverside have been included as an integral part of the City of Riverside's financial statements.

The Board of Aldermen is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Riverside's financial planning and control. The budget is prepared by fund (e.g., General Fund), department (e.g., public works) and cost center (e.g., building maintenance). Department heads may transfer resources within a department. Transfers between departments, however, need special approval from the Board of Aldermen.

Local economy

The City of Riverside is located strategically between the Kansas City International Airport and downtown Kansas City. Two interstate highways (I-29 and I-635) and one state highway (9) serve the community. The Kansas City Area Transportation Authority, which operates a metropolitan-wide bus system, provides frequent, low cost service to Riverside.

With total governmental fund type revenue of \$24.0 million in fiscal 2018, use of which is prudently allocated by the City Council, the City provides many services not available elsewhere, such as one police officer for every 120 residents, refuse collections weekly for residential property at no charge, and a 75% subsidy on all resident community center memberships.

Since 2011, the growth in the Horizons Business Park has added over 4,000 jobs in to the local economy. The unemployment rate for Platte County, which includes the City of Riverside, is currently 3.2% which is a decrease from a rate of 4.4% a year ago. In comparison, the state's unemployment rate was 3.5% and the national rate was 4.0%. In 2017, the median household income in Platte County was \$94,809 compared to \$67,317 for the State of Missouri and \$73,891 for the United States.

Major initiatives

Residential

The City of Riverside continues to see significant interest in development projects throughout the Horizons Business Park and the downtown. In support of these projects, the City is moving ahead with infrastructure improvements designed to support the ultimate build-out. These projects both help to attract new growth and better serve our current citizens and businesses.

Residential housing construction continues to experience aggressive growth. Over the past 5 years, 186 residential building permits have been issued. During the current fiscal year, 34 permits were issued with a construction value of \$7,205,250. Currently, there are 3 residential developments within the City. The Montebella subdivision will have approximately 275 homes ranging in value from \$350,000 to \$600,000. The Gatewoods subdivision, located in the north part of the City will have approximately 110 homes ranging in price from \$200,000 to \$350,000. Riverside's newest subdivision, The Palisades, is being built on the bluff adjacent to Indian Hills. With almost 90 lots, homes in this development are expected to range in value from \$500,000 to more than \$1 million.

Commercial

The Mayor and Board continue to pursue expanded retail development in targeted areas throughout the community. The City is working with a retail consultant to develop and market

viable retail concepts on key downtown parcels. At the same time, the City is engaged in site preparation work on City owned ground adjacent to Argosy Casino. This area has been identified by the City's Master Plan as an entertainment/destination district.

On the east side of the Horizons Business Park, the City executed a Master Development Agreement with NorthPoint Development LLC in May 2011. Since then, the City has sold approximately 103 acres for development upon which eight buildings have been privately completed for a total of approximately 1,840,000 square feet of net usable commercial space which is substantially fully leased and occupied by 20 companies with total employment of more than 1,500. NorthPoint Development is constructing a 200,000 square foot building that is already 100% leased. The City estimates the private development covered by the Agreement has exceeded \$86 million. The remaining acreage held by the City subject to the Agreement is approximately 150 acres.

On the west side of the Horizons Business Park, the City has completed infrastructure to serve a number of parcels planned for development. To date, 146 acres have been, or are in the process of being, developed. Seven buildings, totaling 1.34 million square feet, and with a value of \$79.6 million, have been completed. Four additional buildings, with a total of 652,000 square feet, are currently in the process of being built. West side employment exceeds 2,500 and there is an additional 250 acres available for development, of which the City of Riverside owns 210 acres.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverside for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the twelfth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement's Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

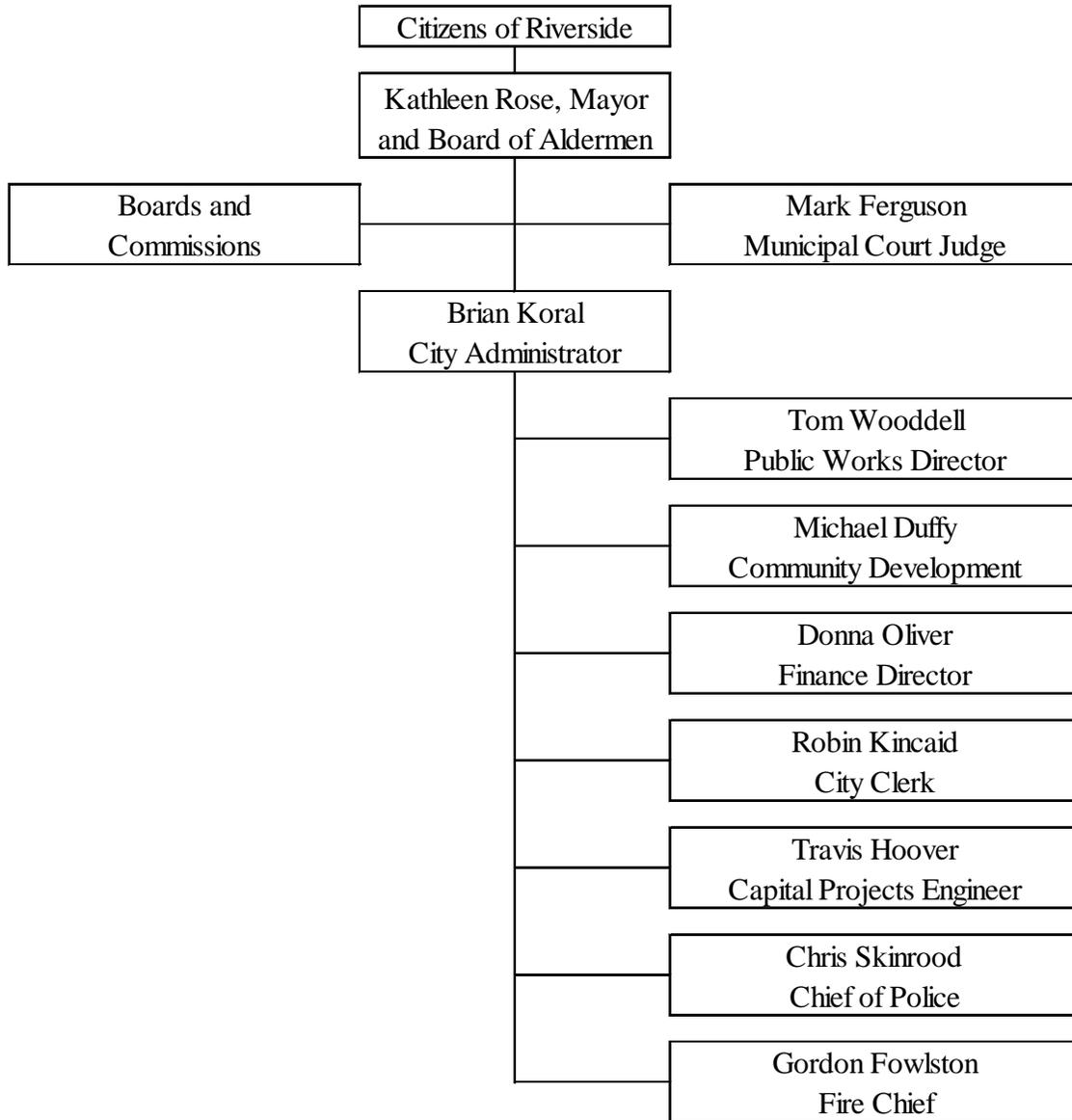
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department and the assistance of other departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the board of aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Riverside's finances.

Respectfully submitted,



Donna Oliver
Finance Director

**City of Riverside, Missouri
Organizational Chart
For the Year Ended June 30, 2018**



**City of Riverside, Missouri
Principal Officers
June 30, 2018**

Elected Officials

Mayor	Kathleen Rose
Alderman, Ward 3	Sal LoPorto
Alderman, Ward 2	Jill Hammond
Alderman, Ward 1	Al Bowman
Alderman, Ward 3	Nathan Cretsinger
Alderman, Ward 1	Mike Fuller
Alderman, Ward 2	Aaron Thatcher

Appointed Officials

City Administrator	Brian Koral
City Clerk	Robin Littrell
Finance Director	Donna Oliver
Municipal Court Judge	Mark Ferguson
Community Development Director	Michael Duffy
Public Works Director	Tom Wooddell
Capital Projects Engineer	Travis Hoover
Chief of Police	Chris Skinrod
Fire Chief	Gordon Fowlston



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Riverside
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Independent Auditor's Report

RSM US LLP

To the Honorable Mayor and
Members of the Board of Aldermen of the
City of Riverside, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, Missouri (the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, Missouri, as of June 30, 2018, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 7 to the basic financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which restated beginning net position and net OPEB liability of the governmental activities. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

RSM US LLP

Kansas City, Missouri
November 15, 2018

CITY OF RIVERSIDE, MISSOURI
2950 N.W. Vivion Road
Riverside, MO 64150

Management's Discussion and Analysis

Our discussion and analysis of the City of Riverside's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the City's letter of transmittal and the financial statements that begin on page 21.

FINANCIAL HIGHLIGHTS

- The City's net position at end of the fiscal year was \$114,206,219. Of this amount, \$15,494,048 is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position of the City increased by 6.4% or \$6,902,707. Analysis is included in the overview of the financial statements.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,216,135 an increase of \$5,316,392 over the previous year. Approximately \$12,937,617 of this amount is available for spending at the government's discretion.
- The unassigned fund balance for the General Fund was \$12,937,617 compared to \$10,167,055 in general fund expenditures.
- The City of Riverside total debt (excluding compensated absences, pension and OPEB) decreased by (\$3,737,186) or (15%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Report Components

This annual report consists of five parts as follows:

Government-wide financial statements: The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the City's assets and liabilities and deferred inflows and outflows of resources. All of the current year's revenues and expenses are reported in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position – the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources-is one way to measure the City's overall financial health or position. Over time, increases or decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from those that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administration, public safety, public works and parks and recreation. The City does not engage in business-type activities.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. The City utilizes two types of funds: governmental and fiduciary.

Governmental Funds: Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 23-27 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to basic financial statements can be found on pages 30-55 of this report.

Other Information: The combining statements referred to earlier in connection with nonmajor funds and combining and individual fund statements and schedules can be found on pages 58-66 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. In the case of the City of Riverside, the net position increased by \$6,902,707. Following is a condensed version of the government-wide statement of net position comparing fiscal year 2018 and 2017.

City of Riverside Net Position

	2018	2017 as restated
Current and other assets	\$ 27,535,747	\$ 22,430,736
Capital assets	115,324,639	117,042,899
Total assets	142,860,386	139,473,635
Deferred outflows of resources	712,366	934,762
Long-term liabilities outstanding	25,061,025	28,891,555
Other liabilities	990,716	1,159,559
Total liabilities	26,051,741	30,051,114
Deferred inflows of resources	3,314,792	3,053,771
Net position		
Net investment in capital assets	97,344,337	97,002,464
Restricted	1,367,834	1,330,525
Unrestricted	15,494,048	8,970,523
Total net position	\$114,206,219	\$107,303,512

The total net position of the City increased by \$6,902,707. Net position in capital assets (e.g., land, buildings, machinery and equipment), restricted net position and unrestricted net position increased by \$341,873, \$37,309 and \$6,523,525, respectively.

**City of Riverside
Changes in Net Position**

	2018	2017 (as restated)	%
			Change
Revenues:			
Program revenues:			
Charges for services	\$ 498,930	\$ 1,138,250	(56%)
Operating grants and contributions	8,705	14,391	(40%)
Capital grants and contributions	134,440	1,001,920	(87%)
General revenues:			
Sales tax	1,761,375	1,611,237	9%
Other taxes	1,144,409	1,095,299	4%
Grants and contributions not restricted for specific programs	358,673	323,261	11%
Tax increment financing revenue	8,602,995	7,273,358	18%
Gaming revenue	6,724,359	6,589,264	2%
Real estate income – gaming	4,593,455	4,358,378	5%
Investment earnings	175,186	69,611	152%
Gain on land lease	1,170,449	1,407,859	(17%)
Other	242,562	227,366	7%
Total revenues	<u>25,415,538</u>	<u>25,110,194</u>	1%
Expenses:			
Administrative and support	3,453,807	3,448,601	0%
Municipal court	185,151	187,729	(1%)
Police services	3,859,580	4,017,880	(4%)
Fire services	1,960,449	1,664,284	18%
Public works	6,449,874	6,123,352	5%
Parks and recreation	792,884	809,859	(2%)
Community dev. & engineering	741,754	664,725	12%
Interest on long-term debt	1,069,332	1,465,032	(27%)
Total expenses	<u>18,512,831</u>	<u>18,381,462</u>	1%
Increase/(decrease) in net position	<u>6,902,707</u>	<u>6,728,732</u>	
Total net position	<u>\$114,206,219</u>	<u>\$107,303,512</u>	

Charges for services decreased this year. In the prior fiscal year, a contribution from a private entity for expenses within the Horizons business park was received.

Operating grants and contributions decreased due to the receipt of fewer grants for police services.

Capital grants and contributions decreased due to a decline in contributed infrastructure from a developer.

Tax increment financing revenue increased from the continued strong development within the Horizons Business Park. Construction on a 492 sq. ft. building, and a 245 sq. ft. building were completed and put on the tax rolls.

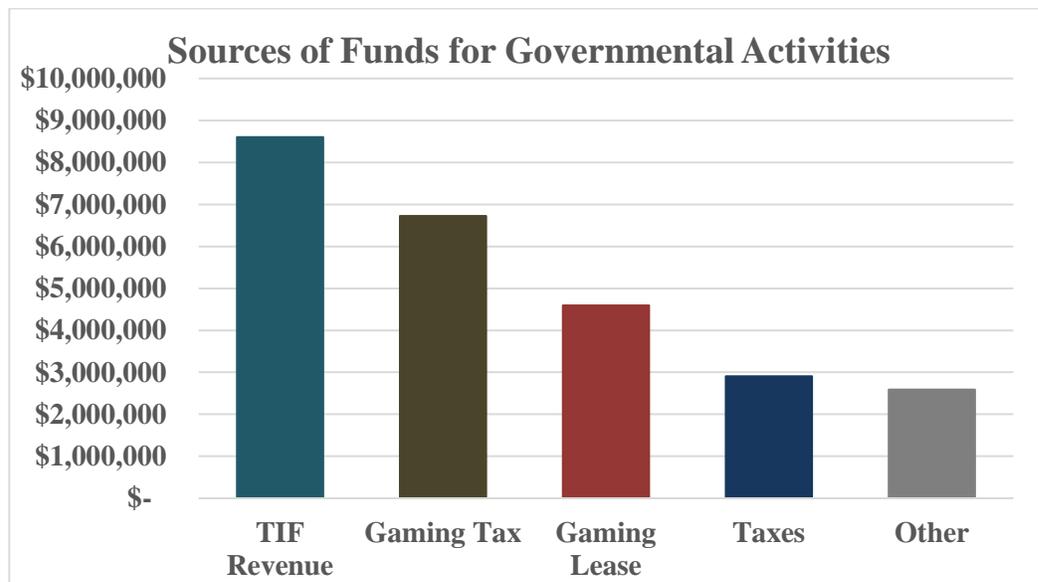
Investment earnings had a significant increase due to increased interest rates on the City's investment portfolio.

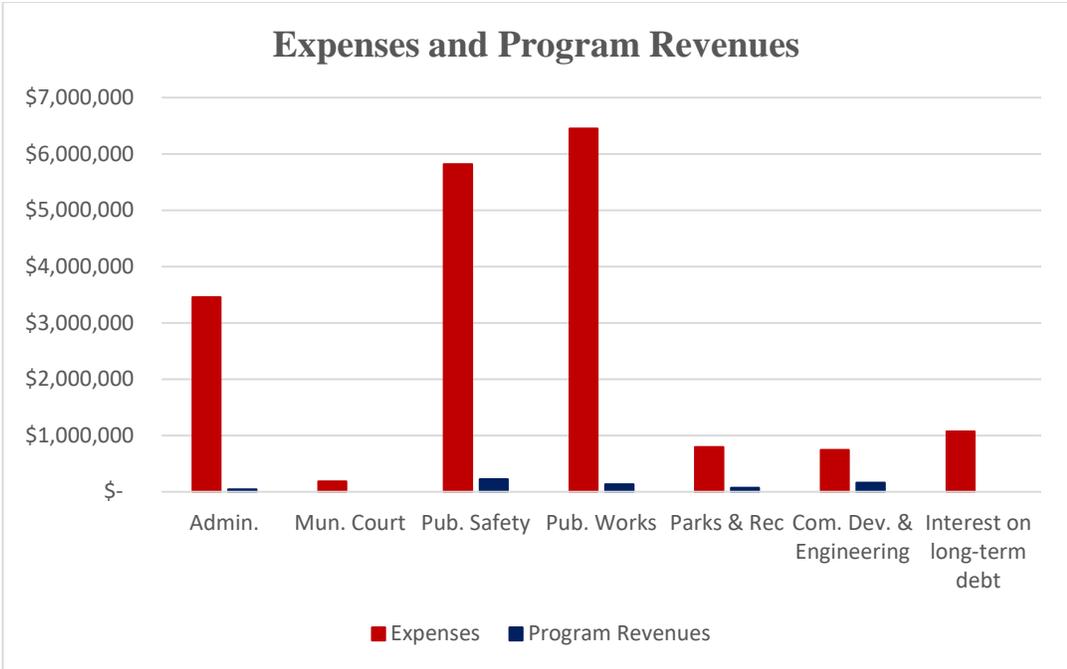
Due to the expiration of a land lease in the Horizons Business Park, land lease revenues decreased.

Fire service expenses increased due to the addition of an assistant fire chief position and filling of 2 vacant firefighter positions from the previous fiscal year.

In the engineering department, a capital projects coordinator position was modified to a capital projects manager position. In addition, compensatory time for salaried employees was accrued in the government wide statements. Previously, it was only accrued for non exempt employees.

Interest on long-term debt decreased as a result of lower principal balance due and the refunding of the 2007A and 2007B bonds.





Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the City of Riverside’s governmental funds reported combined ending fund balances of \$26,216,135, an increase of \$5,316,392 in comparison with the prior year. Approximately 49% or \$12,937,617 constitutes unassigned fund balance, which is available for spending at the government’s discretion. \$6,102,394 of fund balance is committed to indicate that it is not available for new spending because it has already been committed to pay for capital projects. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed to pay debt service (\$5,808,290), to construct capital improvements (\$632,198), for law enforcement (\$127,757) and for tourism (\$607,879).

The general fund is the chief operating fund of the City of Riverside. At the end of the current fiscal year, the fund balance of the general fund was \$12,937,617. As a measure of the general fund’s liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 127% of total general fund expenditures. The fund balance of the general fund increased by \$3,486,811.

The fund balance of the capital improvement fund increased by \$480,213 due to a year end transfer from the general fund. In the FY 19 budget, capital outlay is budgeted at \$8,725,000. These expenditures will be funded through the fund balance and an additional general fund transfer.

The fund balance of the TIF debt service fund decreased by \$1,281,539. In FY 18, the City refunded the 2007A and 2007B Bonds, which required a debt service reserve of \$3,450,000. The 2017 Refunding bonds have a required debt service reserve of \$1,000,000.

The fund balance of the community development fund increased by \$2,631,943 largely due to a transfer from the TIF debt service fund. When the debt service reserve was reduced due to the refunding of bonds, the Board of Alderman elected to transfer funds to the community development fund to provide redevelopment in the downtown area.

General Fund Budgetary Highlights

General Fund Revenues: Overall actual general fund revenues of \$14,961,687 were higher than budgeted revenues of \$14,247,697 by \$713,990 or 5.0%. Some elements of this difference are the following:

License and fees were 118% higher than budgeted due to increased construction activity and building permits.

Sales taxes were over budget by 10% due to development in the Horizons Business Park and increases to use tax collections from internet sales.

Investments earnings were over budget by 189% due to higher than anticipated funds available to be invested and the increase in interest rates.

General Fund Expenditures: The legally adopted budget for the General Fund was not amended by the Board of Aldermen during the current fiscal year.

In the general government department, the elected officials division actual expenditures were 40% under budget as a result of fewer than anticipated meetings. The administration division was over budget due to the retirement and subsequent leave payout of two employees. The human resources actual expenditures were 27% under budget due to fewer tuition reimbursement requests from employees.

In the parks and recreation department, the parks division was under budget by 38% due to lower than anticipated costs for right of way irrigation. The irrigation in Horizons was not completed as was planned during the budget. In addition, the Horizons Business Park Assessment was lower than expected. The community center division was over budget by 15%. The Healthy Citizen Initiative, which provides a 75% reimbursement to citizens for gym members, increased 27% in comparison to last year.

Capital Assets

The City of Riverside's investment in capital assets as of June 30, 2018, amounts to \$115,324,639, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways and bridges.

City of Riverside Capital Assets, (Net of Depreciation)

	2018	2017
Land	\$ 20,337,365	\$ 19,783,329
Buildings	13,635,727	14,019,683
Improvements	3,534,292	3,486,231
Machinery and Equipment	1,206,907	1,301,654
Infrastructure	76,563,598	74,559,621
Construction in Progress	46,750	3,892,381
Total	<u>\$115,324,639</u>	<u>\$117,042,899</u>

Additional information on the City of Riverside's capital assets can be found in Note 3 of this report.

Long-term Debt

At the end of the current fiscal year, the City of Riverside had \$19,400,000 in outstanding tax increment financing debt which is secured by tax increment financing revenues generated.

City of Riverside Outstanding Debt

	2018	2017
Tax Increment Financing Bonds	<u>\$19,400,000</u>	<u>\$24,320,000</u>

The City of Riverside's total debt (excluding premiums) decreased by (\$4,920,000) or (20%) during the current fiscal year.

Additional information on the City of Riverside's long-term debt can be found in Note 5 on page 43 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City of Riverside updated the compensation plan by 2.0 percent for the pay for performance plan.
- The unemployment rate for Platte County, which includes the City of Riverside, is currently 3.1% which is a decrease from a rate of 4.6% a year ago. In comparison, the state's unemployment rate was 3.9% and the national rate was 4.4%.

All of these factors were considered in preparing the City of Riverside's budget for the 2019 fiscal year.

Requests and Information

This financial report is designed to provide a general overview of the City of Riverside's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Finance Director at 2950 N.W. Vivion Road, Riverside, Missouri, 816-741-3993.

BASIC FINANCIAL STATEMENTS

City of Riverside, Missouri
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets:	
Current assets:	
Cash and investments	\$ 20,917,713
Taxes receivable	665,359
Due from other governments	2,883
Interest receivable	62,820
Gaming receivable	508,607
Other receivable and prepaids	760,621
Total current assets	22,918,003
Noncurrent assets:	
Restricted cash and investments	4,617,744
Capital assets not being depreciated:	
Land	20,337,365
Construction in progress	46,750
Capital assets being depreciated:	
Buildings	19,026,865
Land improvements	4,208,031
Equipment	6,578,672
Infrastructure	94,965,183
Accumulated depreciation	(29,838,227)
Total noncurrent assets	119,942,383
Total assets	142,860,386
Deferred outflows of resources:	
Deferred amount on refunding	131,943
OPEB related amounts	2,355
Pension related amounts	578,068
Total deferred outflows of resources	712,366
Total assets and deferred outflows of resource	\$ 143,572,752
Liabilities:	
Current liabilities:	
Accounts payable	\$ 797,550
Accrued wages	190,086
Deposits	3,080
Accrued interest	132,314
Current portion of long-term obligations:	
Compensated absences	390,859
Developer liability	570,000
TIF bonds payable, net	3,760,000
Total current liabilities	5,843,889
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Compensated absences	192,512
Total OPEB liability	195,634
Developer liability	830,939
TIF bonds payable, net	17,358,408
Net pension liability	1,630,359
Total noncurrent liabilities	20,207,852
Total liabilities	26,051,741
Deferred Inflows of Resources:	
Deferred gain from sale - leaseback	2,658,775
OPEB related amounts	14,269
Pension related amounts	641,748
Total deferred inflows of resources	3,314,792
Net Position:	
Net investment in capital assets	97,344,337
Restricted for:	
Capital improvements	632,198
Tourism	607,879
Law enforcement	127,757
Unrestricted	15,494,048
Total net position	114,206,219
Total liabilities, deferred inflows of resources and net position	\$ 143,572,752

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
Administrative and support	\$ 3,453,807	\$ 43,708	\$ -	\$ -	\$ (3,410,099)
Municipal court	185,151	-	-	-	(185,151)
Public safety administration	469,381	-	-	-	(469,381)
Police services	2,763,422	217,239	8,705	-	(2,537,478)
Operations support	626,777	-	-	-	(626,777)
Fire services	1,960,449	-	-	-	(1,960,449)
Public works	6,449,874	-	-	134,440	(6,315,434)
Parks and recreation	792,884	73,779	-	-	(719,105)
Community development	489,157	164,204	-	-	(324,953)
Engineering	252,597	-	-	-	(252,597)
Interest on long-term debt and related to developer liability	1,069,332	-	-	-	(1,069,332)
Total governmental activities	\$ 18,512,831	\$ 498,930	\$ 8,705	\$ 134,440	(17,870,756)
General revenues					
Taxes					
Sales tax					1,761,375
Franchise tax					956,301
Tourism tax					188,108
Gaming revenue tax					6,724,359
Grants and contributions not restricted to specific programs					358,673
Investment earnings					175,186
Real estate income - gaming					4,593,455
Tax increment financing revenue					8,602,995
Gain from land lease					1,170,449
Miscellaneous					242,562
Total general revenues					24,773,463
Change in net position					6,902,707
Net position, beginning of year as restated					107,303,512
Net position, end of year					\$ 114,206,219

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Capital Improvements	TIF Debt Service	Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 12,033,794	\$ 3,440,786	\$ 1,290,058	\$ 3,127,341	\$ 1,025,734	\$ 20,917,713
Taxes receivable	646,776	-	-	-	18,583	665,359
Due from other governments	-	-	-	-	2,883	2,883
Interest receivable	56,059	-	2,499	4,262	-	62,820
Gaming receivable	508,607	-	-	-	-	508,607
Prepaid insurance	186,266	-	-	-	-	186,266
Other receivable	13,652	-	560,703	-	-	574,355
Restricted cash and investments	-	632,198	3,985,546	-	-	4,617,744
Due from other funds	2,883	-	-	-	-	2,883
Total Assets	\$ 13,448,037	\$ 4,072,984	\$ 5,838,806	\$ 3,131,603	\$ 1,047,200	\$ 27,538,630
Liabilities						
Accounts payable	\$ 307,504	\$ 413,155	\$ 30,516	\$ -	\$ 46,375	\$ 797,550
Accrued wages	190,086	-	-	-	-	190,086
Deposits	3,080	-	-	-	-	3,080
Advance from developer	-	319,146	-	-	-	319,146
Due to other funds	-	-	-	-	2,883	2,883
Total liabilities	500,670	732,301	30,516	-	49,258	1,312,745
Deferred inflows of resources						
Unavailable revenue						
long-term receivables	9,750	-	-	-	-	9,750
Total unavailable revenue	9,750	-	-	-	-	9,750
Fund balance						
Restricted for:						
Debt service	-	-	5,808,290	-	-	5,808,290
Capital improvements	-	632,198	-	-	-	632,198
Law enforcement	-	-	-	-	127,757	127,757
Tourism	-	-	-	-	607,879	607,879
Committed for, capital projects	-	2,708,485	-	3,131,603	262,306	6,102,394
Unassigned	12,937,617	-	-	-	-	12,937,617
Total fund balance	12,937,617	3,340,683	5,808,290	3,131,603	997,942	26,216,135
Total liabilities and fund balance	\$ 13,448,037	\$ 4,072,984	\$ 5,838,806	\$ 3,131,603	\$ 1,047,200	\$ 27,538,630

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Reconciliation of the Governmental Fund Balances
To the Net Position of Governmental Activities
June 30, 2018

Total governmental fund balances	\$	26,216,135
Capital assets used in Government Activities are not current financial resources and, therefore, are not reported as assets in the Government Funds Balance Sheet		
		115,324,639
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Long term liabilities at year end consist of the following:		
Accrued compensated absences	\$	(583,371)
OPEB liability		(195,634)
Deferred gain from sale-leaseback		(2,658,775)
Long-term portion of developer liability		(1,081,793)
Accrued interest on long term debt		(132,314)
TIF Bonds payable		(19,400,000)
Net pension liability		(1,630,359)
Deferred charge on refunding		131,943
Bond premium (discount), net		(1,718,408)
		(27,268,711)
Unavailable long-term receivable revenue is not reported on the entity wide statements.		
Deferred inflows of resources - unavailable revenue		9,750
Pension related deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred inflows of resources - pension related amounts		(641,748)
Deferred inflows of resources - OPEB related amounts		(14,269)
Deferred outflows of resources - OPEB related amounts		2,355
Deferred outflows of resources - pension related amounts		578,068
		578,068
Net position of governmental activities	\$	114,206,219

City of Riverside, Missouri
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

	General	Capital Improvements	TIF Debt Service	Community Development Fund	Nonmajor Governmental Funds	Total
Revenues						
Taxes:						
Sales and use tax	\$ 1,761,375	\$ -	\$ -	\$ -	\$ -	\$ 1,761,375
Franchise tax	956,301	-	-	-	-	956,301
Tourism tax	-	-	-	-	188,108	188,108
Gaming revenue tax	6,724,359	-	-	-	-	6,724,359
Intergovernmental revenue	358,673	80,000	-	-	8,705	447,378
Investment earnings	101,339	4,034	65,551	4,262	-	175,186
Real estate income - gaming	4,593,455	-	-	-	-	4,593,455
Licenses and fees	207,912	-	-	-	-	207,912
Fines and forfeitures	207,950	-	-	-	9,289	217,239
Recreation fees	32,808	-	-	-	40,971	73,779
Miscellaneous	17,515	-	-	-	6,000	23,515
Tax increment financing revenue	-	-	8,501,397	101,598	-	8,602,995
Developer contribution	-	52,288	-	-	-	52,288
Total revenues	<u>14,961,687</u>	<u>136,322</u>	<u>8,566,948</u>	<u>105,860</u>	<u>253,073</u>	<u>24,023,890</u>
Expenditures						
Current:						
General government:						
Administrative and support	1,799,292	-	1,606,716	-	160,848	3,566,856
Municipal court	180,543	-	-	-	-	180,543
Public safety:						
Public safety administration	465,947	-	-	-	-	465,947
Police services	2,394,677	-	-	-	283,504	2,678,181
Operations support	620,156	-	-	-	-	620,156
Fire services	1,806,663	-	-	-	68,047	1,874,710
Public works	1,487,492	-	-	-	45,593	1,533,085
Parks and recreation	726,863	-	-	-	-	726,863
Community development:						
Community development	457,772	-	-	-	-	457,772
Engineering	227,650	-	-	-	-	227,650
Capital outlay	-	2,156,109	-	-	-	2,156,109
Debt service:						
Principal	-	-	23,290,000	-	-	23,290,000
Interest	-	-	1,059,844	-	-	1,059,844
Bond issuance costs	-	-	366,530	-	-	366,530
Total expenditures	<u>10,167,055</u>	<u>2,156,109</u>	<u>26,323,090</u>	<u>-</u>	<u>557,992</u>	<u>39,204,246</u>
Excess (deficiency) of revenue over expenditures	<u>4,794,632</u>	<u>(2,019,787)</u>	<u>(17,756,142)</u>	<u>105,860</u>	<u>(304,919)</u>	<u>(15,180,356)</u>
Other financing sources (uses)						
Refunding bonds	-	-	18,370,000	-	-	18,370,000
Refunding bonds premium	-	-	1,767,404	-	-	1,767,404
Proceeds from sale of capital assets	141,672	-	217,672	-	-	359,344
Transfers in	1,500,000	2,500,000	143,372	2,526,083	303,883	6,973,338
Transfers out	(2,949,493)	-	(4,023,845)	-	-	(6,973,338)
Total other financing sources (uses)	<u>(1,307,821)</u>	<u>2,500,000</u>	<u>16,474,603</u>	<u>2,526,083</u>	<u>303,883</u>	<u>20,496,748</u>
Net change in fund balance	3,486,811	480,213	(1,281,539)	2,631,943	(1,036)	5,316,392
Fund balance, beginning of year	9,450,806	2,860,470	7,089,829	499,660	998,978	20,899,743
Fund balance, end of year	<u>\$ 12,937,617</u>	<u>\$ 3,340,683</u>	<u>\$ 5,808,290</u>	<u>\$ 3,131,603</u>	<u>\$ 997,942</u>	<u>\$ 26,216,135</u>

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds \$ 5,316,392

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlays	\$ 1,254,226	
Contributed capital	54,440	
Proceeds on sale of capital assets	(149,797)	
Gain/(loss) on disposal of capital assets	(118,371)	
Depreciation expense	<u>(2,758,758)</u>	(1,718,260)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources or are recognized as cash are received in the governmental funds.

Lease revenue	969,299
Long-term receivables	9,750

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

Long-term debt interest expense	49,579	
Principal payments	23,290,000	
Refunding debt issued, including premium	(20,137,404)	
Change in developer liability	(1,200,499)	
Amortization of bond premium and discount	584,590	
Amortization of deferred charge on refunding	<u>(65,971)</u>	2,520,295

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

Change in compensated absences accrual	(208,995)
OPEB expense	14,576
Pension related amount, pension expense	<u>(350)</u>

Change in net position of governmental activities \$ 6,902,707

City of Riverside, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget to Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and fees	\$ 95,500	\$ 95,500	\$ 207,912	\$ 112,412
Fines and forfeitures	258,000	258,000	207,950	(50,050)
Recreation fees	22,500	22,500	32,808	10,308
Sales taxes	1,600,000	1,600,000	1,761,375	161,375
Franchise taxes	888,800	888,800	956,301	67,501
Intergovernmental revenue	337,897	337,897	358,673	20,776
Investment earnings	35,000	35,000	101,339	66,339
Real estate income - gaming	4,400,000	4,400,000	4,593,455	193,455
Gaming revenue tax	6,600,000	6,600,000	6,724,359	124,359
Miscellaneous revenue	10,000	10,000	17,515	7,515
Total revenues	<u>14,247,697</u>	<u>14,247,697</u>	<u>14,961,687</u>	<u>713,990</u>
Expenditures:				
General government:				
Elected officials	62,824	62,824	37,744	25,080
Administration	1,600,375	1,600,375	1,658,915	(58,540)
Human resources	140,000	140,000	102,633	37,367
Municipal court	210,478	210,478	180,543	29,935
Total general government	<u>2,013,677</u>	<u>2,013,677</u>	<u>1,979,835</u>	<u>33,842</u>
Public safety				
Public safety administration	502,897	502,897	465,947	36,950
Police services	2,649,372	2,649,372	2,394,677	254,695
Operations support	679,880	679,880	620,156	59,724
Fire services	1,807,402	1,807,402	1,806,663	739
Total public safety	<u>5,639,551</u>	<u>5,639,551</u>	<u>5,287,443</u>	<u>352,108</u>
Public works				
Public works	1,342,086	1,342,086	1,215,983	126,103
Building maintenance	342,700	342,700	271,509	71,191
Total public works	<u>1,684,786</u>	<u>1,684,786</u>	<u>1,487,492</u>	<u>197,294</u>
Parks & recreation				
Parks	389,100	389,100	239,771	149,329
Community center	423,468	423,468	487,092	(63,624)
Total parks & recreation	<u>812,568</u>	<u>812,568</u>	<u>726,863</u>	<u>85,705</u>
Community development				
Community development	498,237	498,237	457,772	40,465
Engineering	234,782	234,782	227,650	7,132
Total community development	<u>733,019</u>	<u>733,019</u>	<u>685,422</u>	<u>47,597</u>
Total expenditures	<u>10,883,601</u>	<u>10,883,601</u>	<u>10,167,055</u>	<u>716,546</u>
Revenues over expenditures	<u>3,364,096</u>	<u>3,364,096</u>	<u>4,794,632</u>	<u>1,430,536</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	30,000	30,000	141,672	111,672
Transfers in	1,500,000	1,500,000	1,500,000	-
Transfers out	(2,800,000)	(2,800,000)	(2,949,493)	(149,493)
Total other financing sources (uses)	<u>(1,270,000)</u>	<u>(1,270,000)</u>	<u>(1,307,821)</u>	<u>(37,821)</u>
Net change in fund balance	<u>\$ 2,094,096</u>	<u>\$ 2,094,096</u>	<u>3,486,811</u>	<u>\$ 1,392,715</u>
Fund balance, beginning of year			<u>9,450,806</u>	
Fund balance, end of year			<u>\$ 12,937,617</u>	

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Statement of Net Position
Fiduciary Fund
June 30, 2018

	<u>Municipal Court Bond Account (Agency Fund)</u>
Assets	
Cash and investments	\$ <u>35,954</u>
Liabilities	
Due to others	\$ <u>35,954</u>

See Accompanying Notes to the Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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

Note 1 – Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies

Reporting Entity

The City of Riverside, Missouri (the “City”), was incorporated in 1951. The City operates under a Board of Aldermen-City Administrator form of government. The City’s major operations include police and fire protection, parks and recreation, public works and general administrative services.

The City’s reporting entity consists of the primary government, as well as its blended component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government.

The accompanying financial statements present the City (the primary government) and its component units. The financial data of the component units are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City. The component units have a June 30, 2018 year-end.

Blended component units: The Riverside Industrial Development Authority serves all the citizens of the government and is governed by a 5-member board which is appointed by the Board of Aldermen. The Authority was established to finance infrastructure projects within blighted areas in the City. The services provided by the Authority are provided exclusively to the City or for the benefit of the City.

The Tax Increment Financing Commission serves all the citizens of the government and is governed by a self-perpetuating 11-member board of which 6 are appointed by the Board of Aldermen. The Commission was established to finance infrastructure projects within blighted areas in the City. The services provided by the Commission are provided exclusively to the City or for the benefit of the City.

The Riverside Industrial Development Authority and the Tax Increment Financing Commission are reported within the Tax Increment Financing Debt Service Fund.

Basis of Presentation

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

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

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements.

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures, as appropriate. The City has the following fund types:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The City reports the following major governmental funds:

General Fund: The General Fund is the City’s primary operating fund. It accounts for all financial resources for the general government, except those required to be accounted for in another fund.

Capital Improvements Fund: A Capital Projects Fund, accounts for funds accumulated and payments made for the construction or maintenance of infrastructure.

Community Development Fund: A Capital Projects Fund, accounts for the contributions and transfers from the General Fund and expenditures for capital projects as the Board of Alderman may designate.

Tax Increment Financing Debt Service Fund: A Debt Service Fund, accounts for the resources accumulated and payments made for principal and interest on long-term debt.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: Account for revenues and expenditures related to programs that are restricted in nature for specific purposes. The nonmajor special revenue funds account for the activities of the DUI Fund, Tourism Tax Fund, Federal & State Grants Fund, Officer Training Fund, Inmate Security Fund, and Fire-Police Athletic League Fund.

Capital Projects Fund: Account for resources that are restricted for the construction or acquisition of designated capital assets or specific projects. The nonmajor capital projects fund accounts for the activities of the Capital Equipment Fund.

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

Agency Fund: Accounts for resources received and held by the City as an agent and are to be expended as directed by the party for which the City is acting as an agent. The City's Agency Fund accounts for municipal court bonds held for individuals awaiting court dates, monies collected from fine assessment payable to the City.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Sales taxes, franchise taxes, gaming revenue tax, gaming lease revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are generally recognized as revenue when cash is received by the City because they are generally not measurable until actually received.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Internal services provided and used (charges based on actual use) are not eliminated in the process of consolidation.

Summary of Significant Accounting Policies

1. *Cash and Investments*

The City maintains a cash and investment pool that is available for use by all funds. Certain resources set aside are classified as restricted assets on the balance sheet because their use is limited by applicable bond requirements. The bond reserve account is used to report resources set aside to subsidize potential deficiencies that could adversely affect debt service payments. The amount available in the Debt Service Fund and the Capital Improvements Fund, capital projects fund is used to report resources accumulated for future debt service payments and construction, respectively.

Investments in certificates of deposit and money market funds are recorded at amortized cost. The City's investment in the external investment pool (MOSIP) is not SEC-registered and is regulated by the State of Missouri. This external investment pool is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79.

Investments in the U.S. Government Agencies are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 2 for additional information regarding fair value measures.

2. *Restricted Assets*

Certain funds have been set aside, in accordance with debt agreements, to cover debt payments in the event that the TIF Commission or the Riverside Industrial Development Authority were to default on their obligations on these liabilities. These resources have been shown as restricted.

Cash and cash equivalents held in partnership trusts associated with agreements with developers is also shown as restricted in the Capital Improvements Fund.

3. *Capital Assets*

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The City utilizes a capitalization threshold of \$10,000 for purposes of reporting capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	10-50 years
Improvements Other than Buildings	10-25 years
Machinery, Furniture and Equipment	5-20 years
Infrastructure	50 years

4. *Deferred Outflows of Resources*

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred charge on refunding, deferred OPEB related amounts, and deferred pension related amounts reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension related deferred outflow consists of the unamortized portion of the net difference between projected and actual experience on plan assumptions and plan investments and change in assumptions. The OPEB related deferred outflow consists of unamortized items not yet charged to OPEB expense.

5. *Deferred Inflows of Resources*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. They are the deferred gain from sale-leaseback transactions, deferred OPEB related amounts, and deferred pension related amounts reported in the government-wide statement of net position. A deferred gain from a sale-leaseback transaction results from the difference between the acquisition cost of property and the amount paid by the lessee. The amount is deferred and amortized over the term of the lease. See Note 8E for information pertaining to the deferred gain from sale-leaseback reported on the City's statement of net position. The pension related deferred inflow consists of the unamortized portion of the difference between projected and actual experience on plan assumptions. The OPEB related deferred inflow consists of unamortized items not yet charged against OPEB expense.

6. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. Only retiring employees are compensated for unused sick leave, at a maximum of 50% of their sick leave balance. All vacation and compensatory pay is accrued when incurred in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Interfund Transactions

Interfund transactions are defined as transactions among City funds that would be treated as revenues and expenditures if they involved organizations external to City government and are accounted for as revenues and expenditures in the funds involved. Interfund services provided and used are not eliminated in the process of consolidation.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds."

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using a method which approximates the effective interest method. Bond issuance costs are expensed as incurred.

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

9. Pensions

For the 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.

10. Advance From Developer

The City and a developer contributed cash to a partnership escrow account which is recorded as restricted cash and cash equivalents in the Capital Improvements Fund. The escrow account is used to fund City projects that will be sold to the developer upon completion. The advance from developer liability represents the unspent portion of funds contributed by the developer. As cash payments are made from escrow the City's portion of the expenditures is recorded as capital outlay and the developer's portion of the payment is recognized as developer contributions revenue in the statement of revenues, expenditures and changes in fund balance as all revenue recognition criteria have been met.

11. *Developer Liability*

The City is currently constructing office buildings in connection with developer agreements. The agreements require the developer to provide an advance of cash for the project and upon sale of the property or collection of payments in lieu of taxes the advance will be returned to the developer. The advance is recorded as a developer liability on the statement of net position, in addition to the contributed escrow accounts already reported in the Capital Improvements Fund.

12. *Fund Balance*

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definition* establishes criteria for reclassifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Alderman through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Alderman removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The City's fund balance policy delegated the authority to assign fund balance to the City Manager and Finance Director.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

13. *Net Position*

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. Net

position restricted through enabling legislation consist of \$632,198 for capital improvements, \$127,757 for law enforcement and \$607,879 for tourism.

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

14. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures accordingly, actual results could differ from those estimates.

15. *Budgetary Information*

The Board of Aldermen annually adopts budgets for the following funds:

General Fund

Tourism Tax Fund – Nonmajor Special Revenue Fund

Capital Improvements Fund – Major Capital Projects Fund

Community Development Fund – Major Capital Projects Fund

Capital Equipment Fund – Nonmajor Capital Projects Fund

Tax Increment Financing Debt Service Fund

The City does not adopt a budget for the DUI Fund, Federal & State Grants Fund, Officer Training Fund, the Inmate Security Fund and the Fire-Police Athletic League Fund.

All appropriations are legally controlled at the fund level for the individual funds. On June 6, 2017, the Board of Aldermen formally approved the original adopted budget for fiscal year 2018.

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

- The City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed operating expenditures, capital expenditures and the means for financing them.
- Public hearings are conducted to obtain comments from all interested parties.
- The budget for the coming year is formally adopted on or before the last day of the current fiscal year.
- The City Administrator is authorized to make changes within departments, between departments and between functions within each fund. Changes or transfers at the fund level require approval by the Board of Aldermen.

- Under Missouri law, expenditures may not legally exceed budgeted appropriations at the fund level. If expenditures for a fund exceed the budget, either the budget must be amended or the Board of Aldermen must pass a resolution authorizing the expenditures in excess of the budget. The budget was not amended during the fiscal year.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented in the same format as the actual statements.

Note 2 – Deposits and Investments

Fair value measurements: The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input: Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input: Inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.

Level 3 input: Inputs that are unobservable for the asset or liability which are typically based upon the Plan’s own assumptions as there is little, if any, related market activity.

Hierarchy: The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs: If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The following fair value techniques were utilized in measuring the fair value of investments:

U.S. Government agency securities and government-sponsored enterprise notes:

U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out to 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

As of June 30, 2018, the City had the following investments:

<u>Investments at Fair Value</u>	<u>Carrying Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value Hierarchy Level</u>
U.S. Treasury Notes	\$ 1,692,367	0.66	2
U.S. Government Sponsored Enterprise Notes	18,358,803	2.09	2
<u>Investments at Amortized Cost</u>			
Local government investment pool-MOSIP	55,652	n/a	
Ameritrade Money Market Fund	12,853	n/a	
Certificate of Deposits	500,000	2.00	
Federated Money Market Fund	2,993,294	n/a	
Total Investments	<u>\$23,612,969</u>		

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the final maturity date of all operating investments to 5 years or less from the date of purchase. Investments for bond proceeds and debt service reserve accounts may be extended to match the anticipated cash flow needs.

Credit Risk/Concentration of Credit Risk. Missouri state statutes authorize the City, with certain restrictions, to investments which are:

- a. Obligations of the United States government, the State of Missouri, this city, or;
- b. In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri or this city, or;
- c. In revenue bonds of the City, or;
- d. In certificates of deposit, savings accounts as defined in Chapter 369, Revised Missouri Statutes or in interest bearing time deposits when such funds are held in United States banks, state banks, savings and loan associations operating under Chapter 369, Revised Missouri Statutes, or savings and loan associations authorized by the United States government so long as such deposits, savings accounts, and interest bearing deposits are secured by one or more of the types of securities described in subparagraphs (a), (b), or (c) of this section.
- e. Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency, or;
- f. Commercial paper issued by domestic corporations which has received the highest rating issued by a nationally recognized rating agency.
- g. Investments permitted by the Board of Aldermen which are authorized in the model investment policy prepared by the State of Missouri for political subdivisions.

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The City's investment policy limits the percentage of the portfolio that can be in various investment classes. The investment classes and their respective limits are shown below.

<u>Investment Class</u>	<u>Limit</u>
Bankers Acceptances	10%
Collateralized Certificate of Deposit	100%
U.S. Treasuries	100%
U.S. Agencies	80%
Collateralized Repurchase Agreements	50%

The table below illustrates the City's exposure to credit risk and concentration of credit risk:

<u>Investment Type</u>	<u>Standard & Poor's Credit Rating</u>	<u>Percent of Total Investments</u>
U. S. Treasury Note	Aaa	N/A
Federal Home Loan Bank	Aaa	29.0%
Federal Farm Credit Bank	Aaa	8.0%
Federal Home Loan Mortgage Corporation	Aaa	19.4%
Federal National Mortgage Association	Aaa	21.4%
Federated Treasury Obligation Fund Money Market	AAA	N/A
Certificates of Deposit	N/A	2.1%
Missouri Securities Investment Program Money Market	AAA	N/A

Investments in the Missouri Securities Investment Program, U.S. Treasury Note and the Federated Treasury Obligation Fund are not subject to concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At June 30, 2018, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held in the City's name by their financial institution's agent. The City's securities were registered and held by the City's financial institution in the City's name. As of June 30, 2018, the City's bank balance of deposits with financial institutions of \$1,972,424 and the City's investments were not exposed to custodial credit risk.

Note 3 – Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	2017 Balance	Additions	Deletions	2018 Balance
Capital assets not being depreciated:				
Land	\$19,783,329	\$805,194	\$(251,158)	\$20,337,365
Construction in progress	3,892,381	57,650	(3,903,281)	46,750
Total capital assets not being depreciated	<u>23,675,710</u>	<u>862,844</u>	<u>(4,154,439)</u>	<u>20,384,115</u>
Capital assets being depreciated:				
Buildings	19,026,865	-	-	19,026,865
Improvements	4,078,591	129,440	-	4,208,031
Machinery and equipment	6,386,854	316,382	(124,564)	6,578,672
Infrastructure	91,061,902	3,903,281	-	94,965,183
Total capital assets being depreciated	<u>120,554,212</u>	<u>4,349,103</u>	<u>(124,564)</u>	<u>124,778,751</u>
Less accumulated depreciation for:				
Buildings	(5,007,182)	(383,956)	-	(5,391,138)
Improvements	(592,360)	(81,379)	-	(673,739)
Machinery and equipment	(5,085,200)	(394,119)	107,554	(5,371,765)
Infrastructure	(16,502,281)	(1,899,304)	-	(18,401,585)
Total accumulated depreciation	<u>(27,187,023)</u>	<u>(2,758,758)</u>	<u>107,554</u>	<u>(29,838,227)</u>
Total capital assets, being depreciated, net	<u>93,367,189</u>	<u>1,590,345</u>	<u>(17,010)</u>	<u>94,940,524</u>
Governmental activities capital assets, net	<u>\$117,042,899</u>	<u>\$2,453,189</u>	<u>\$(4,171,449)</u>	<u>\$115,324,639</u>

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

Administration	\$97,527
Police Services	241,123
Fire Service	107,614
Public Works	2,242,187
Parks and Recreation	65,293
Community Development	<u>5,014</u>
Total Depreciation Expense	<u>\$2,758,758</u>

Construction Commitments

A summary of the City's commitments on uncompleted construction contracts and developer agreements and the amount, which is expected to be funded by the Capital Improvement Fund as follows:

<u>Capital Improvements Fund</u>	<u>Contract Amount</u>	<u>Completed</u>	<u>To Be Completed</u>
Horizons Phase I Construction	\$11,871,232	\$11,262,920	\$608,312

Note 4 – Interfund Balances and Transfers

Interfund balances at June 30, 2018 consisted of:

	<u>Due From</u>	<u>Due To</u>
General fund	\$2,883	\$ -
Nonmajor governmental funds	-	2,883
Total	<u>\$2,883</u>	<u>\$2,883</u>

Transfers for the year ended June 30, 2018 consisted of:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$1,500,000	\$2,949,493
Capital improvements fund	2,500,000	-
TIF debt service fund	143,372	4,023,845
Community development fund	2,526,083	-
Nonmajor governmental funds	303,883	-
Total	<u>\$6,973,338</u>	<u>\$6,973,338</u>

Transfers are used to move unrestricted revenues in the general fund to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including for debt service subsidies or matching funds for various grant programs and to fund capital expenditures.

The TIF debt service fund transferred \$2,523,845 to the community development fund. As a result of refunding the 2007A & 2007B bonds, the required debt service reserve that was funded by the City's general fund was decreased and other savings were realized. The Board of Aldermen elected to transfer these savings to the community development fund.

The TIF debt service fund also transferred \$1,500,000 to the general fund. Both Tax Increment Financing and Bond documents allow for the general fund to be reimbursed for prior year expenditures once debt service costs are covered. During the current fiscal year, TIF revenues were in excess of debt service costs, which allowed for a reimbursement to the general fund of prior year expenditures.

Note 5 – Long-Term Debt

Long-term liability balances and activity for the year ended June 30, 2018 were as follows:

	Balance June 30, 2017 as restated	Additions	Retirements	Balance June 30, 2018	Amounts Due Within One Year
Tax Increment Financing Bonds	\$24,320,000	\$18,370,000	\$23,290,000	\$19,400,000	\$3,760,000
Premium (discount) on bonds, net	535,594	1,767,404	584,590	1,718,408	-
Net pension liability	2,124,658	-	494,299	1,630,359	-
Total OPEB Liability	222,124	-	26,490	195,634	-
Developer liability	1,132,909	268,030	-	1,400,939	570,000
Compensated absences	374,376	583,371	374,376	583,371	390,859
Total	\$28,709,661	\$20,988,805	\$24,769,755	\$24,928,711	\$4,720,859

Compensated absences, net pension liability and total OPEB liability are usually liquidated by the General Fund.

Long-term debt payable as of June 30, 2018 is comprised of the following individual issues:

	Fiscal Year Issued	Maturity Date	Outstanding Interest Rates	Balance June 30, 2018
Series 2011 Tax Increment Financing Debt \$2,385,000	2011	5/1/12-5/1/20	2.0% to 4.0%	\$ 415,000
Series 2014 Tax Increment Financing Debt \$7,640,000	2014	5/1/15-5/1/20	5.0% to 5.25%	2,615,000
Series 2017 Tax Increment Financing Debt \$18,370,000	2017	5/1/18-5/1/25	2.0% to 5.0%	16,370,000
Total				\$19,400,000

Annual debt service requirements to maturity for tax increment financing bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 3,760,000	\$ 793,881
2020	3,525,000	679,582
2021	2,225,000	560,400
2022	2,310,000	471,400
2023	2,405,000	379,000
2024-2025	5,175,000	391,250
Total	<u>\$19,400,000</u>	<u>\$ 3,275,513</u>

During 2011, the Tax Increment Financing Commission, a blended component unit of the City, issued \$2,385,000 of Tax Increment Financing Revenue Bonds for a current refunding of the City's Series 1998, 1999 and 2002 Tax Increment Financing Revenue Bonds. Total principal and interest remaining on the bonds is \$437,263 payable through 2020.

During 2014, the Riverside Industrial Development Authority, a blended component unit of the City, issued \$7,640,000 of Tax Increment Financing Revenue Bonds for an advance refunding of the City's Series 2004 Tax Increment Financing Revenue Bonds. Total principal and interest remaining on the bonds is \$2,752,950 payable through 2020.

During 2017, the Riverside Industrial Development Authority, a blended component unit of the City, issued \$18,370,000 of Tax Increment Financing Revenue Bonds for a current refunding of the Authority's Series 2007 Tax Increment Financing Revenue Bonds. The City completed this current refunding to reduce its debt service payments by \$1,863,556, which resulted in an economic gain (difference between the present value of the debt service on the old and new debt) of \$1,686,858. Total principal and interest remaining on the bonds is \$19,485,300 payable through 2025.

Conduit Debt Obligations

The City has issued Missouri recovery facility revenue bonds to provide financial assistance to a private business for economic development purposes. The bonds are secured by properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

As of June 30, 2018, there was one issue of Missouri recovery zone facility revenue bonds outstanding with an original issue amount of \$20,000,000, and a principal balance outstanding of \$6,250,000.

Note 6 – Real Estate Income – Gaming

The City has an agreement with Penn Gaming to operate a riverboat casino on land owned by the City. Under the agreement, Penn Gaming agreed to pay the City a percentage of the casino’s adjusted gross receipts.

Adjusted Gross Receipts	% Payable to City
\$0 to \$50,000,000	3%
\$50,000,000 to \$100,000,000	4%
Over \$100,000,000	1.5%

The agreement expires in fiscal year 2020, with five remaining five-year options to extend the terms of the lease. The amount of revenue recorded on the statement of revenues, expenditures and changes in fund balance in the General Fund for the fiscal year ended June 30, 2018 is \$4,593,455.

Note 7 – Other Post Employment Benefits

As a result of the adoption of GASB Statement No. 75, the beginning net position of the governmental activities was restated. This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed and the net OPEB liability was recorded in accordance with GASB Statement No. 75. The effect on the beginning net position is as follows:

Net position June 30, 2017, as previously reported	\$107,374,580
Net OPEB liability	(222,124)
Removal of net OPEB obligation	151,056
Net position June 30, 2017, as restated	<u>\$107,303,512</u>

Plan Description: The City provides for retiree Medical and Dental coverage to qualifying former employees through Midwest Public Risk (MPR), a public-entity risk pool. MPR functions as an agent multiple-employer plan. To be eligible, employees must be full-time with at least ten years of service with an MPR employer. Retirees and their spouses may obtain coverage until Medicare eligibility by paying required premium rates. Upon retiree death or attainment of age 65 spouses may continue coverage for up to three years not to exceed to their own age 65.

The plan is administered by MPR who has the authority to establish or amend the plan provisions or contribution requirements. No assets are accumulated in a trust that meet the criteria in paragraph 4 of Statement 75. There is no stand alone financial report for the plan.

Contributions: The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group. Retirees who elect to continue coverage in the medical and dental plans offered through MPR are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City’s share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation.

The plan is financed on a pay-as-you-go basis. The benefits and benefit levels are governed by City policy and the MPR trust agreement. Other postemployment liabilities attributable to governmental activities are generally liquidated by the general fund. No contributions were made during the fiscal year.

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

Inactive employees currently receiving benefits	1
Active employees	<u>79</u>
Total employees	<u>80</u>

Total OPEB Liability

The City’s total OPEB liability of \$195,634 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial methods and assumptions:

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.0% per year
Discount rate	3.3% end of year 3.4% beginning of year
Health care cost trend rates	7.5% decreasing to 5.0%
Retirees’ share of benefit-related costs	125% of group rate
Healthy mortality rates	Society of Actuaries RPH-20147 adjusted to 2006 Total Headcount-weighted Mortality with Scale MP-2017 Full Generational Improvement
Disabled life mortality rates	Society of Actuaries RPH-2014 adjusted to 2006 Disabled Headcount-weighted Mortality with Scale MP-2017 Full Generational Improvement

The discount rate was based on the averages of the S&P Municipal Bond 20 Year High Grade and the Fidelity GO AA-20 Year published yields.

The financial information is based upon a GASB 75 actuarial valuation performed as of July 1, 2017 using the participant census as of July 1, 2017. The results of the July 1, 2017 valuation were projected to the end of year measurement date using standard actuarial techniques.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2017	<u>\$222,124</u>
Changes for the year:	
Service cost	20,912
Interest	8,263
Differences between expected and actual experience	(15,269)
Changes in assumptions or other inputs	2,520
Changes in benefit terms	<u>(42,916)</u>
Net changes	<u>(26,490)</u>
Balance as of June 30, 2018	<u><u>\$195,634</u></u>

Changes in Benefit Terms: Effective July 1, 2018 retirees will be charged 135% of plan premiums rather than 125%. The impact on present value costs is a reduction of \$42,916.

Changes in Assumptions: The discount rate was changed from 3.4% at beginning of year to 3.3% at the end of year. This resulted in additional costs of \$2,520.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the City as well as what the City's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.3%) or 1-percentage-point higher (4.3%) than the current discount rate:

	1% Decrease 2.3%	Discount Rate 3.3%	1% Increase 4.3%
Total OPEB liability	219,387	195,634	169,631
Increase/(Decrease) from Baseline	23,753		(26,003)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	(6.5% Decreasing to 4.0%)	Health Care Cost Trend Rates (7.5% Decreasing to 5.0%)	(8.5% Increasing to 6.0%)
Total OPEB liability	160,987	195,634	232,179
Increase/(Decrease) from Baseline	(34,647)		36,545

OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2018, the City recognized OPEB expense of \$14,576. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$14,269
Changes in Assumptions	2,355	-
	<u>\$2,355</u>	<u>\$14,269</u>

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending June 30:	
2019	\$ (835)
2020	(835)
2021	(835)
2022	(835)
2023	(835)
2024 & Thereafter	(7,739)
Total	<u>\$(11,914)</u>

Note 8 – Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself against these risks of loss, the City is a member of Midwest Public Risk (MPR) and MOPERM, not-for-profit corporations consisting of governmental entities formed to acquire insurance for its members. MPR and MOPERM operate as a purchasing pool and are not joint venture activities of the City. The City has no control over budgeting, financing, management selection, or the governing bodies. MPR and MOPERM provide both conventional and self-insurance coverage for their members, including medical, dental, property, casualty, general liability, and workers' compensation. The City participates in property casualty, general liability and workers' compensation insurance coverage.

MPR and MOPERM manage the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's and MOPERM's investment pools consist of interest-bearing deposits, U.S. Treasury strips, U.S. Governmental agency obligations, and collateralized mortgage obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR or MOPERM for which the City was a participant at any time during such year, and in the event that MARCIT or MOPERM determines that an assessment is required in order to provide additional funds for the obligations of the insurance company for such year, and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment whether or not the City is a member of MPR or MOPERM at the time of such assessment. Management of the City is not aware of any deficit situation in either risk pool that would require recognition of a liability as of June 30, 2018.

There has been no significant change in insurance coverage from the previous fiscal year. Settled claims have not exceeded insurance coverage in any of the past three years.

The City manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. Torts, errors and omissions health and life	Purchased commercial insurance	None
b. Workers Compensation: Employee injuries	Purchased commercial insurance	None
c. Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

B. Retirement Plan – LAGERS

Plan Description:

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

Benefits provided:

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

	City of Riverside Valuation
Benefit Multiplier:	2.0%
Final Average Salary	5 Years
Member Contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% each 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	30
Inactive employees entitled to but not yet receiving benefits	29
Active employees	74
Total	<u>133</u>

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. Employees of the City do not contribute to the pension plan. The City's employer contribution rates are 16.4% (General), 22.0% (Police), and 14.9% (Fire) of annual covered payroll.

Net Pension Liability:

The City'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 and rolled forward to the measurement date using standard update procedures.

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	3.5% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment and administration expenses

Mortality rates were based on RP-2014 Healthy Annuitant Mortality table for males and females for healthy retirees, the RP-2014 Disabled Mortality table for males and females for disabled retirees and the RP-2014 Employees Mortality table for males and females for preretirement employees. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018 valuation were based upon experience observed during the most recent 5-year period study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments of 7.25% 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.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at June 30, 2017	\$ 13,232,191	\$11,107,533	\$2,124,658
Changes for the year:			
Service Cost	515,557	-	515,557
Interest	968,671	-	968,671
Difference between expected & actual experience	228,005	-	228,005
Contributions – employer	-	818,940	(818,940)
Net investment income	-	1,426,667	(1,426,667)
Benefit payments, including refunds	(253,408)	(253,408)	-
Administrative expense	-	(10,588)	10,588
Other changes	-	(28,487)	28,487
Net changes	1,458,825	1,953,124	(494,299)
Balances at June 30, 2018	\$14,691,016	\$13,060,657	\$1,630,359

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

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

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
\$4,271,547	\$1,630,359	\$(494,540)

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

For the year ended June 30, 2018, the City recognized pension expense of \$819,290. The City 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	\$351,238	(\$260,553)
Differences in assumptions	226,830	-
Excess (deficit) investment returns	-	(381,195)
Total	\$578,068	(\$641,748)

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

Year ended:	
6/30/2019	\$120,036
6/30/2020	26,958
6/30/2021	(133,283)
6/30/2022	(105,282)
6/30/2023	13,133
Thereafter	14,758
Total	<u><u>\$(63,680)</u></u>

The deferred outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five-year period. The remaining deferred outflows and inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period.

Payable to the Pension Plan:

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.

C. Commitments and Contingencies

There are no claims for lawsuits to which the City is a part as a result of certain injuries and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel anticipate that any unknown potential claims, if any, against the City not covered by insurance would not have a material effect on the financial position of the City.

D. Federal and State Grants

In the current and prior years the City has participated in a number of federal and state programs that were fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of June 30, 2018 certain grant expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

E. Lease

During fiscal year 2011, the City entered into a sales-type lease agreement with a private business (the lessee) which expires in fiscal year 2021. In connection with the agreement, the City purchased land for an approximate cost of \$630,012. The lessee will pay the City \$1,655,280 in order to lease the land; the title of the land will not transfer to the third party until the end of the lease term (December 2020). The lessee paid the City \$762,300 during fiscal year 2011. The remaining balance of \$892,980 was received in fiscal year 2012. In accordance with GASB Statement No. 62, this transaction resulted in a gain on a sales-type lease of \$1,025,268 (difference between the cost of the land and the amount paid by the lessee). Because the title to the land will not be transferred to the lessee until the end of the lease term, this gain was recorded as a deferred inflow of resources - deferred gain on the City's government-wide statement of net position and is being recognized as revenue on a straight-line basis over the life of the lease. The amount of revenue recorded on the City's government-wide statement of activities for fiscal year ending June 30, 2018 is \$102,527. The balance of the deferred gain on sales- leaseback as of June 30, 2018 is \$886,329.

During fiscal year 2017, the City entered into a sales-type lease agreement with a private business (the lessee) which expires in fiscal year 2019. In connection with the agreement, the City purchased land for an approximate cost of \$476,974. The lessee paid the City \$2,624,228 in order to lease the land; the title of the land will not transfer to the third party until the end of the lease term (April 2019) of \$2,147,254. In accordance with GASB Statement No. 62, this transaction resulted in a gain on a sales-type lease. Because the title to the land will not be transferred to the lessee until the end of the lease term, this gain was recorded as a deferred inflow of resources - deferred gain on the City's government-wide statement of net position and is being recognized as revenue on a straight-line basis over the life of the lease. The amount of revenue recorded on the City's government-wide statement of activities for fiscal year ending June 30, 2018 is \$854,852. The balance of the deferred gain on sales- leaseback as of June 30, 2018 is \$904,185.

During fiscal year 2018, the City entered into a sales-type lease agreement with a private business (the lessee) which expires in fiscal year 2020. In connection with the agreement, the City purchased land for an approximate cost of \$237,452. The lessee paid the City \$1,307,676 in order to lease the land; the title of the land will not transfer to the third party until the end of the lease term (April 2020) of \$1,070,224. In accordance with GASB Statement No. 62, this transaction resulted in a gain on a sales-type lease. Because the title to the land will not be transferred to the lessee until the end of the lease term, this gain was recorded as a deferred inflow of resources - deferred gain on the City's government-wide statement of net position and is being recognized as revenue on a straight-line basis over the life of the lease. The amount of revenue recorded on the City's government-wide statement of activities for fiscal year ending June 30, 2018 is \$213,070. The balance of the deferred gain on sales- leaseback as of June 30, 2018 is \$868,261.

Note 9 – Tax Abatements

The City enters into real and personal property tax abatement agreements with local businesses pursuant to Article VI, Section 27(b) of the Missouri Constitution, as amended, Sections 100.010 to 100.200, inclusive, of the Missouri Revised Statutes, as amended. Under this authority, municipalities may grant real and personal property tax abatements of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ended June 30, 2018, the City abated property taxes totaling \$1,350,016, under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated.

A 75% personal property abatement to an automotive manufacturing supplier for acquiring, constructing, improving, purchasing, equipping and installing an approximately 260,000 square feet of industrial building consisting of approximately 240,000 square feet of manufacturing space and approximately 20,000 square feet of office space within the City. The abatement totaled \$419,588.

A 75% personal property abatement to an automotive manufacturing supplier for purchasing, equipping and installing certain personal property in a leased facility containing 221,940 square feet of industrial building within the City. The abatement totaled \$243,947.

A 100% real property abatement to an automotive manufacturing supplier for acquiring, constructing, improving, purchasing, equipping and installing an approximately 170,000 square feet of manufacturing facility within the City. The abatement totaled \$333,843.

Note 10 – Governmental Accounting Standards Board Statements

GASB has issued several statements not yet required to be implemented by the City. The City's management has not yet determined the effect these Statements will have on the City's financial statements. However, the City plans to implement all standards by required dates. The Statements which may impact the City are as follows:

GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021 with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

City of Riverside, Missouri
Required Supplementary Information
Schedule of Changes in City's Total OPEB Liability and Related Ratios

Last Ten Fiscal Years

	2018
Total OPEB liability	
Service cost	\$ 20,912
Interest	8,263
Changes of benefit terms	(42,916)
Differences between expected and actual experience	(15,269)
Changes of assumptions or other inputs	2,520
Net Change in Total OPEB liability	(26,490)
Total OPEB liability—beginning	222,124
Total OPEB liability—ending	\$ 195,634
Covered-employee payroll	4,333,889
Total OPEB liability as a percentage of covered-employee payroll	4.51%

Changes of benefit terms: Amounts presented reflect an increase in the retirees' share of insurance premiums from 125 percent in 2017-2018 to 135 percent in 2018-2019.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2018	3.3%
2017 (beginning of year)	3.4%

GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Riverside, Missouri

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
Last 4 Fiscal Years

<i>Fiscal year ending June 30,</i>	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 515,557	\$ 510,264	\$ 480,583	\$ 465,251
Interest on the Total Pension Liability	968,671	895,886	795,380	715,173
Benefit Changes	-	-	-	-
Difference between expected and actual experience	228,005	(152,119)	(51,932)	195,168
Assumption Changes	-	-	393,633	-
Benefit Payments	(253,408)	(252,052)	(240,061)	(312,317)
Refunds	-	-	-	-
Net Change in Total Pension Liability	1,458,825	1,001,979	1,377,603	1,063,275
Total Pension Liability beginning	13,232,191	12,230,212	10,852,609	9,789,334
Total Pension Liability ending	\$ 14,691,016	\$ 13,232,191	\$ 12,230,212	\$ 10,852,609
Plan Fiduciary Net Position				
Contributions-employer	\$ 818,940	\$ 735,877	\$ 700,760	\$ 713,467
Contributions-employee	-	-	-	-
Pension Plan Net Investment income	1,426,667	1,134,048	10,866	167,165
Benefit Payments	(253,408)	(252,052)	(240,061)	(312,317)
Refunds	-	-	-	-
Pension Plan Administrative expense	(10,588)	(10,031)	(9,845)	(9,599)
Other	(28,487)	7,834	(75,346)	28,155
Net Change in Plan Fiduciary Net Position	1,953,124	1,615,676	386,374	586,871
Plan Fiduciary Net Position beginning	11,107,533	9,491,857	9,105,483	8,518,612
Plan Fiduciary Net Position ending	\$ 13,060,657	\$ 11,107,533	\$ 9,491,857	\$ 9,105,483
Employer Net Pension Liability	\$ 1,630,359	\$ 2,124,658	\$ 2,738,355	\$ 1,747,126
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	88.90%	83.94%	77.61%	83.90%
Covered Employee Payroll	\$ 4,375,028	\$ 4,157,961	\$ 4,106,637	\$ 3,814,750
Employer's Net Pension Liability as a percentage of covered employee payroll	37.27%	51.10%	66.68%	45.80%

Notes to schedule:

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Riverside, Missouri
Required Supplementary Information
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$831,217	\$735,380	\$700,103	\$717,000	\$703,828	\$649,559	\$626,517	\$605,177	\$530,374	\$344,093
Contributions in relation to the actuarially determined contribution	818,115	735,380	700,103	712,502	676,577	642,214	626,517	605,177	530,374	343,732
Contribution deficiency (excess)	\$13,102	\$0	\$0	\$4,498	\$27,251	\$7,345	\$0	\$0	\$0	\$361
Covered-employee payroll	\$4,533,192	\$4,296,936	\$4,039,173	\$3,926,513	\$3,868,205	\$3,692,007	\$3,724,212	\$3,585,177	\$3,360,791	\$2,853,226
Contributions as a percentage of covered-employee payroll	18.05%	17.11%	17.33%	18.15%	17.49%	17.39%	16.82%	16.88%	15.78%	12.05%

Note: For a complete description of the actuarial assumptions used in the annual valuations, please refer to Footnote 8.B. or please contact the LAGERS office in Jefferson City.

City of Riverside, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue		
	DUI Fund	Tourism Tax	Federal & State Grants
Assets			
Cash and investments	\$ 16,119	\$ 589,296	\$ -
Taxes receivable	-	18,583	-
Due from other governments	-	-	2,883
Interest receivable	-	-	-
Total assets	\$ 16,119	\$ 607,879	\$ 2,883
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	2,883
Total liabilities	-	-	2,883
Fund balances			
Restricted for:			
Law enforcement	16,119	-	-
Tourism	-	607,879	-
Committed for, capital projects	-	-	-
Total fund balance	16,119	607,879	-
Total liabilities and fund balances	\$ 16,119	\$ 607,879	\$ 2,883

<u>Special Revenue</u>			<u>Capital Project</u>		Total Nonmajor Governmental Funds
<u>Officer Training</u>	<u>Inmate Security</u>	<u>Fire-Police Athletic League</u>	<u>Capital Equipment</u>		
\$ 964	\$ 34,253	\$ 77,178	\$ 307,924	\$	1,025,734
-	-	-	-		18,583
-	-	-	-		2,883
-	-	-	-		-
<u>964</u>	<u>\$ 34,253</u>	<u>\$ 77,178</u>	<u>\$ 307,924</u>	<u>\$</u>	<u>1,047,200</u>
\$ 435	\$ -	\$ 322	\$ 45,618	\$	46,375
-	-	-	-		2,883
<u>435</u>	<u>-</u>	<u>322</u>	<u>45,618</u>		<u>49,258</u>
529	34,253	76,856	-		127,757
-	-	-	-		607,879
-	-	-	262,306		262,306
<u>529</u>	<u>34,253</u>	<u>76,856</u>	<u>262,306</u>		<u>997,942</u>
<u>\$ 964</u>	<u>\$ 34,253</u>	<u>\$ 77,178</u>	<u>\$ 307,924</u>	<u>\$</u>	<u>1,047,200</u>

City of Riverside, Missouri
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue		
	DUI Fund	Tourism Tax	Federal & State Grants
Revenue:			
Taxes, tourism tax	\$ -	\$ 188,108	\$ -
Intergovernmental revenue	-	-	8,705
Investment earnings	-	-	-
Fines and forfeitures	2,268	-	-
Recreation fees	-	-	-
Miscellaneous revenue	-	-	-
Tax increment financing revenue	-	-	-
Total revenue	2,268	188,108	8,705
Expenditures:			
Current:			
Administrative and support	-	89,671	-
Police services	23,678	-	11,588
Fire services	-	-	-
Public works	-	-	-
Total expenditures	23,678	89,671	11,588
Excess of revenue over/(under) expenditures	(21,410)	98,437	(2,883)
Other financing sources			
Transfers in	-	-	2,883
Total other financing sources	-	-	2,883
Net change in fund balance	(21,410)	98,437	-
Fund balance, beginning of year	37,529	509,442	-
Fund balance, end of year	\$ 16,119	\$ 607,879	\$ -

<u>Special Revenue</u>			<u>Capital Project</u>	Total Nonmajor Governmental Funds
<u>Officer Training</u>	<u>Inmate Security</u>	<u>Fire-Police Athletic League</u>	<u>Capital Equipment</u>	
\$ -	\$ -	\$ -	\$ -	\$ 188,108
-	-	-	-	8,705
-	-	-	-	-
4,234	2,787	-	-	9,289
-	-	40,971	-	40,971
-	-	6,000	-	6,000
-	-	-	-	-
<u>4,234</u>	<u>2,787</u>	<u>46,971</u>	<u>-</u>	<u>253,073</u>
-	-	-	71,177	160,848
6,113	-	43,250	198,875	283,504
-	-	-	68,047	68,047
-	-	-	45,593	45,593
<u>6,113</u>	<u>-</u>	<u>43,250</u>	<u>383,692</u>	<u>557,992</u>
<u>(1,879)</u>	<u>2,787</u>	<u>3,721</u>	<u>(383,692)</u>	<u>(304,919)</u>
-	-	1,000	300,000	303,883
-	-	1,000	300,000	303,883
(1,879)	2,787	4,721	(83,692)	(1,036)
2,408	31,466	72,135	345,998	998,978
<u>\$ 529</u>	<u>\$ 34,253</u>	<u>\$ 76,856</u>	<u>\$ 262,306</u>	<u>\$ 997,942</u>

City of Riverside, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Budget to Actual
For the Year Ended June 30, 2018

	Tourism Tax Fund	
	Budget	Actual
Revenues:		
Taxes, tourism tax	\$ 220,000	\$ 188,108
Total revenues	220,000	188,108
Expenditures:		
Current:		
Administrative and support	150,000	89,671
Revenues over expenditures	70,000	98,437
Net change in fund balance	\$ 70,000	98,437
Fund balance, beginning of year		509,442
Fund balance, end of year		\$ 607,879

City of Riverside, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Project Funds
Budget to Actual
For the Year Ended June 30, 2018

	Capital Improvements Fund		Community Development Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Investment earnings	\$ 400	\$ 4,034	\$ -	\$ 4,262
Intergovernmental revenue	50,000	80,000	-	-
Tax increment financing revenue	-	-	101,500	101,598
Developer contributions	-	52,288	-	-
Total revenues	<u>50,400</u>	<u>136,322</u>	<u>101,500</u>	<u>105,860</u>
Expenditures:				
Current:				
Administrative and support	-	-	-	-
Police services	-	-	-	-
Fire services	-	-	-	-
Public works	-	-	-	-
Capital outlay	2,505,000	2,156,109	-	-
Total expenditures	<u>2,505,000</u>	<u>2,156,109</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>(2,454,600)</u>	<u>(2,019,787)</u>	<u>101,500</u>	<u>105,860</u>
Other financing sources:				
Transfers in	2,500,000	2,500,000	2,500,000	2,526,083
Total other financing sources	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,526,083</u>
Net change in fund balance	<u>\$ 45,400</u>	480,213	<u>\$ 2,601,500</u>	2,631,943
Fund balance, beginning of year		2,860,470		499,660
Fund balance, end of year		<u>\$ 3,340,683</u>		<u>\$ 3,131,603</u>

Capital Equipment Fund	
<u>Budget</u>	<u>Actual</u>
\$ -	\$ -
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
100,000	71,177
218,900	198,875
67,000	68,047
54,000	45,593
-	-
<u>439,900</u>	<u>383,692</u>
<u>(439,900)</u>	<u>(383,692)</u>
300,000	300,000
<u>300,000</u>	<u>300,000</u>
<u>\$ (139,900)</u>	(83,692)
	345,998
	<u>\$ 262,306</u>

City of Riverside, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balances
Tax Increment Financing Debt Service Fund
Budget to Actual
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>
Revenues:		
Investment earnings	\$ 30,000	\$ 65,551
Tax increment financing revenue	<u>7,280,000</u>	<u>8,501,397</u>
Total revenues	<u>7,310,000</u>	<u>8,566,948</u>
Expenditures:		
Current:		
Administrative and support	2,048,836	1,606,716
Debt service:		
Principal	23,540,000	23,290,000
Interest	1,092,000	1,059,844
Bond issuance costs	<u>200,000</u>	<u>366,530</u>
Total expenditures	<u>26,880,836</u>	<u>26,323,090</u>
Revenues (under) expenditures	<u>(19,570,836)</u>	<u>(17,756,142)</u>
Other financing sources (uses),		
Refunding bonds proceeds	19,960,000	18,370,000
Bond issuance premium	-	1,767,404
Proceeds from sale of capital assets	200,000	217,672
Transfers in	-	143,372
Transfers out	<u>(4,000,000)</u>	<u>(4,023,845)</u>
Total other financing sources (uses)	<u>16,160,000</u>	<u>16,474,603</u>
Changes in fund balance	<u>\$ (3,410,836)</u>	<u>(1,281,539)</u>
Fund balance, beginning of year		<u>7,089,829</u>
Fund balance, end of year		<u>\$ 5,808,290</u>

City of Riverside, Missouri
Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Municipal Court Bond Account				
Assets:				
Cash and investments	\$ <u>38,413</u>	\$ <u>89,470</u>	\$ <u>91,929</u>	\$ <u>35,954</u>
Liabilities:				
Due to others	\$ <u>38,413</u>	\$ <u>89,470</u>	\$ <u>91,929</u>	\$ <u>35,954</u>

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	69 – 76
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the gaming revenue.	77 – 80
Debt Capacity These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	81 – 82
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	83 – 84
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	85 – 88

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

City of Riverside, Missouri
Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2018	2017	2016	2015
Governmental Activities				
Net investment in capital assets	\$ 97,344,337	\$ 97,004,464	\$ 96,108,750	\$ 95,152,969
Restricted	1,367,834	4,013,110	4,558,070	1,369,477
Unrestricted	15,494,048	6,359,006	(92,041)	(1,937,545)
Total governmental activities net position	\$ 114,206,219	\$ 107,376,580	\$ 100,574,779	\$ 94,584,901

Note 1: Beginning with year 2014, the City reclassified the presentation of certain amounts previously presented as restricted. This schedule has not been adjusted for years prior to 2014.

Note 2: The City adopted GASB Statement No. 68 in fiscal year 2015. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2015.

Note 3: The City adopted GASB Statement No. 75 in fiscal year 2018. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2018.

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 93,573,067	\$ 97,455,751	\$ 87,447,540	\$ 80,614,617	\$ 61,176,406	\$ 53,635,284
803,511	8,978,799	11,601,649	7,372,933	6,038,985	6,518,739
(1,482,081)	(7,486,325)	(440,616)	9,318,551	22,635,921	25,348,214
\$ 92,894,497	\$ 98,948,225	\$ 98,608,573	\$ 97,306,101	\$ 89,851,312	\$ 85,502,237

City of Riverside, Missouri
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2018	2017	2016	2015
Expenses				
Governmental activities				
Administrative and support	\$ 3,453,807	\$ 3,443,113	\$ 3,552,846	\$ 3,536,140
Municipal court	185,151	186,954	173,961	178,317
Public safety administration*	469,381	503,889	441,392	435,851
Police services	2,763,422	2,826,475	2,766,514	2,551,494
Operations support	626,777	652,384	614,941	585,905
Fire services	1,960,449	1,650,728	1,731,925	1,582,358
Public works	6,449,874	6,116,448	5,598,064	5,191,014
Parks and recreation	792,884	808,300	779,143	745,998
Community development	489,157	453,302	469,177	442,382
Engineering**	252,597	203,769	214,828	202,569
Interest on long-term debt	1,069,332	1,465,032	1,666,391	1,982,428
Total governmental activities expenses	<u>18,512,831</u>	<u>18,310,394</u>	<u>18,009,182</u>	<u>17,434,456</u>
Program revenues				
Governmental activities				
Charges for services:				
Administrative and support	43,708	42,139	47,948	45,850
Police services	217,239	251,529	254,540	289,082
Public works	-	598,059	400,424	278,171
Parks and recreation	73,779	70,979	68,643	62,537
Community development	164,204	175,544	128,375	103,251
Operating grants and contributions:				
Police services	8,705	14,391	25,742	13,822
Capital grants and contributions	134,440	1,001,920	847,362	46,767
Total governmental activities program revenues	<u>642,075</u>	<u>2,154,561</u>	<u>1,773,034</u>	<u>839,480</u>
Net (expense)/revenue governmental activities	<u>(17,870,756)</u>	<u>(16,155,833)</u>	<u>(16,236,148)</u>	<u>(16,594,976)</u>
General revenue and other changes in net position				
Governmental activities				
Taxes				
Sales taxes	1,761,375	1,611,237	1,697,356	1,378,151
Franchise taxes	956,301	906,344	813,186	716,542
Tourism taxes	188,108	188,955	217,779	184,262
Gaming revenue taxex	6,724,359	6,589,264	6,569,566	6,303,001
Unrestricted grants and contributions	358,673	323,261	348,521	371,948
Investment earnings	175,186	69,611	87,952	89,580
Real estate income - gaming	4,593,455	4,358,378	4,394,870	4,182,418
Tax increment financing	8,602,995	7,273,358	6,654,901	5,123,842
Gain on purchase of bonds	-	-	-	-
Gain on land lease	1,170,449	1,407,859	1,300,452	1,094,726
Gain on sale of capital position	-	-	-	-
Miscellaneous	242,562	227,366	141,443	111,632
Total governmental activities	<u>24,773,463</u>	<u>22,955,633</u>	<u>22,226,026</u>	<u>19,556,102</u>
Change in net position				
Governmental activities	<u>\$ 6,902,707</u>	<u>\$ 6,799,800</u>	<u>\$ 5,989,878</u>	<u>\$ 2,961,126</u>

*In fiscal year 2009, the public safety administration division was separated out of the police services division.

**In fiscal year 2014, the engineering division was separated out of the community services division.

Note 1: The City adopted GASB Statement No. 68 in fiscal year 2015. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2015.

Note 2: The City adopted GASB Statement No. 75 in fiscal year 2018. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2018.

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	3,361,653	\$	3,291,806	\$	3,340,602	\$	3,167,034	\$	2,878,084	\$	2,439,544
	175,443		168,189		163,037		151,884		144,889		139,254
	512,170		645,375		555,516		474,639		462,810		460,205
	2,560,182		2,543,564		2,331,412		2,132,814		2,119,296		2,081,567
	549,291		606,699		700,555		633,732		563,120		532,437
	1,563,803		1,418,114		1,247,599		1,256,523		1,175,275		653,289
	14,302,013		9,024,716		9,347,065		5,585,388		7,064,953		6,079,598
	773,333		725,478		776,223		595,934		514,852		394,585
	368,024		499,425		560,864		613,821		438,747		569,776
	201,177		-		-		-		-		-
	2,395,524		2,481,272		2,673,512		2,393,978		2,532,675		2,657,463
	<u>26,762,613</u>		<u>21,404,638</u>		<u>21,696,385</u>		<u>17,005,747</u>		<u>17,894,701</u>		<u>16,007,718</u>
	42,498		41,535		40,154		41,426		39,500		48,735
	366,880		356,142		269,042		272,520		336,073		250,397
	-		186,168		347,037		4,004,893		1,761,757		1,661,146
	68,084		77,587		66,564		54,281		57,851		34,102
	57,701		58,196		47,773		25,695		26,265		42,540
	6,455		8,906		32,747		12,122		14,710		19,403
	<u>1,165,046</u>		<u>3,512,010</u>		<u>2,279,000</u>		<u>510,410</u>		<u>443,985</u>		<u>-</u>
	<u>1,706,664</u>		<u>4,240,544</u>		<u>3,082,317</u>		<u>4,921,347</u>		<u>2,680,141</u>		<u>2,056,323</u>
	<u>(25,055,949)</u>		<u>(17,164,094)</u>		<u>(18,614,068)</u>		<u>(12,084,400)</u>		<u>(15,214,560)</u>		<u>(13,951,395)</u>
	1,445,549		1,397,363		1,358,640		1,256,558		1,207,371		1,162,363
	714,460		651,528		587,217		583,266		605,841		505,060
	166,584		169,910		173,663		176,958		175,603		178,053
	6,399,850		7,133,275		8,528,022		9,333,622		9,550,347		9,718,310
	254,291		238,557		287,393		297,315		288,481		290,614
	47,676		51,762		187,308		274,702		413,453		1,624,693
	4,060,295		4,155,181		4,424,307		4,972,759		4,876,918		5,079,236
	3,883,538		3,335,920		2,615,532		2,531,727		2,322,386		2,422,337
	-		-		-		120,000		20,000		341,800
	1,843,665		1,153,512		325,557		51,263		-		-
	-		-		1,410,165		-		-		-
	186,313		26,529		18,736		44,782		103,235		16,275
	<u>19,002,221</u>		<u>18,313,537</u>		<u>19,916,540</u>		<u>19,642,952</u>		<u>19,563,635</u>		<u>21,338,741</u>
\$	<u>(6,053,728)</u>	\$	<u>1,149,443</u>	\$	<u>1,302,472</u>	\$	<u>7,558,552</u>	\$	<u>4,349,075</u>	\$	<u>7,387,346</u>

City of Riverside, Missouri
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(unaudited)

	Fiscal Year				
	2018	2017	2016	2015	2014
General fund					
Unassigned	\$ 12,937,617	\$ 9,450,806	\$ 5,953,625	\$ 5,585,914	\$ 5,564,281
Total general fund	<u>\$ 12,937,617</u>	<u>\$ 9,450,806</u>	<u>\$ 5,953,625</u>	<u>\$ 5,585,914</u>	<u>\$ 5,564,281</u>
All other governmental funds					
Restricted for:					
Debt service	\$ 5,808,290	\$ 7,089,829	\$ 6,331,575	\$ 6,193,653	\$ 5,945,362
Capital improvements	632,198	2,860,470	3,562,686	544,497	98,722
Community development	-	499,660	393,379	286,014	184,514
Law enforcement	127,757	143,538	140,459	135,379	128,051
Tourism	607,879	509,442	461,546	403,587	392,224
Committed for, capital projects	6,102,394	345,998	300,574	240,222	174,720
Total all other governmental funds	<u>\$ 13,278,518</u>	<u>\$ 11,448,937</u>	<u>\$ 11,190,219</u>	<u>\$ 7,803,352</u>	<u>\$ 6,923,593</u>

Fiscal Year				
2013	2012	2011	2010	2009
\$ 7,391,475	\$ 12,642,233	\$ 22,822,235	\$ 25,730,000	\$ 28,304,417
<u>\$ 7,391,475</u>	<u>\$ 12,642,233</u>	<u>\$ 22,822,235</u>	<u>\$ 25,730,000</u>	<u>\$ 28,304,417</u>
\$ 6,466,375	\$ 5,327,671	\$ 5,712,998	\$ 5,819,205	\$ 6,318,578
1,867,992	4,200,664	284,563	7,165,710	14,452,483
145,884	1,618,153	985,069	3,439,590	4,057,846
106,265	76,991	68,250	59,645	77,775
392,283	378,170	322,053	296,299	315,274
55,241	153,515	106,335	329,317	647,410
<u>\$ 9,034,040</u>	<u>\$ 11,755,164</u>	<u>\$ 7,479,268</u>	<u>\$ 17,109,766</u>	<u>\$ 25,869,366</u>

City of Riverside, Missouri
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(unaudited)

	Fiscal Year				
	2018	2017	2016	2015	2014
Revenues					
Taxes	\$ 2,905,784	\$ 2,706,536	\$ 2,728,321	\$ 2,278,955	\$ 2,326,593
Intergovernmental revenue	447,378	339,572	832,035	432,537	1,080,549
Charges for services	-	16,785	1,860	28,173	345,243
Investment earnings	175,186	69,611	87,952	89,580	47,676
Real estate income - gaming	4,593,455	4,358,378	4,394,870	4,182,418	4,060,295
Gaming revenue	6,724,359	6,589,264	6,569,566	6,303,001	6,399,850
Licenses and fees	207,912	217,683	176,323	149,101	100,199
Fines and forfeitures	217,239	251,529	254,540	289,082	366,880
Recreation fees	73,779	70,979	68,643	62,537	68,084
Miscellaneous	23,515	111,143	40,145	12,194	138,950
TIF revenue	8,602,995	7,273,358	6,654,901	5,123,842	3,883,538
Developer contribution	52,288	1,269,288	1,057,605	1,717,957	1,396,227
Proceeds from sale-leaseback	-	-	-	494,745	367,115
Total revenues	24,023,890	23,274,126	22,866,761	21,164,122	20,581,199
Expenditures					
Administrative and support	3,566,856	3,423,664	3,556,565	3,505,623	3,296,734
Municipal court	180,543	185,717	170,866	177,974	172,938
Police administration	465,947	493,515	424,178	439,051	512,201
Police services	2,678,181	2,393,971	2,332,919	2,242,909	2,282,508
Operations support	620,156	630,912	588,216	594,077	545,778
Fire services	1,874,710	1,641,159	1,569,336	1,563,418	1,497,050
Public works	1,533,085	1,575,538	1,510,818	1,400,168	1,469,270
Parks and recreation	726,863	656,928	642,074	585,065	617,043
Community development	457,772	441,152	469,676	440,189	366,814
Engineering*	227,650	202,924	199,203	198,042	194,649
Capital outlay	2,156,109	2,990,402	2,768,726	4,455,505	7,808,465
Principal	23,290,000	4,075,000	3,775,000	3,190,000	3,665,000
Interest	1,059,844	1,244,681	1,373,481	1,470,709	1,870,256
Bond issuance costs	366,530	-	-	-	106,758
Total expenditures	39,204,246	19,955,563	19,381,058	20,262,730	24,405,464
Excess of revenues over (under) expenditures	(15,180,356)	3,318,563	3,485,703	901,392	(3,824,265)
Other financing sources (uses)					
Transfers in	6,973,338	1,434,560	2,743,737	3,504,604	4,504,978
Transfers out	(6,973,338)	(1,434,560)	(2,743,737)	(3,504,604)	(4,504,978)
Issuance of TIF bonds	18,370,000	-	-	-	7,640,000
Payment to refunded bond escrow agent	-	-	-	-	(8,065,827)
Sale of capital assets	359,344	437,336	268,875	-	-
Premium on bonds issuance	1,767,404	-	-	-	312,451
Discount on bonds issuance	-	-	-	-	-
Total other financing sources (uses)	20,496,748	437,336	268,875	-	(113,376)
Net change in fund balances	\$ 5,316,392	\$ 3,755,899	\$ 3,754,578	\$ 901,392	\$ (3,937,641)
Debt service as a percentage of noncapital expenditures	64%	28%	29%	27%	30%

*In fiscal year 2014, the engineering division was separated out of the community development division.

	Fiscal Year				
	2013	2012	2011	2010	2009
\$	2,218,801	\$ 2,119,520	\$ 2,152,052	\$ 1,853,545	\$ 1,845,476
	3,496,318	1,399,140	809,437	316,176	310,017
	186,168	347,037	4,060,752	1,705,898	1,661,146
	51,762	187,308	274,702	413,453	1,624,693
	4,155,181	4,424,307	4,972,759	4,876,918	5,079,236
	7,133,275	8,528,022	9,333,622	9,550,347	9,718,310
	99,731	87,927	67,121	65,765	91,275
	356,142	269,042	272,520	336,073	250,397
	77,587	66,546	54,281	57,851	34,102
	26,429	18,736	44,782	103,235	16,275
	3,432,013	2,519,439	2,531,727	2,322,386	2,422,337
	2,540,649	1,757,460	-	-	-
	405,087	1,681,691	762,300	-	-
	<u>24,179,143</u>	<u>23,406,175</u>	<u>25,336,055</u>	<u>21,601,647</u>	<u>23,053,264</u>
	3,166,187	3,203,812	3,101,376	2,845,019	2,329,588
	166,973	161,947	151,678	143,329	138,671
	617,544	590,283	500,781	468,776	447,162
	2,241,434	2,060,787	2,083,386	2,059,677	1,957,651
	594,086	674,363	607,814	574,827	504,515
	1,331,481	1,182,911	1,173,397	1,140,734	590,159
	1,548,537	1,202,728	1,225,402	1,271,986	1,045,468
	598,104	661,711	592,584	506,783	406,136
	488,233	553,536	467,172	448,632	575,992
	-	-	-	-	-
	16,861,669	14,402,799	21,080,414	18,557,731	23,436,065
	3,395,000	5,060,000	4,340,000	2,275,000	3,548,200
	2,012,606	2,161,639	2,420,314	2,539,407	2,677,457
	-	79,419	-	-	-
	<u>33,021,854</u>	<u>31,995,935</u>	<u>37,874,318</u>	<u>32,831,901</u>	<u>37,657,064</u>
	<u>(8,842,711)</u>	<u>(8,589,760)</u>	<u>(13,300,563)</u>	<u>(11,230,254)</u>	<u>(14,603,800)</u>
	5,908,490	11,042,374	5,844,652	4,736,748	7,269,467
	(5,908,490)	(11,042,374)	(5,844,652)	(4,736,748)	(7,269,467)
	-	2,385,000	-	-	-
	-	-	-	-	-
	870,829	282,826	-	-	-
	-	17,810	-	-	-
	-	-	-	-	-
	<u>870,829</u>	<u>2,685,636</u>	<u>762,300</u>	<u>-</u>	<u>-</u>
	<u>\$ (7,971,882)</u>	<u>\$ (5,904,124)</u>	<u>\$ (12,538,263)</u>	<u>\$ (11,230,254)</u>	<u>\$ (14,603,800)</u>
	25%	31%	35%	27%	34%

City of Riverside, Missouri
Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(unaudited)

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Tourism Tax</u>	<u>Gaming Tax</u>
2009	1,162,363	505,060	178,053	9,718,310
2010	1,207,371	470,571	175,603	9,550,347
2011	1,256,558	583,266	176,958	9,333,622
2012	1,358,640	587,217	173,663	8,528,022
2013	1,397,363	651,528	169,910	7,133,275
2014	1,445,549	714,460	166,584	6,399,850
2015	1,378,151	716,542	184,262	6,303,001
2016	1,697,356	813,186	217,779	6,569,566
2017	1,611,237	906,344	188,955	6,589,264
2018	1,761,375	956,301	188,108	6,724,359

Note: In FY 2012, a fifth casino opened in the Kansas City metropolitan area.

City of Riverside, Missouri
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(unaudited)

<u>Year</u>	<u>City</u>	<u>County*</u>	<u>State*</u>	<u>Total</u>
2009	1.000	1.375	4.225	6.600
2010	1.000	1.375	4.225	6.600
2011	1.000	1.375	4.225	6.600
2012	1.000	1.375	4.225	6.600
2013	1.000	1.375	4.225	6.600
2014	1.000	1.375	4.225	6.600
2015	1.000	1.375	4.225	6.600
2016	1.000	1.375	4.225	6.600
2017	1.000	1.375	4.225	6.600
2018	1.000	1.375	4.225	6.600

* Source: Missouri Department of Revenue

City of Riverside, Missouri
Gaming Revenue and Real Estate Income
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)*
(unaudited)

<u>Fiscal Year</u>	<u>Gaming Revenue</u>	<u>Real Estate Income</u>	<u>Total</u>
2009	9,718,310	5,079,236	14,797,546
2010	9,550,347	4,876,918	14,427,265
2011	9,333,622	4,972,759	14,306,381
2012	8,528,022	4,424,307	12,952,329
2013	7,133,275	4,155,181	11,288,456
2014	6,399,850	4,060,295	10,460,145
2015	6,303,001	4,182,418	10,485,419
2016	6,569,566	4,394,870	10,964,436
2017	6,589,264	4,358,378	10,947,642
2018	6,724,359	4,593,455	11,317,814

*In FY 2012, a fifth casino was opened in the Kansas City metropolitan area.

City of Riverside, Missouri
Gaming Revenue Rates
Last Ten Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Admission Fee</u>	<u>% of Adjusted Gross Revenue</u>
2009	\$1 per patron	2.1%
2010	\$1 per patron	2.1%
2011	\$1 per patron	2.1%
2012	\$1 per patron	2.1%
2013	\$1 per patron	2.1%
2014	\$1 per patron	2.1%
2015	\$1 per patron	2.1%
2016	\$1 per patron	2.1%
2017	\$1 per patron	2.1%
2018	\$1 per patron	2.1%

Source: Missouri Gaming Commission

City of Riverside, Missouri
Riverside Argosy Casino Kansas City Market Share
Last Ten Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Percentage of Adjusted Gross Receipts</u>
2009	27.48%
2010	27.31%
2011	27.16%
2012	24.14%
2013	20.36%
2014	19.77%
2015	19.34%
2016	20.91%
2017	21.09%
2018	22.07%

Source: Missouri Gaming Commission & Kansas Gaming Commission
*In FY 2012, a fifth casino was opened in the Kansas City metropolitan area.

City of Riverside, Missouri
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

Fiscal Year	TIF Bonds	Percentage of Personal Income*	Per Capita*
2009	51,880,000	38.62%	16,817
2010	49,585,000	38.71%	16,826
2011	45,125,000	33.45%	15,158
2012	42,450,000	30.05%	14,094
2013	39,055,000	26.82%	12,813
2014	35,360,000	22.98%	11,410
2015	32,896,406	19.79%	10,404
2016	29,025,580	16.77%	8,953
2017	24,855,594	13.99%	7,638
2018	21,118,408	11.62%	6,490

* See the Schedule of Demographic and Economic Statistics on page 83 for personal income and population data.

City of Riverside, Missouri
Direct and Overlapping Debt
As of June 30, 2018
(unaudited)

	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt	Assessed Valuation
Direct Debt:				
City of Riverside	21,118,408	100.0%	21,118,408	121,349,744
Overlapping Debt:				
Platte County, Missouri	39,010,370	4.9%	1,922,740	2,462,058,584
Park Hill School District	<u>150,600,000</u>	7.2%	<u>10,850,144</u>	1,684,334,510
Total overlapping debt	<u>189,610,370</u>		<u>12,772,884</u>	
Total direct and overlapping debt	<u><u>210,728,778</u></u>		<u><u>33,891,292</u></u>	

(1) Determined by ratio of assessed value in overlapping unit compared to the taxable assessed value within the corporate limits of the City of Riverside.

City of Riverside, Missouri
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>TIF Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2009	2,422,337	3,548,200	2,677,457	0.39
2010	2,278,764	2,275,000	2,539,407	0.47
2011	2,469,629	4,340,000	2,420,314	0.37
2012 *	2,406,697	2,675,000	2,161,639	0.50
2013	3,334,312	3,395,000	2,012,606	0.62
2014 **	3,773,369	3,665,000	1,870,256	0.68
2015	5,018,593	3,190,000	1,470,709	1.08
2016	6,549,491	3,775,000	1,373,481	1.27
2017	7,168,571	4,075,000	1,244,681	1.35
2018	8,501,397	3,625,000	1,059,844	1.81

*In 2012, the City issued \$2,385,000 of bonds to refund the 1998, 1999 and 2002 Tax Increment Financing Revenue Bonds, which has been excluded from above principal payments.

**In 2014, the City issued \$7,640,000 of bonds to refund the 2004 Tax Increment Financing Revenue Bonds, which has been excluded from above principal payments.

**In 2018, the City issued \$18,370,000 of bonds to refund the 2007 Tax Increment Financing Revenue Bonds, which has been excluded from above principal payments.

City of Riverside, Missouri
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population (a)	Per Capita Personal Income (b)	Total Personal Income (b)	Median Family Income (c)	Unemployment Rate (d)
2009	3,085	43,539	134,317,815	76,418	5.1%
2010	2,947	43,463	128,085,461	76,992	7.8%
2011	2,977	45,320	134,917,640	73,281	7.2%
2012	3,012	46,893	141,241,716	86,296	5.8%
2013	3,048	47,771	145,606,008	84,871	6.0%
2014	3,099	49,663	153,905,637	81,824	5.5%
2015	3,162	52,568	166,220,016	85,916	4.7%
2016	3,242	53,381	173,061,202	92,800	4.6%
2017	3,254	54,588	177,629,432	94,809	4.4%
2018	3,254	55,843	181,712,599	96,988	3.2%

Sources:

- (a) Mid-America Regional Council Research Services - (www.metrodataline.org)
- (b) U.S. Bureau of Economic Analysis
- (c) American Community Survey for Platte County, Missouri - (<https://factfinder.census.gov>)
- (d) U.S. Department of Labor for Platte County, Missouri

**City of Riverside, Missouri
Principal Employers
Current Year and Nine Years Ago
(unaudited)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Argosy Casino	788	1	12.2%	1,000	1	24.9%
Adient/Hoover Universal	715	2	11.0%	-	-	0.0%
Yanfeng USA	674	3	10.4%	-	-	0.0%
U.S. Farathane	318	4	4.9%	-	-	0.0%
Capital Electric	305	5	4.7%	-	-	0.0%
Martinrea Riverside	290	6	4.5%	-	-	0.0%
NorthPoint Development	183	7	2.8%	-	-	0.0%
Woodbridge	167	8	2.6%	160	3	4.0%
Park Hill School District	160	9	2.5%	160	3	4.0%
Bunzl	134	10	2.1%	-	-	0.0%
Velociti	134	10	2.1%	-	-	0.0%
Faurecia/ Riverside Seat Company	-	-	0.0%	235	2	5.9%
Knappco/Civacon	-	-	0.0%	135	5	3.4%
Corner Café	-	-	0.0%	133	6	3.3%
Carter Energy Corporation	-	-	0.0%	130	7	3.2%
Riverside Nursing & Rehab.	-	-	0.0%	111	8	2.8%
Red X	-	-	0.0%	100	9	2.5%
Apria Medical	-	-	0.0%	100	9	2.5%
Total	3,080		47.6%	2,264		56.5%

Source: City of Riverside city clerk business license database.

City of Riverside, Missouri
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(unaudited)

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function										
General government	8	8	8	8	7	7	8	8	7	7
Municipal court	1	1	1	1	1	1	1	1	1	1
Public safety										
Public safety administration	2	2	2	2	3	3	3	3	3	3
Police										
Officers	27	24	24	24	25	25	25	24	24	24
Civilians	-	-	-	-	-	-	-	-	-	-
Operations support	10	10	10	11	11	10	10	10	10	8
Fire	16	16	15	14	14	14	14	14	14	11
Public works	9	9	9	9	9	9	8	8	8	8
Engineering	2	2	2	2	2	2	-	-	-	-
Parks & recreation	2	2	2	2	2	2	2	2	2	2
Community development	5	5	5	5	4	5	5	5	5	4
Total	82	79	78	78	78	78	76	75	74	68

Source: City of Riverside operating budget documents

City of Riverside, Missouri
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police Services										
Calls for service	10,465	11,213	11,631	10,247	12,849	10,263	11,784	10,943	14,171	14,975
Traffic & ordinance citations	1,394	2,413	2,898	2,062	2,965	3,225	2,825	2,180	3,491	2,667
Municipal & state arrests	1,253	1,165	1,044	1,335	1,298	1,328	1,151	1,023	1,293	1,018
Fire Services										
Structure fires	12	7	9	8	10	13	5	7	9	8
Calls for service	1,471	1,267	1,387	1,084	1,048	1,049	1,105	1,075	943	788
Inspections conducted	373	266	533	590	568	535	418	416	397	479
Building Codes										
Commercial building permits	4	6	4	7	34	45	32	19	17	25
Residential building permits	34	48	42	22	40	65	24	15	19	23

Source: City of Riverside police, fire and community development departments

City of Riverside, Missouri
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function/Program										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	1	1	1	1	1	1	1	1	1	1
Parks & recreation										
Acreage	73	73	73	73	73	73	73	73	73	73
Parks	3	3	3	3	3	3	3	3	3	3
Softball/baseball diamonds	1	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1	1
Community center	1	1	1	1	1	1	1	1	1	1
Pools	1	1	1	1	1	1	1	1	1	1
Lane miles maintained by City	-	72	69	69	68	65	63	59	59	59

Source: City of Riverside police, fire and public works departments