



Upstream from ordinary.

Comprehensive Annual Financial Report



**For the fiscal year ended
June 30, 2017**

City of Riverside, Missouri

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Prepared by Finance Department

Donna Oliver, Finance Director

City of Riverside, Missouri
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2017

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2950 NW Vivion Road
Riverside, MO 64150

November 14, 2017

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, 2017. 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 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, 2017. 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 3,227.

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 \$23.2 million in fiscal 2017, 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 3,000 jobs in to the local economy. 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%.

In 2016, the median household income in Platte County was \$92,800 compared to \$65,058 for the State of Missouri and \$71,062 for the United States.

Relevant financial policies

The City of Riverside has adopted a comprehensive set of financial policies. During the current fiscal year, one of these policies was modified. The City had a policy which designated that ending general fund balance should be a minimum of 6 months or 50% of general fund expenditures. Due to the city's reliance on gaming revenue, the Board of Aldermen modified this policy to 8 months or 67%. At the end of the fiscal year, the general fund expenditures were 101% of ending fund balance.

Major initiatives

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, 199 residential building permits have been issued. During the current fiscal year, 48 permits were issued with a construction value of \$11,412,000. 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, Woodland Place, is being built on the bluff adjacent to Indian Hills. With just over 80 lots, homes in this development are expected to range in value from \$500,000 to more than \$1 million.

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 93 acres for development upon which seven buildings have been privately completed for a total of approximately 1,435,000 square feet of net usable commercial space which is substantially fully leased and occupied by 18 companies with total employment of 1,350. There is currently an approximately 412,065 square foot building under construction. The City estimates the private development covered by the Agreement has exceeded \$70,960,000. 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, the City has sold 98.5 acres, upon which five buildings have been completed for a total of approximately 1,303,000 square feet of net usable commercial space occupied by six companies with a total employment of 2,000. The City estimates the private development has exceeded \$57,654,000. The remaining acreage held by the City is approximately 250 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, 2016. This was the eleventh 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.

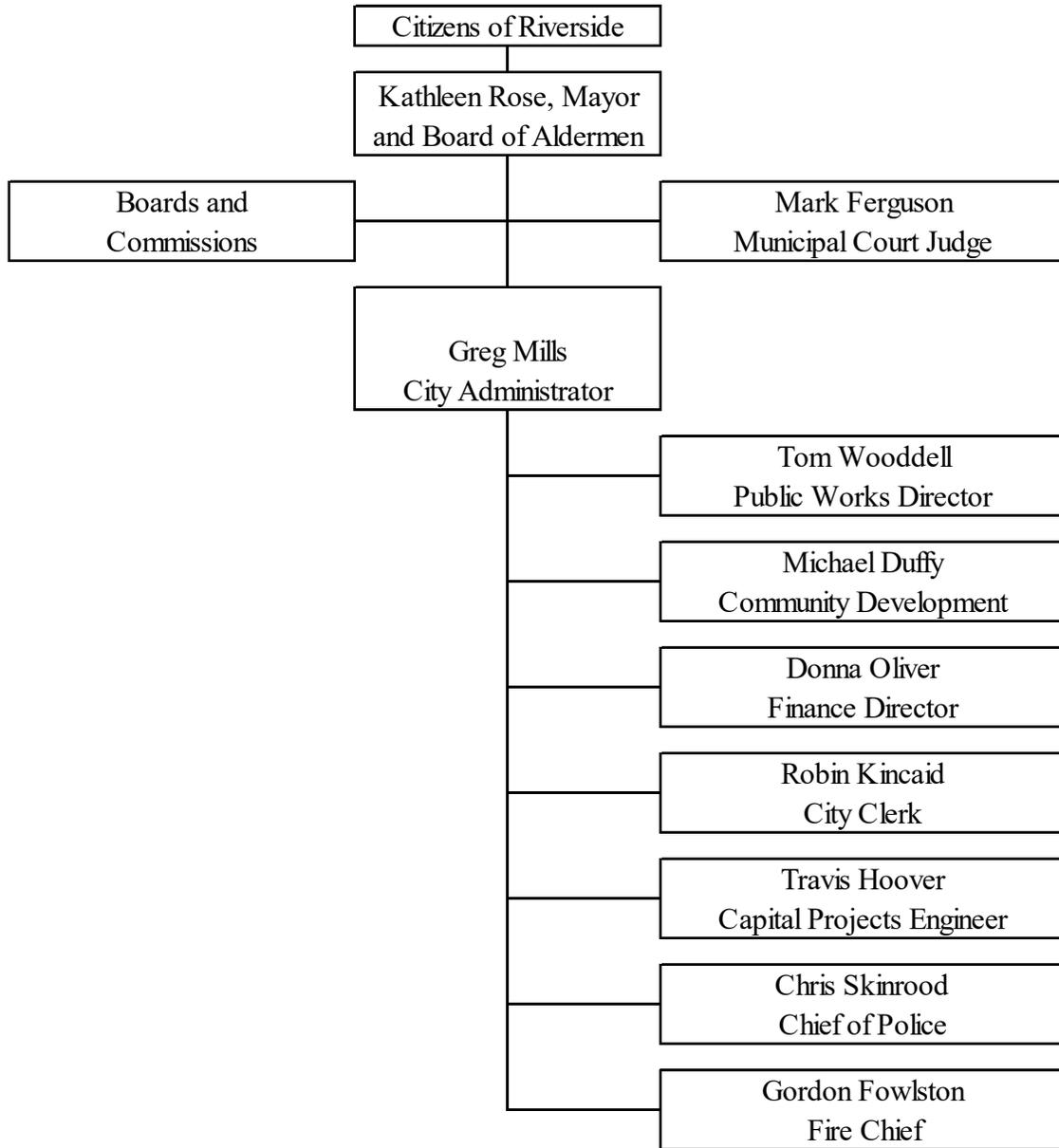
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department and the assistance of other departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation 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,

A handwritten signature in cursive script that reads "Donna Oliver".

Donna Oliver
Finance Director

**City of Riverside, Missouri
Organizational Chart
For the Year Ended June 30, 2017**



**City of Riverside, Missouri
Principal Officers
June 30, 2017**

Elected Officials

Mayor	Kathleen Rose
Alderman, Ward 3	Sal LoPorto
Alderman, Ward 2	Chet Pruett
Alderman, Ward 1	Al Bowman
Alderman, Ward 3	Art Homer
Alderman, Ward 1	Ron Super
Alderman, Ward 2	Aaron Thatcher

Appointed Officials

City Administrator	Greg Mills
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, 2016

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Riverside, Missouri, as of June 30, 2017, 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.

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 schedule of funding progress 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, statistical sections and other schedules, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Kansas City, Missouri
November 14, 2017

**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, 2017. 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 \$107,374,580. Of this amount, \$6,359,006 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 6.8% or \$6,799,800. 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 \$20,899,743 an increase of \$3,755,899 over the previous year. Approximately \$9,450,806 of this amount is available for spending at the government's discretion.
- The unassigned fund balance for the General Fund was \$9,450,806 compared to \$9,510,466 in general fund expenditures.
- The City of Riverside total debt (excluding compensated absences) decreased by (\$4,169,986) or (14%).

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 30-54 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 \$6,799,802. Following is a condensed version of the government-wide statement of net position comparing fiscal year 2017 and 2016.

City of Riverside		
Net Position		
	2017	2016
Current and other assets	\$ 22,430,736	\$ 18,517,083
Capital assets	117,042,899	118,688,115
Total assets	139,473,635	137,205,198
Deferred outflows of resources	934,762	1,680,657
Long-term liabilities outstanding	28,820,487	34,704,523
Other liabilities	1,159,559	908,215
Total liabilities	29,980,046	35,612,738
Deferred inflows of resources	3,053,771	2,698,337
Net position		
Net investment in capital assets	97,002,464	96,108,750
Restricted	4,013,110	4,558,070
Unrestricted	6,359,006	(92,040)
Total net position	\$107,374,580	\$100,574,780

The total net position of the City increased by \$6,799,800. Net position in capital assets (e.g., land, buildings, machinery and equipment) and unrestricted net position increased by \$893,714 and \$6,451,046, respectively. Restricted net position decreased by \$544,960.

**City of Riverside
Changes in Net Position**

	2017	2016	% Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,138,250	\$ 899,930	27%
Operating grants and contributions	14,391	25,742	(44%)
Capital grants and contributions	1,001,920	847,362	18%
General revenues:			
Sales tax	1,611,237	1,697,356	(5%)
Other taxes	1,095,299	1,030,965	6%
Grants and contributions not restricted for specific programs	323,261	348,521	(7%)
Tax increment financing revenue	7,273,358	6,654,901	9%
Gaming revenue	6,589,264	6,569,566	0%
Real estate income – gaming	4,358,378	4,394,870	(1%)
Investment earnings	69,611	87,952	(21%)
Gain on land lease	1,407,859	1,300,452	8%
Other	227,366	141,443	61%
Total revenues	<u>25,110,194</u>	<u>23,999,060</u>	5%
Expenses:			
Administrative and support	3,443,113	3,552,846	(3%)
Municipal court	186,954	173,961	(8%)
Public safety	5,633,476	5,554,772	1%
Public works	6,116,448	5,598,064	9%
Parks and recreation	808,300	779,143	4%
Community dev. & engineering	657,071	684,005	(4%)
Interest on long-term debt	1,465,032	1,666,390	(12%)
Total expenses	<u>18,310,394</u>	<u>18,009,181</u>	2%
Increase/(decrease) in net position	<u>6,799,800</u>	<u>\$5,989,879</u>	
Total net position	<u>\$107,374,580</u>	<u>\$100,574,780</u>	

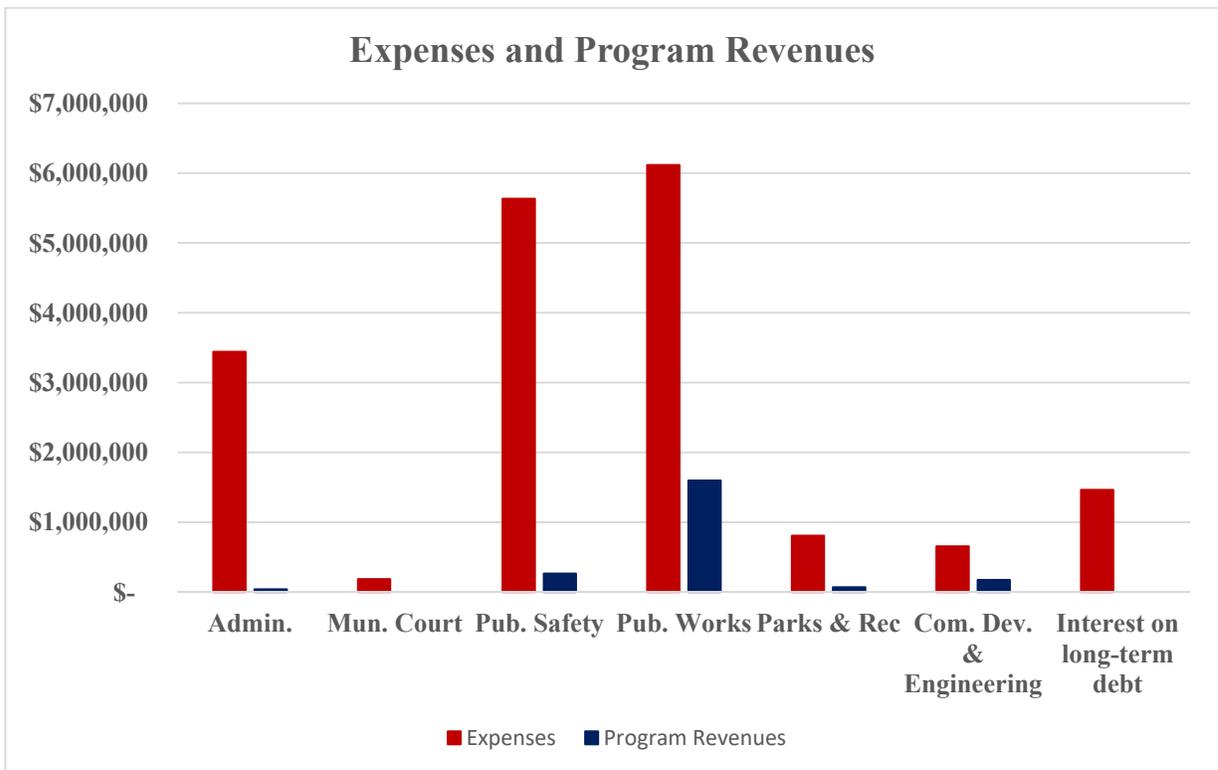
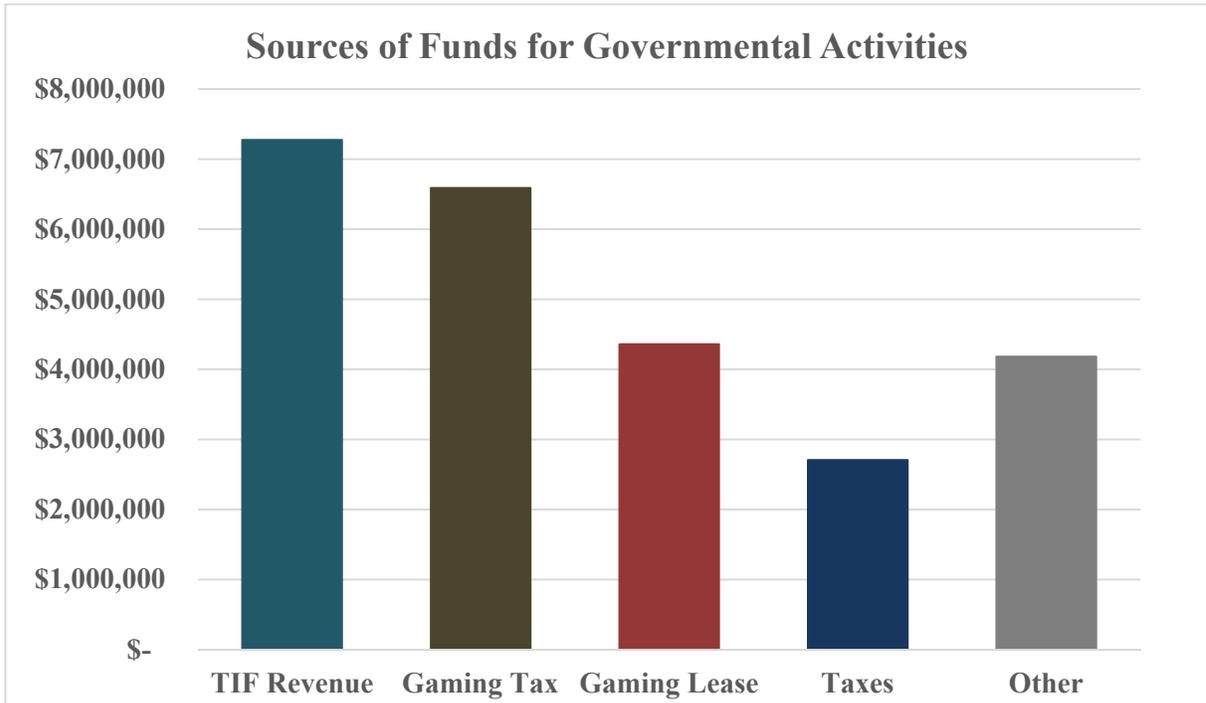
Charges for services increased this year due to a contribution from a private entity for expenses within the Horizons business park.

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

Capital grants and contributions increased due to contributed infrastructure from a developer.

Other revenue increased from the gain on the sale of surplus property.

Due to the reduction of outstanding long term debt, interest on long-term debt decreased by (12)%.



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 \$20,899,743, an increase of \$3,755,899 in comparison with the prior year. Approximately 45% or \$9,450,806 constitutes unassigned fund balance, which is available for spending at the government's discretion. 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 (\$7,089,829), to construct capital improvements (\$2,860,470), to community development (\$499,660), for law enforcement (\$143,538) and for tourism (\$509,442).

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 \$9,450,806. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 101% of total general fund expenditures.

The fund balance of the general fund increased by \$3,497,181. Beginning in the current fiscal year, gaming revenue was recorded in the general fund as opposed to the capital improvement fund. Gaming revenue is available to be spent at the government's discretion. As such, it was more accurately recorded in the general fund.

The fund balance of the capital improvement fund decreased by (\$702,216) due to the transfer of gaming revenue to the general fund.

The fund balance of the TIF debt service fund increased by \$758,254 due to additional TIF revenues that were received but not yet expended.

General Fund Budgetary Highlights

General Fund Revenues: Overall actual general fund revenues of \$14,442,207 were higher than budgeted revenues of \$13,647,187 by 795,020 or 5.8%. Some elements of this difference are the following:

License and fees were 127.9% higher than budgeted due to increased construction activity and building permits.

Franchise taxes were over budget by 22.1% due to an increase in businesses within the Horizons business park.

Investments earnings were over budget by 52.5% due to higher than anticipated funds available to be invested.

Miscellaneous revenues were higher than budgeted by 956.2% due to the sale of surplus property.

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 41.0% under budget as a result of fewer than anticipated meetings. The human resources actual expenditures were 21.4% under budget due to reduced employee community center membership reimbursements.

In the parks and recreation department, the parks division was under budget by 43.2% due to lower than anticipated costs for right of way irrigation. The irrigation in Horizons was not completed as was planned during the budget.

Capital Assets

The City of Riverside's investment in capital assets as of June 30, 2017, amounts to \$117,042,899, (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)

	2017	2016
Land	\$ 19,783,329	\$ 20,316,763
Buildings	14,019,683	14,403,639
Improvements	3,486,231	3,566,316
Machinery and Equipment	1,301,654	1,182,481
Infrastructure	74,559,621	75,355,916
Construction in Progress	3,892,381	3,863,000
Total	<u>\$117,042,899</u>	<u>\$118,688,115</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 \$24,320,000 in outstanding tax increment financing debt which is secured by tax increment financing revenues generated.

City of Riverside Outstanding Debt

	2017	2016
Tax Increment Financing Bonds	<u>\$24,320,000</u>	<u>\$28,395,000</u>

The City of Riverside's total debt decreased by (\$4,075,000) or (16.8%) 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 2017 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, 2017

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and investments	\$ 14,139,269
Taxes receivable	619,588
Due from other governments	4,057
Interest receivable	43,588
Gaming receivable	523,758
Other receivable and prepaids	572,017
Total current assets	<u>15,902,277</u>
Noncurrent assets:	
Restricted cash and investments	6,528,459
Capital assets not being depreciated:	
Land	19,783,329
Construction in progress	3,892,381
Capital assets being depreciated:	
Buildings	19,026,865
Land improvements	4,078,591
Equipment	6,386,854
Infrastructure	91,061,902
Accumulated depreciation	(27,187,023)
Total noncurrent assets	<u>123,571,358</u>
Total assets	<u>139,473,635</u>
Deferred outflows of resources:	
Deferred amount on refunding	197,914
Pension related amounts	736,848
Total deferred outflows of resources	<u>934,762</u>
Total assets and deferred outflows of resource	<u>\$ 140,408,397</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 914,309
Accrued wages	240,521
Deposits	4,730
Current portion of long-term obligations:	
Compensated absences	250,832
Accrued interest	181,893
TIF bonds payable	3,780,000
Total current liabilities	<u>5,372,285</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Compensated absences	123,544
OPEB liability	151,056
Developer liability	1,132,909
TIF bonds payable, net	21,075,594
Net pension liability	2,124,658
Total noncurrent liabilities	<u>24,607,761</u>
Total liabilities	<u>29,980,046</u>
Deferred Inflows of Resources:	
Deferred gain from sale - leaseback	2,747,892
Pension related amounts	305,879
Total deferred inflows of resources	<u>3,053,771</u>
Net Position:	
Net investment in capital assets	97,004,464
Restricted for:	
Capital improvements	2,860,470
Community development	499,660
Tourism	509,442
Law enforcement	143,538
Unrestricted	6,357,006
Total net position	<u>107,374,580</u>
Total liabilities, deferred inflows of resources and net positic	<u>\$ 140,408,397</u>

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Statement of Activities
For the Year Ended June 30, 2017

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	\$ 3,443,113	\$ 42,139	\$ -	\$ -	\$ (3,400,974)
Municipal court	186,954	-	-	-	(186,954)
Public safety administration	503,889	-	-	-	(503,889)
Police services	2,826,475	251,529	14,391	-	(2,560,555)
Operations support	652,384	-	-	-	(652,384)
Fire services	1,650,728	-	-	-	(1,650,728)
Public works	6,116,448	598,059	-	1,001,920	(4,516,469)
Parks and recreation	808,300	70,979	-	-	(737,321)
Community development	453,302	175,544	-	-	(277,758)
Engineering	203,769	-	-	-	(203,769)
Interest on long-term debt and related to developer liability	1,465,032	-	-	-	(1,465,032)
Total governmental activities	\$ 18,310,394	\$ 1,138,250	\$ 14,391	\$ 1,001,920	(16,155,833)
General revenues					
Taxes					
Sales tax					1,611,237
Franchise tax					906,344
Tourism tax					188,955
Gaming revenue tax					6,589,264
Grants and contributions not restricted to specific programs					323,261
Investment earnings					69,611
Real estate income - gaming					4,358,378
Tax increment financing revenue					7,273,358
Gain from land lease					1,407,859
Miscellaneous					227,366
Total general revenues					22,955,633
Change in net position					6,799,800
Net position, beginning of year					100,574,780
Net position, end of year					\$ 107,374,580

See Accompanying Notes to the Basic Financial Statements.

City of Riverside, Missouri
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Capital Improvements	TIF Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 8,727,677	\$ 3,078,628	\$ 815,418	\$ 1,517,546	\$ 14,139,269
Taxes receivable	597,730	-	-	21,858	619,588
Due from other governments	-	-	-	4,057	4,057
Interest receivable	35,258	-	8,330	-	43,588
Gaming receivable	523,758	-	-	-	523,758
Prepaid insurance	61,582	-	-	-	61,582
Other receivable	49,092	-	461,343	-	510,435
Restricted cash and investments	-	677,545	5,850,914	-	6,528,459
Due from other funds	4,057	-	-	-	4,057
Total Assets	\$ 9,999,154	\$ 3,756,173	\$ 7,136,005	\$ 1,543,461	\$ 22,434,793
Liabilities					
Accounts payable	\$ 303,097	\$ 524,270	\$ 46,176	\$ 40,766	\$ 914,309
Accrued wages	240,521	-	-	-	240,521
Deposits	4,730	-	-	-	4,730
Advance from developer	-	371,433	-	-	371,433
Due to other funds	-	-	-	4,057	4,057
Total liabilities	548,348	895,703	46,176	44,823	1,535,050
Fund balance					
Restricted for:					
Debt service	-	-	7,089,829	-	7,089,829
Capital improvements	-	2,860,470	-	-	2,860,470
Community development	-	-	-	499,660	499,660
Law enforcement	-	-	-	143,538	143,538
Tourism	-	-	-	509,442	509,442
Committed for, capital projects	-	-	-	345,998	345,998
Unassigned	9,450,806	-	-	-	9,450,806
Total fund balance	9,450,806	2,860,470	7,089,829	1,498,638	20,899,743
Total liabilities and fund balance	\$ 9,999,154	\$ 3,756,173	\$ 7,136,005	\$ 1,543,461	\$ 22,434,793

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, 2017

Total governmental fund balances	\$	20,899,743
Capital assets used in Government Activities are not current financial resources and, therefore, are not reported as assets in the Government Funds Balance Sheet		117,042,899
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	\$	(374,376)
OPEB liability		(151,056)
Deferred gain from sale-leaseback		(2,747,892)
Long-term portion of developer liability		(761,476)
Accrued interest on long term debt		(181,893)
TIF Bonds payable		(24,320,000)
Net pension liability		(2,124,658)
Deferred charge on refunding		197,914
Bond premium (discount), net		(535,594)
		(30,999,031)
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		(305,879)
Deferred outflows of resources - pension related amounts		736,848
		736,848
Net position of governmental activities	\$	107,374,580

See Accompanying Notes to the Basic Financial Statement.

City of Riverside, Missouri
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	General	Capital Improvements	TIF Debt Service	Nonmajor Governmental Funds	Total
Revenues					
Taxes:					
Sales and use tax	\$ 1,611,237	\$ -	\$ -	\$ -	\$ 1,611,237
Franchise tax	906,344	-	-	-	906,344
Tourism tax	-	-	-	188,955	188,955
Gaming revenue tax	6,589,264	-	-	-	6,589,264
Intergovernmental revenue	323,261	1,920	-	14,391	339,572
Charges for services	-	16,785	-	-	16,785
Investment earnings	53,378	193	16,040	-	69,611
Real estate income - gaming	4,358,378	-	-	-	4,358,378
Licenses and fees	217,683	-	-	-	217,683
Fines and forfeitures	240,625	-	-	10,904	251,529
Recreation fees	36,416	-	-	34,563	70,979
Miscellaneous	105,621	-	-	5,522	111,143
Tax increment financing revenue	-	-	7,168,571	104,787	7,273,358
Developer contribution	-	1,269,288	-	-	1,269,288
Total revenues	<u>14,442,207</u>	<u>1,288,186</u>	<u>7,184,611</u>	<u>359,122</u>	<u>23,274,126</u>
Expenditures					
Current:					
Administrative and support	1,568,519	-	1,672,733	182,412	3,423,664
Municipal court	185,717	-	-	-	185,717
Public safety administration	493,515	-	-	-	493,515
Police services	2,237,331	-	-	156,640	2,393,971
Operations support	630,912	-	-	-	630,912
Fire services	1,588,311	-	-	52,848	1,641,159
Public works	1,505,157	-	-	70,381	1,575,538
Parks and recreation	656,928	-	-	-	656,928
Community development	441,152	-	-	-	441,152
Engineering	202,924	-	-	-	202,924
Capital outlay	-	2,990,402	-	-	2,990,402
Debt service:					
Principal	-	-	4,075,000	-	4,075,000
Interest	-	-	1,244,681	-	1,244,681
Total expenditures	<u>9,510,466</u>	<u>2,990,402</u>	<u>6,992,414</u>	<u>462,281</u>	<u>19,955,563</u>
Excess (deficiency) of revenue over expenditures	<u>4,931,741</u>	<u>(1,702,216)</u>	<u>192,197</u>	<u>(103,159)</u>	<u>3,318,563</u>
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	437,336	-	437,336
Transfers in	-	1,000,000	128,721	305,839	1,434,560
Transfers out	(1,434,560)	-	-	-	(1,434,560)
Total other financing sources (uses)	<u>(1,434,560)</u>	<u>1,000,000</u>	<u>566,057</u>	<u>305,839</u>	<u>437,336</u>
Net change in fund balance	3,497,181	(702,216)	758,254	202,680	3,755,899
Fund balance, beginning of year	5,953,625	3,562,686	6,331,575	1,295,958	17,143,844
Fund balance, end of year	<u>\$ 9,450,806</u>	<u>\$ 2,860,470</u>	<u>\$ 7,089,829</u>	<u>\$ 1,498,638</u>	<u>\$ 20,899,743</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, 2017

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

Net change in fund balances - total governmental funds \$ 3,755,899

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	\$ 649,381	
Contributed capital	1,000,000	
Proceeds on sale of capital assets	(437,336)	
Loss on disposal of capital assets	(96,098)	
Depreciation expense	<u>(2,761,163)</u>	(1,645,216)

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 1,757,444

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	25,554	
Principal payments	4,075,000	
Change in developer liability	(1,001,307)	
Amortization of bond premium and discount	94,986	
Amortization of deferred charge on refunding	<u>(65,971)</u>	3,128,262

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		(1,279)
Change in OPEB accrual		(18,819)
Pension related amount, pension expense		<u>(176,491)</u>

Change in net position of governmental activities \$ 6,799,800

City of Riverside, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Budget to Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and fees	\$ 95,500	\$ 95,500	\$ 217,683	\$ 122,183
Fines and forfeitures	241,000	241,000	240,625	(375)
Recreation fees	20,500	20,500	36,416	15,916
Sales taxes	1,500,000	1,500,000	1,611,237	111,237
Franchise taxes	742,350	742,350	906,344	163,994
Intergovernmental revenue	302,837	302,837	323,261	20,424
Investment earnings	35,000	35,000	53,378	18,378
Real estate income - gaming	4,300,000	4,300,000	4,358,378	58,378
Gaming revenue tax	6,400,000	6,400,000	6,589,264	189,264
Miscellaneous revenue	10,000	10,000	105,621	95,621
Total revenues	<u>13,647,187</u>	<u>13,647,187</u>	<u>14,442,207</u>	<u>795,020</u>
Expenditures:				
General government:				
Elected officials	59,119	59,119	34,880	24,239
Administration	1,500,471	1,500,471	1,423,591	76,880
Human resources	140,000	140,000	110,048	29,952
Municipal court	199,246	199,246	185,717	13,529
Total general government	<u>1,898,836</u>	<u>1,898,836</u>	<u>1,754,236</u>	<u>144,600</u>
Public safety				
Public safety administration	500,111	500,111	493,515	6,596
Police services	2,286,700	2,286,700	2,237,331	49,369
Operations support	645,195	645,195	630,912	14,283
Fire services	1,748,207	1,748,207	1,588,311	159,896
Total public safety	<u>5,180,213</u>	<u>5,180,213</u>	<u>4,950,069</u>	<u>230,144</u>
Public works				
Public works	1,281,747	1,281,747	1,199,258	82,489
Building maintenance	334,500	334,500	305,899	28,601
Total public works	<u>1,616,247</u>	<u>1,616,247</u>	<u>1,505,157</u>	<u>111,090</u>
Parks & recreation				
Parks	422,600	422,600	240,068	182,532
Community center	418,490	418,490	416,860	1,630
Total parks & recreation	<u>841,090</u>	<u>841,090</u>	<u>656,928</u>	<u>184,162</u>
Community development				
Community development	503,726	503,726	441,152	62,574
Engineering	224,316	224,316	202,924	21,392
Total community development	<u>728,042</u>	<u>728,042</u>	<u>644,076</u>	<u>83,966</u>
Total expenditures	<u>10,264,428</u>	<u>10,264,428</u>	<u>9,510,466</u>	<u>753,962</u>
Revenues over expenditures	<u>3,382,759</u>	<u>3,382,759</u>	<u>4,931,741</u>	<u>1,548,982</u>
Other financing sources (uses)				
Transfers in	300,000	300,000	-	300,000
Transfers out	(2,300,000)	(2,300,000)	(1,434,560)	865,440
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,434,560)</u>	<u>1,165,440</u>
Net change in fund balance	<u>\$ 1,382,759</u>	<u>\$ 1,382,759</u>	3,497,181	<u>\$ 2,714,422</u>
Fund balance, beginning of year			5,953,625	
Fund balance, end of year			<u>\$ 9,450,806</u>	

See Accompanying Notes to the Basic Financial Statements

City of Riverside, Missouri
Statement of Assets and Liabilities
Agency Fund
June 30, 2017

	<u>Municipal Court Bond Account</u>
Assets	
Cash and investments	\$ <u>38,413</u>
Liabilities	
Due to others	\$ <u>38,413</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, 2017

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, 2017 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.

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 funds account for the activities of the Capital Equipment Fund and Community Development 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.

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 two items that qualify for reporting in this category. They are the deferred charge on refunding 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.

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 two items that qualify for reporting in this category. They are the deferred gain from sale-leaseback transactions 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.

6. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation 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. All vacation 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 the advance will be returned to the developer with an additional 15% return on investment. The advance and an estimate of the return on investment 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 \$2,860,470 for capital improvements,

\$143,538 for law enforcement, \$499,660 for community development which represents downtown neighborhood improvements and \$509,442 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 – Nonmajor 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 21, 2016, the Board of Aldermen formally approved the original adopted budget for fiscal year 2017.

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, 2017, the City had the following investments:

<u>Investments at Fair Value</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value Hierarchy Level</u>
U.S. Government Sponsored Enterprise Notes	\$13,725,996	2.41	2
<u>Investments at Amortized Cost</u>			
Local government investment pool-MOSIP	65,471	n/a	
Ameritrade Money Market Fund	1,375	n/a	
Certificate of Deposits	1,600,000	1.20	
Federated Money Market Fund	2,674,468	n/a	
Total Fair Value	<u>\$18,067,310</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>
Federal Home Loan Bank	Aaa	4.1%
Federal Farm Credit Bank	Aaa	12.0%
Federal Home Loan Mortgage Corporation	Aaa	29.2%
Federal National Mortgage Association	Aaa	30.6%
Federated Treasury Obligation Fund Money Market	AAA	N/A
Certificates of Deposit	N/A	8.9%
Missouri Securities Investment Program Money Market	AAA	N/A

Investments in the Missouri Securities Investment Program 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, 2017, 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, 2017, the City's bank balance of deposits with financial institutions of \$2,644,680 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, 2017:

	2016 Balance	Additions	Deletions	2017 Balance
Capital assets not being depreciated:				
Land	\$20,316,763	\$ -	\$(533,434)	\$19,783,329
Construction in progress	3,863,000	54,324	(24,943)	3,892,381
Total capital assets not being depreciated	<u>24,179,763</u>	<u>54,324</u>	<u>(558,377)</u>	<u>23,675,710</u>
Capital assets being depreciated:				
Buildings	19,026,865	-	-	19,026,865
Improvements	4,078,591	-	-	4,078,591
Machinery and equipment	5,908,537	595,057	(116,740)	6,386,854
Infrastructure	90,036,959	1,024,943	-	91,061,902
Total capital assets being depreciated	<u>119,050,952</u>	<u>1,620,000</u>	<u>(116,740)</u>	<u>120,554,212</u>
Less accumulated depreciation for:				
Buildings	(4,623,226)	(383,956)	-	(5,007,182)
Improvements	(512,275)	(80,085)	-	(592,360)
Machinery and equipment	(4,726,056)	(475,884)	116,740	(5,085,200)
Infrastructure	(14,681,043)	(1,821,238)	-	(16,502,281)
Total accumulated depreciation	<u>(24,542,600)</u>	<u>(2,761,163)</u>	<u>116,740</u>	<u>(27,187,023)</u>
Total capital assets, being depreciated, net	<u>94,508,352</u>	<u>(1,141,163)</u>	<u>-</u>	<u>93,367,189</u>
Governmental activities capital assets, net	<u>\$118,688,115</u>	<u>\$(1,086,839)</u>	<u>\$(558,377)</u>	<u>\$117,042,899</u>

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

Administration	\$93,970
Police Services	341,345
Fire Service	89,154
Public Works	2,086,302
Parks and Recreation	145,378
Community Development	<u>5,014</u>
Total Depreciation Expense	<u>\$2,761,163</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 City 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	\$11,209,885	\$661,347
Street Maintenance	455,480	428,915	26,565
HVAC Controls	82,410	72,172	10,238
Total	<u>\$12,409,122</u>	<u>\$11,710,972</u>	<u>\$698,150</u>

Note 4 – Interfund Balances and Transfers

Interfund balances at June 30, 2017 consisted of:

	<u>Due From</u>	<u>Due To</u>
General fund	\$4,057	\$ -
Nonmajor governmental funds	-	4,057
Total	<u>\$4,057</u>	<u>\$4,057</u>

Transfers for the year ended June 30, 2017 consisted of:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 1,434,560
Capital improvements fund	1,000,000	-
TIF debt service fund	128,721	-
Nonmajor governmental funds	305,839	-
Total	<u>\$1,434,560</u>	<u>\$1,434,560</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.

Note 5 – Long-Term Debt

Long-term liability balances and activity for the year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Tax Increment Financing Bonds	\$28,395,000	\$ -	\$4,075,000	\$24,320,000	\$3,780,000
Premium (discount) on bonds, net	630,580	-	94,986	535,594	-
Net pension liability	2,738,355	-	613,697	2,124,658	-
OPEB Liability	132,237	19,819	1,000	151,056	-
Compensated absences	373,097	374,376	373,097	374,376	250,832
Total	<u>\$32,269,269</u>	<u>\$394,195</u>	<u>\$5,157,780</u>	<u>\$27,505,684</u>	<u>\$4,030,832</u>

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

Long-term debt payable as of June 30, 2017 is comprised of the following individual issues:

	Fiscal Year Issued	Maturity Date	Outstanding Interest Rates	Balance June 30, 2017
Series 2007A Tax Increment Financing Debt \$30,265,000	2007	5/1/08– 5/1/26	4.5% to 5.0%	\$15,295,000
Series 2007B Tax Increment Financing Debt \$10,000,000	2007	5/1/14– 5/1/24	4.5%	4,370,000
Series 2011 Tax Increment Financing Debt \$2,385,000	2011	5/1/12-5/1/20	2.0% to 4.0%	645,000
Series 2014 Tax Increment Financing Debt \$7,640,000	2014	5/1/15– 5/1/20	5.0% to 5.25%	4,010,000
Total				<u>\$24,320,000</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 3,780,000	\$ 1,091,356
2019	3,925,000	950,519
2020	3,735,000	789,369
2021	2,335,000	619,936
2022	2,590,000	518,900
2023-2026	7,955,000	854,724
Total	<u>\$24,320,000</u>	<u>\$ 4,824,804</u>

The Series 2007 A and B Tax Increment Financing Bonds are collateralized by land owned by the City of Riverside.

During 2007, the Riverside Industrial Development Authority, a blended component unit of the City, issued \$40,265,000 of Tax Increment Financing Revenue Bonds to finance construction of infrastructure within the Horizons Business Park. These bonds are payable solely from property tax increment received with respect to the financial projects and are collateralized by land owned by the City. Incremental property taxes were projected to produce \$64,706,572 or 100% of the debt service requirements over the life of the bonds. These bonds are not direct obligations of the City. Total principal and interest remaining on the bonds is \$24,187,523 payable through 2026. For the current year, principal and interest paid and total incremental tax revenues were \$3,569,062 and \$4,454,622, respectively.

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 \$691,081 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 \$4,266,200 payable through 2020.

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, 2017, 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 \$8,750,000.

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, 2017 is \$4,358,378.

Note 7 – Other Post Employment Benefits

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 City maintains a trust arrangement with MPR to collect premiums and pay claims/administrative costs. This trust arrangement does not qualify as an "OPEB Plan" and is not treated as holding assets in order to offset GASB 45 liabilities. However, GASB does require the "Plan" to determine the valuation interest rate (or discount rate) based on expected return of the MPR Health & Dental Fund since it is used to pay retiree claims. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. There is no stand alone financial report for the plan.

Funding policy: 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. As of June 30, 2017, there was 1 City retiree participating in the plan.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	\$21,637
Interest on net OPEB obligation	5,951
Adjustment to annual required contribution	<u>(7,769)</u>
Annual OPEB cost (expense)	19,819
Contributions and payments made	<u>(1,000)</u>
Increase in net OPEB obligation	18,819
Net OPEB obligation – July 1, 2016	<u>132,237</u>
Net OPEB obligation – June 30, 2017	<u><u>\$151,056</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations follows:

Fiscal Year Ending	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	22,950	0.0%	113,156
June 30, 2016	20,081	5.0%	132,237
June 30, 2017	19,819	5.0%	151,056

Funded status and funding progress: As of July 1, 2015, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$115,281 and the actuarial value of assets is none, resulting in an unfunded actuarial accrued liability (UAAL) of \$115,281. The covered payroll (annual payroll of active employees covered by the plan) was \$3,736,067 and the ratio of the UAAL to the covered payroll was 3.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), a projected medical cost trend rate of 7.0 percent initially, grading down to 5 percent in 6 years. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open group. The remaining amortization period at July 1, 2015, was 30 years.

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, 2017.

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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	28
Active employees	75
Total	132

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 16.3% (General), 22.0% (Police), and 14.3% (Fire) of annual covered payroll.

Net Pension Liability:

The City’s net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017 and rolled forward to the measurement date using standard update procedures.

Actuarial assumptions:

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

Inflation	3.5% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 7.15% 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. The tables were set back 10 years and adjusted for the MP-2015 improvement scale.

The actuarial assumptions used in the February 28, 2017 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 was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.93%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

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, 2016	\$ 12,230,212	\$9,491,857	\$2,738,355
Changes for the year:			
Service Cost	510,264	-	510,264
Interest	895,886	-	895,886
Difference between expected & actual experience	(152,119)	-	(152,119)
Contributions – employer	-	735,877	(735,877)
Net investment income	-	1,134,048	(1,134,048)
Benefit payments, including refunds	(252,052)	(252,052)	-
Administrative expense	-	(10,031)	10,031
Other changes	-	7,834	(7,834)
Net changes	1,001,979	1,615,676	(613,697)
Balances at June 30, 2017	<u>\$13,232,191</u>	<u>\$11,107,533</u>	<u>\$2,124,658</u>

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%
<u>\$4,528,033</u>	<u>\$2,124,658</u>	<u>\$197,305</u>

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

For the year ended June 30, 2017, the City recognized pension expense of \$912,368. 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	\$213,657	(\$305,879)
Differences in assumptions	282,431	-
Excess (deficit) investment returns	240,760	-
Total	<u>\$736,848</u>	<u>(\$305,879)</u>

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

Year ended:	
6/30/2018	\$209,335
6/30/2019	209,337
6/30/2020	116,259
6/30/2021	(43,982)
6/30/2022	(15,986)
Thereafter	(43,994)
Total	<u>\$430,969</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 \$56,886 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

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, 2017 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, 2017 is \$102,527. The balance of the deferred gain on sales- leaseback as of June 30, 2017 is \$988,856.

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, 2017 is \$427,426. The balance of the deferred gain on sales- leaseback as of June 30, 2017 is \$1,759,036.

During fiscal year 2015, the City entered into a lease agreement with a private business (the lessee) which expired in 2017. In connection with the agreement, the City had purchased land for an approximate cost of \$553,434. The lessee paid the City \$2,659,438 in order to lease the land and the land transferred to the lessee in June 2017. In accordance with GASB No. 62, this transaction resulted in a gain on sales-type lease. The amount of revenue recorded on the City's government-wide statement of activities for fiscal year ending June 30, 2017 is \$877,906. The City transferred the land to the lessee in the current year as required by the lease agreement.

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, 2017, the City abated property taxes totaling \$1,057,056, 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 \$378,641.

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 \$277,734.

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 \$354,627.

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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the City beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

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
Other Post Employment Benefit Plan

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded (Over funded) AAL (UAAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
2015	7/1/2013	-	114,404	114,404	- %	3,691,345	3.1%
2016	7/1/2015	-	115,281	115,281	- %	3,736,067	3.1%
2017	7/1/2015	-	115,281	115,281	- %	3,736,067	3.1%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2015. Additional information follows:

- a. The actuarial method used to determine the ARC is the projected unit credit actuarial cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: (1) 4.5 percent investment rate of return and (b) a projected 7.0 percent cost trend for medical claims and prescriptions; reduced by decrements to an ultimate rate of 5 percent in 6 years.
- d. The amortization method is level percentage of pay over 30 years based on an open group.

City of Riverside, Missouri

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
Last 3 Fiscal Years

Fiscal year ending June 30,

	2017	2016	2015
Total Pension Liability			
Service Cost	\$ 510,264	\$ 480,583	\$ 465,251
Interest on the Total Pension Liability	895,886	795,380	715,173
Benefit Changes	-	-	-
Difference between expected and actual experience	(152,119)	(51,932)	195,168
Assumption Changes	-	393,633	-
Benefit Payments	(252,052)	(240,061)	(312,317)
Refunds	-	-	-
Net Change in Total Pension Liability	<u>1,001,979</u>	<u>1,377,603</u>	<u>1,063,275</u>
Total Pension Liability beginning	<u>12,230,212</u>	<u>10,852,609</u>	<u>9,789,334</u>
Total Pension Liability ending	<u>\$ 13,232,191</u>	<u>\$ 12,230,212</u>	<u>\$ 10,852,609</u>
Plan Fiduciary Net Position			
Contributions-employer	\$ 735,877	\$ 700,760	\$ 713,467
Contributions-employee	-	-	-
Pension Plan Net Investment income	1,134,048	10,866	167,165
Benefit Payments	(252,052)	(240,061)	(312,317)
Refunds	-	-	-
Pension Plan Administrative expense	(10,031)	(9,845)	(9,599)
Other	7,834	(75,346)	28,155
Net Change in Plan Fiduciary Net Position	<u>1,615,676</u>	<u>386,374</u>	<u>586,871</u>
Plan Fiduciary Net Position beginning	<u>9,491,857</u>	<u>9,105,483</u>	<u>8,518,612</u>
Plan Fiduciary Net Position ending	<u>\$ 11,107,533</u>	<u>\$ 9,491,857</u>	<u>\$ 9,105,483</u>
Employer Net Pension Liability	<u>\$ 2,124,658</u>	<u>\$ 2,738,355</u>	<u>\$ 1,747,126</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	96.31%	97.20%	104.09%
Covered Employee Payroll	\$ 4,157,961	\$ 4,106,637	\$ 3,814,750
Employer's Net Pension Liability as a percentage of covered employee payroll	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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$735,380	\$700,103	\$717,000	\$703,828	\$649,559	\$626,517	\$605,177	\$530,374	\$344,093	\$293,701
Contributions in relation to the										
actuarially determined contribution	735,380	700,103	712,502	676,577	642,214	626,517	605,177	530,374	343,732	293,701
Contribution deficiency (excess)	\$0	\$0	\$4,498	\$27,251	\$7,345	\$0	\$0	\$0	\$361	\$0
Covered-employee payroll	\$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	\$2,393,671
Contributions as a percentage of covered-	17.11%	17.33%	18.15%	17.49%	17.39%	16.82%	16.88%	15.78%	12.05%	12.27%
employee payroll										

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, 2017**

	Special Revenue		
	DUI Fund	Tourism Tax	Federal & State Grants
Assets			
Cash and investments	\$ 37,529	\$ 487,584	\$ -
Taxes receivable	-	21,858	-
Due from other governments	-	-	4,057
Total assets	\$ 37,529	\$ 509,442	\$ 4,057
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	4,057
Total liabilities	-	-	4,057
Fund balances			
Restricted for:			
Law enforcement	37,529	-	-
Tourism	-	509,442	-
Community development	-	-	-
Committed for, capital projects	-	-	-
Total fund balance	37,529	509,442	-
Total liabilities and fund balances	\$ 37,529	\$ 509,442	\$ 4,057

<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>	<u>Community Development</u>	
\$ 2,826	\$ 31,466	\$ 72,366	\$ 386,115	\$ 499,660	\$ 1,517,546
-	-	-	-	-	21,858
-	-	-	-	-	4,057
<u>2,826</u>	<u>31,466</u>	<u>72,366</u>	<u>386,115</u>	<u>499,660</u>	<u>1,543,461</u>
\$ 418	\$ -	\$ 231	\$ 40,117	\$ -	\$ 40,766
-	-	-	-	-	4,057
<u>418</u>	<u>-</u>	<u>231</u>	<u>40,117</u>	<u>-</u>	<u>44,823</u>
2,408	31,466	72,135	-	-	143,538
-	-	-	-	-	509,442
-	-	-	-	499,660	499,660
-	-	-	345,998	-	345,998
<u>2,408</u>	<u>31,466</u>	<u>72,135</u>	<u>345,998</u>	<u>499,660</u>	<u>1,498,638</u>
<u>\$ 2,826</u>	<u>\$ 31,466</u>	<u>\$ 72,366</u>	<u>\$ 386,115</u>	<u>\$ 499,660</u>	<u>\$ 1,543,461</u>

City of Riverside, Missouri
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue		
	DUI Fund	Tourism Tax	Federal & State Grants
Revenue:			
Taxes, tourism tax	\$ -	\$ 188,955	\$ -
Intergovernmental revenue	-	-	14,391
Fines and forfeitures	3,029	-	-
Recreation fees	-	-	-
Miscellaneous revenue	-	-	-
Tax increment financing revenue	-	-	-
Total revenue	3,029	188,955	14,391
Expenditures:			
Current:			
Administrative and support	-	141,059	-
Police services	195	-	18,736
Fire services	-	-	-
Public works	-	-	-
Total expenditures	195	141,059	18,736
Excess of revenue over/(under) expenditures	2,834	47,896	(4,345)
Other financing sources			
Transfers in	-	-	4,345
Total other financing sources	-	-	4,345
Net change in fund balance	2,834	47,896	-
Fund balance, beginning of year	34,695	461,546	-
Fund balance, end of year	\$ 37,529	\$ 509,442	\$ -

<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>	<u>Community Development</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,955
-	-	-	-	-	14,391
4,677	3,198	-	-	-	10,904
-	-	34,563	-	-	34,563
-	-	5,522	-	-	5,522
-	-	-	-	104,787	104,787
<u>4,677</u>	<u>3,198</u>	<u>40,085</u>	<u>-</u>	<u>104,787</u>	<u>359,122</u>
-	-	-	41,353	-	182,412
13,568	-	34,147	89,994	-	156,640
-	-	-	52,848	-	52,848
-	-	-	70,381	-	70,381
<u>13,568</u>	<u>-</u>	<u>34,147</u>	<u>254,576</u>	<u>-</u>	<u>462,281</u>
<u>(8,891)</u>	<u>3,198</u>	<u>5,938</u>	<u>(254,576)</u>	<u>104,787</u>	<u>(103,159)</u>
-	-	-	300,000	1,494	305,839
-	-	-	300,000	1,494	305,839
(8,891)	3,198	5,938	45,424	106,281	202,680
11,299	28,268	66,197	300,574	393,379	1,295,958
<u>\$ 2,408</u>	<u>\$ 31,466</u>	<u>\$ 72,135</u>	<u>\$ 345,998</u>	<u>\$ 499,660</u>	<u>\$ 1,498,638</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, 2017

	Tourism Tax Fund	
	Budget	Actual
Revenues:		
Taxes, tourism tax	\$ 220,000	\$ 188,955
Total revenues	220,000	188,955
Expenditures:		
Current:		
Administrative and support	150,000	141,059
Revenues over expenditures	70,000	47,896
Net change in fund balance	\$ 70,000	47,896
Fund balance, beginning of year		461,546
Fund balance, end of year		\$ 509,442

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, 2017

	Capital Improvements Fund		Community Development Fund	
	Budget	Actual	Budget	Actual
Revenues:				
Charges for services	\$ -	\$ 16,785	\$ -	\$ -
Investment earnings	400	193	-	-
Intergovernmental revenue	23,000	1,920	-	-
Tax increment financing revenue	-	-	101,500	104,787
Developer contributions	-	1,269,288	-	-
Total revenues	<u>23,400</u>	<u>1,288,186</u>	<u>101,500</u>	<u>104,787</u>
Expenditures:				
Current:				
Administrative and support	-	-	-	-
Police services	-	-	-	-
Fire services	-	-	-	-
Public works	-	-	-	-
Capital outlay	3,778,000	2,990,402	-	-
Total expenditures	<u>3,778,000</u>	<u>2,990,402</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>(3,754,600)</u>	<u>(1,702,216)</u>	<u>101,500</u>	<u>104,787</u>
Other financing sources:				
Transfers in	2,000,000	1,000,000	-	1,494
Bond proceeds	-	-	1,100,000	-
Total other financing sources	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,100,000</u>	<u>1,494</u>
Net change in fund balance	<u><u>\$ (1,754,600)</u></u>	<u>(702,216)</u>	<u><u>\$ 1,201,500</u></u>	106,281
Fund balance, beginning of year		3,562,686		393,379
Fund balance, end of year		<u><u>\$ 2,860,470</u></u>		<u><u>\$ 499,660</u></u>

Capital Equipment Fund	
<u>Budget</u>	<u>Actual</u>
\$ -	\$ -
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
117,400	41,353
85,000	89,994
58,000	52,848
100,000	70,381
-	-
<u>360,400</u>	<u>254,576</u>
<u>(360,400)</u>	<u>(254,576)</u>
300,000	300,000
-	-
<u>300,000</u>	<u>300,000</u>
<u>\$ (60,400)</u>	45,424
	300,574
	<u>\$ 345,998</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, 2017

	Budget	Actual
Revenues:		
Investment earnings	\$ 30,000	\$ 16,040
Tax increment financing revenue	6,754,000	7,168,571
Total revenues	6,784,000	7,184,611
Expenditures:		
Current:		
Administrative and support	1,608,000	1,672,733
Debt service:		
Principal	3,835,000	4,075,000
Interest	1,246,000	1,244,681
Total expenditures	6,689,000	6,992,414
Revenues (under) expenditures	95,000	192,197
Other financing sources (uses),		
Proceeds from sale of capital assets	-	437,336
Transfers in	-	128,721
Total other financing sources (uses)	-	566,057
Changes in fund balance	\$ 95,000	758,254
Fund balance, beginning of year		6,331,575
Fund balance, end of year		\$ 7,089,829

City of Riverside, Missouri
Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Municipal Court Bond Account				
Assets:				
Cash and investments	\$ <u>14,934</u>	\$ <u>72,165</u>	\$ <u>48,686</u>	\$ <u>38,413</u>
Liabilities:				
Due to others	\$ <u>14,934</u>	\$ <u>72,165</u>	\$ <u>48,686</u>	\$ <u>38,413</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.	68 – 75
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the gaming revenue.	76 – 79
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.	80 – 81
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.	82 – 83
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.	84 – 87

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			
	2017	2016	2015	2014
Governmental Activities				
Net investment in capital assets	\$ 97,004,464	\$ 96,108,750	\$ 95,152,969	\$ 93,573,067
Restricted	4,013,110	4,558,070	1,369,477	803,511
Unrestricted	6,357,006	(92,041)	(1,937,545)	(1,482,081)
Total governmental activities net position	\$ 107,374,580	\$ 100,574,779	\$ 94,584,901	\$ 92,894,497

Note: 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: 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.

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 97,455,751	\$ 87,447,540	\$ 80,614,617	\$ 61,176,406	\$ 53,635,284	\$ 48,718,762
8,978,799	11,601,649	7,372,933	6,038,985	6,518,739	7,597,468
(7,486,325)	(440,616)	9,318,551	22,635,921	25,348,214	21,798,661
\$ 98,948,225	\$ 98,608,573	\$ 97,306,101	\$ 89,851,312	\$ 85,502,237	\$ 78,114,891

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

	Fiscal Year			
	2017	2016	2015	2014
Expenses				
Governmental activities				
Administrative and support	\$ 3,443,113	\$ 3,552,846	\$ 3,536,140	\$ 3,361,653
Municipal court	186,954	173,961	178,317	175,443
Public safety administration*	503,889	441,392	435,851	512,170
Police services	2,826,475	2,766,514	2,551,494	2,560,182
Operations support	652,384	614,941	585,905	549,291
Fire services	1,650,728	1,731,925	1,582,358	1,563,803
Public works	6,116,448	5,598,064	5,191,014	14,302,013
Parks and recreation	808,300	779,143	745,998	773,333
Community development	453,302	469,177	442,382	368,024
Engineering**	203,769	214,828	202,569	201,177
Interest on long-term debt	1,465,032	1,666,391	1,982,428	2,395,524
Total governmental activities expenses	<u>18,310,394</u>	<u>18,009,182</u>	<u>17,434,456</u>	<u>26,762,613</u>
Program revenues				
Governmental activities				
Charges for services:				
Administrative and support	42,139	47,948	45,850	42,498
Police services	251,529	254,540	289,082	366,880
Public works	598,059	400,424	278,171	-
Parks and recreation	70,979	68,643	62,537	68,084
Community development	175,544	128,375	103,251	57,701
Operating grants and contributions:				
Police services	14,391	25,742	13,822	6,455
Public works	-	-	-	-
Capital grants and contributions	1,001,920	847,362	46,767	1,165,046
Total governmental activities program revenues	<u>2,154,561</u>	<u>1,773,034</u>	<u>839,480</u>	<u>1,706,664</u>
Net (expense)/revenue governmental activities	<u>(16,155,833)</u>	<u>(16,236,148)</u>	<u>(16,594,976)</u>	<u>(25,055,949)</u>
General revenue and other changes in net position				
Governmental activities				
Taxes				
Sales taxes	1,611,237	1,697,356	1,378,151	1,445,549
Franchise taxes	906,344	813,186	716,542	714,460
Tourism taxes	188,955	217,779	184,262	166,584
Gaming revenue tax	6,589,264	6,569,566	6,303,001	6,399,850
Unrestricted grants and contributions	323,261	348,521	371,948	254,291
Interest on accounts	69,611	87,952	89,580	47,676
Real estate income - gaming	4,358,378	4,394,870	4,182,418	4,060,295
Tax increment financing	7,273,358	6,654,901	5,123,842	3,883,538
Gain on purchase of bonds	-	-	-	-
Gain on land lease	1,407,859	1,300,452	1,094,726	1,843,665
Gain on sale of capital position	-	-	-	-
Miscellaneous	227,366	141,443	111,632	186,313
Total governmental activities	<u>22,955,633</u>	<u>22,226,026</u>	<u>19,556,102</u>	<u>19,002,221</u>
Change in net position				
Governmental activities	<u>\$ 6,799,800</u>	<u>\$ 5,989,878</u>	<u>\$ 2,961,126</u>	<u>\$ (6,053,728)</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: 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.

		Fiscal Year									
		2013	2012	2011	2010	2009	2008				
\$	3,291,806	\$	3,340,602	\$	3,167,034	\$	2,878,084	\$	2,439,544	\$	2,150,847
	168,189		163,037		151,884		144,889		139,254		128,042
	645,375		555,516		474,639		462,810		460,205		-
	2,543,564		2,331,412		2,132,814		2,119,296		2,081,567		2,455,356
	606,699		700,555		633,732		563,120		532,437		322,307
	1,418,114		1,247,599		1,256,523		1,175,275		653,289		563,689
	9,024,716		9,347,065		5,585,388		7,064,953		6,079,598		6,521,927
	725,478		776,223		595,934		514,852		394,585		467,388
	499,425		560,864		613,821		438,747		569,776		613,444
	-		-		-		-		-		-
	2,481,272		2,673,512		2,393,978		2,532,675		2,657,463		2,759,984
	<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>		<u>15,982,984</u>
	41,535		40,154		41,426		39,500		48,735		57,344
	356,142		269,042		272,520		336,073		250,397		188,911
	186,168		347,037		4,004,893		1,761,757		1,661,146		-
	77,587		66,564		54,281		57,851		34,102		22,279
	58,196		47,773		25,695		26,265		42,540		48,474
	8,906		32,747		12,122		14,710		19,403		29,303
	-		-		-		-		-		9,113
	<u>3,512,010</u>		<u>2,279,000</u>		<u>510,410</u>		<u>443,985</u>		<u>-</u>		<u>1,030,000</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>1,385,424</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>		<u>(14,597,560)</u>
	1,397,363		1,358,640		1,256,558		1,207,371		1,162,363		1,264,328
	651,528		587,217		583,266		605,841		505,060		614,565
	169,910		173,663		176,958		175,603		178,053		182,475
	7,133,275		8,528,022		9,333,622		9,550,347		9,718,310		9,170,049
	238,557		287,393		297,315		288,481		290,614		271,772
	51,762		187,308		274,702		413,453		1,624,693		3,554,557
	4,155,181		4,424,307		4,972,759		4,876,918		5,079,236		5,049,125
	3,335,920		2,615,532		2,531,727		2,322,386		2,422,337		2,190,264
	-		-		120,000		20,000		341,800		-
	1,153,512		325,557		51,263		-		-		-
	-		1,410,165		-		-		-		-
	26,529		18,736		44,782		103,235		16,275		92,894
	<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>22,390,029</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>	\$	<u>7,792,469</u>

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

	Fiscal Year				
	2017	2016	2015	2014	2013
General fund					
Unassigned	\$ 9,450,806	\$ 5,953,625	\$ 5,585,914	\$ 5,564,281	\$ 7,391,475
Total general fund	<u>\$ 9,450,806</u>	<u>\$ 5,953,625</u>	<u>\$ 5,585,914</u>	<u>\$ 5,564,281</u>	<u>\$ 7,391,475</u>
All other governmental funds					
Restricted for:					
Debt service	\$ 7,089,829	\$ 6,331,575	\$ 6,193,653	\$ 5,945,362	\$ 6,466,375
Capital improvements	2,860,470	3,562,686	544,497	98,722	1,867,992
Community development	499,660	393,379	286,014	184,514	145,884
Law enforcement	143,538	140,459	135,379	128,051	106,265
Tourism	509,442	461,546	403,587	392,224	392,283
Committed for, capital projects	345,998	300,574	240,222	174,720	55,241
Total all other governmental funds	<u>\$ 11,448,937</u>	<u>\$ 11,190,219</u>	<u>\$ 7,803,352</u>	<u>\$ 6,923,593</u>	<u>\$ 9,034,040</u>

Fiscal Year				
2012	2011	2010	2009	2008
\$ 12,642,233	\$ 22,822,235	\$ 25,730,000	\$ 28,304,417	\$ 34,169,319
<u>\$ 12,642,233</u>	<u>\$ 22,822,235</u>	<u>\$ 25,730,000</u>	<u>\$ 28,304,417</u>	<u>\$ 34,169,319</u>
\$ 5,327,671	\$ 5,712,998	\$ 5,819,205	\$ 6,318,578	\$ 5,783,385
4,200,664	284,563	7,165,710	14,452,483	25,249,399
1,618,153	985,069	3,439,590	4,057,846	2,819,163
76,991	68,250	59,645	77,775	80,031
378,170	322,053	296,299	315,274	262,967
153,515	106,335	329,317	647,410	413,319
<u>\$ 11,755,164</u>	<u>\$ 7,479,268</u>	<u>\$ 17,109,766</u>	<u>\$ 25,869,366</u>	<u>\$ 34,608,264</u>

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues					
Taxes	\$ 2,706,536	\$ 2,728,321	\$ 2,278,955	\$ 2,326,593	\$ 2,218,801
Intergovernmental revenue	339,572	832,035	432,537	1,080,549	3,496,318
Charges for services	16,785	1,860	28,173	345,243	186,168
Investment earnings	69,611	87,952	89,580	47,676	51,762
Real estate income - gaming	4,358,378	4,394,870	4,182,418	4,060,295	4,155,181
Gaming revenue	6,589,264	6,569,566	6,303,001	6,399,850	7,133,275
Licenses and fees	217,683	176,323	149,101	100,199	99,731
Fines and forfeitures	251,529	254,540	289,082	366,880	356,142
Recreation fees	70,979	68,643	62,537	68,084	77,587
Miscellaneous	111,143	40,145	12,194	138,950	26,429
TIF revenue	7,273,358	6,654,901	5,123,842	3,883,538	3,432,013
Developer contribution	1,269,288	1,057,605	1,717,957	1,396,227	2,540,649
Proceeds from sale-leaseback	-	-	494,745	367,115	405,087
Total revenues	23,274,126	22,866,761	21,164,122	20,581,199	24,179,143
Expenditures					
Administrative and support	3,423,664	3,556,565	3,505,623	3,296,734	3,166,187
Municipal court	185,717	170,866	177,974	172,938	166,973
Public safety administration**	493,515	424,178	439,051	512,201	617,544
Police services	2,393,971	2,332,919	2,242,909	2,282,508	2,241,434
Operations support	630,912	588,216	594,077	545,778	594,086
Fire services	1,641,159	1,569,336	1,563,418	1,497,050	1,331,481
Public works	1,575,538	1,510,818	1,400,168	1,469,270	1,548,537
Parks and recreation	656,928	642,074	585,065	617,043	598,104
Community development	441,152	469,676	440,189	366,814	488,233
Engineering*	202,924	199,203	198,042	194,649	-
Capital outlay	2,990,402	2,768,726	4,455,505	7,808,465	16,861,669
Principal	4,075,000	3,775,000	3,190,000	3,665,000	3,395,000
Interest	1,244,681	1,373,481	1,470,709	1,870,256	2,012,606
Bond issuance costs	-	-	-	106,758	-
Total expenditures	19,955,563	19,381,058	20,262,730	24,405,464	33,021,854
Excess of revenues over (under) expenditures	3,318,563	3,485,703	901,392	(3,824,265)	(8,842,711)
Other financing sources (uses)					
Transfers in	1,434,560	2,743,737	3,504,604	4,504,978	5,908,490
Transfers out	(1,434,560)	(2,743,737)	(3,504,604)	(4,504,978)	(5,908,490)
Issuance of TIF bonds	-	-	-	7,640,000	-
Payment to refunded bond escrow agent	-	-	-	(8,065,827)	-
Sale of capital assets	437,336	268,875	-	-	870,829
Premium on bonds issuance	-	-	-	312,451	-
Discount on bonds issuance	-	-	-	-	-
Total other financing sources (uses)	437,336	268,875	-	(113,376)	870,829
Net change in fund balances	\$ 3,755,899	\$ 3,754,578	\$ 901,392	\$ (3,937,641)	\$ (7,971,882)
Debt service as a percentage of noncapital expenditures	18%	29%	27%	30%	25%

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

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

	Fiscal Year				
	2012	2011	2010	2009	2008
\$	2,119,520	\$ 2,152,052	\$ 1,853,545	\$ 1,845,476	\$ 2,061,368
	1,399,140	809,437	316,176	310,017	310,188
	347,037	4,060,752	1,705,898	1,661,146	-
	187,308	274,702	413,453	1,624,693	3,554,557
	4,424,307	4,972,759	4,876,918	5,079,236	5,049,125
	8,528,022	9,333,622	9,550,347	9,718,310	9,170,049
	87,927	67,121	65,765	91,275	105,818
	269,042	272,520	336,073	250,397	188,911
	66,546	54,281	57,851	34,102	22,279
	18,736	44,782	103,235	16,275	92,894
	2,519,439	2,531,727	2,322,386	2,422,337	2,190,264
	1,757,460	-	-	-	-
	1,681,691	762,300	-	-	-
	<u>23,406,175</u>	<u>25,336,055</u>	<u>21,601,647</u>	<u>23,053,264</u>	<u>22,745,453</u>
	3,203,812	3,101,376	2,845,019	2,329,588	2,106,530
	161,947	151,678	143,329	138,671	127,247
	590,283	500,781	468,776	447,162	-
	2,060,787	2,083,386	2,059,677	1,957,651	2,370,824
	674,363	607,814	574,827	504,515	369,433
	1,182,911	1,173,397	1,140,734	590,159	501,427
	1,202,728	1,225,402	1,271,986	1,045,468	796,276
	661,711	592,584	506,783	406,136	382,808
	553,536	467,172	448,632	575,992	610,839
	-	-	-	-	-
	14,402,799	21,080,414	18,557,731	23,436,065	18,862,799
	5,060,000	4,340,000	2,275,000	3,548,200	1,880,000
	2,161,639	2,420,314	2,539,407	2,677,457	2,762,291
	79,419	-	-	-	-
	<u>31,995,935</u>	<u>37,874,318</u>	<u>32,831,901</u>	<u>37,657,064</u>	<u>30,770,474</u>
	<u>(8,589,760)</u>	<u>(13,300,563)</u>	<u>(11,230,254)</u>	<u>(14,603,800)</u>	<u>(8,025,021)</u>
	11,042,374	5,844,652	4,736,748	7,269,467	2,043,799
	(11,042,374)	(5,844,652)	(4,736,748)	(7,269,467)	(2,043,799)
	2,385,000	-	-	-	-
	-	-	-	-	-
	282,826	-	-	-	-
	17,810	-	-	-	-
	-	-	-	-	-
	<u>2,685,636</u>	<u>762,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (5,904,124)</u>	<u>\$ (12,538,263)</u>	<u>\$ (11,230,254)</u>	<u>\$ (14,603,800)</u>	<u>\$ (8,025,021)</u>
	31%	35%	27%	34%	28%

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>
2008	1,264,328	614,565	182,475	9,170,049
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

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>
2008	1.000	1.375	4.225	6.600
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

* 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>
2008	9,170,049	5,049,125	14,219,174
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

*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>
2008	\$1 per patron	2.0%
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%

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>
2008	26.04%
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%

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*
2008	55,770,000	40.26%	18,309
2009	51,880,000	38.62%	16,817
2010	49,585,000	38.67%	16,808
2011	45,125,000	33.42%	15,148
2012	42,450,000	30.04%	14,089
2013	39,055,000	26.87%	12,834
2014	35,360,000	23.21%	11,425
2015	32,896,406	20.13%	10,437
2016	29,025,580	16.97%	8,995
2017	24,855,594	14.21%	7,702

* 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, 2017
(unaudited)

	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt	Assessed Valuation
Direct Debt:				
City of Riverside	24,855,594	100.0%	24,855,594	108,014,589
Overlapping Debt:				
Platte County, Missouri	39,010,370	4.7%	1,842,340	2,287,139,953
Park Hill School District	68,600,922	7.1%	4,859,564	1,524,807,625
Total overlapping debt	<u>107,611,292</u>		<u>6,701,904</u>	
Total direct and overlapping debt	<u>132,466,886</u>		<u>31,557,498</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)

Fiscal Year	TIF Revenues	Debt Service		Coverage
		Principal	Interest	
2008	2,190,264	1,880,000	2,759,983	0.47
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

*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.

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)
2008	3,046	45,474	138,513,804	78,418	4.1%
2009	3,085	43,539	134,317,815	76,418	5.1%
2010	2,950	43,463	128,215,850	76,992	7.8%
2011	2,979	45,320	135,008,280	73,281	7.2%
2012	3,013	46,893	141,288,609	86,296	5.8%
2013	3,043	47,771	145,367,153	84,871	6.0%
2014	3,095	49,232	152,373,040	81,824	5.5%
2015	3,152	51,855	163,446,960	85,916	4.7%
2016	3,227	53,008	171,055,598	92,800	4.6%
2017	3,227	54,195	174,888,253	94,879	4.4%

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	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Argosy Casino	797	1	12.1%	1,000	1	25.5%
Adient/Hoover Universal	776	2	11.8%	-	-	0.0%
Yanfeng USA	456	3	6.9%	-	-	0.0%
Martinrea Riverside	347	4	6.2%	-	-	0.0%
U.S. Farathane	323	5	5.0%	-	-	0.0%
ABC Employment Holdings	277	6	4.2%	-	-	0.0%
Capital Electric	232	7	4.0%	-	-	0.0%
Woodbridge	167	8	2.5%	160	3	4.1%
Park Hill School District	160	9	2.4%	160	3	4.1%
Premium Waters	151	10	2.3%	-	-	0.0%
Faurecia/ Riverside Seat Company	-	-	0.0%	235	2	6.0%
Knappco/Civacon	-	-	0.0%	135	5	3.4%
Corner Café	-	-	0.0%	125	6	3.2%
Red X	-	-	0.0%	100	7	2.6%
Apria Medical	-	-	0.0%	100	7	2.6%
Riverside Nursing & Rehab.	-	-	0.0%	91	9	2.3%
Complete Home Concepts	-	-	0.0%	90	10	2.3%
Total	2,889		45.3%	2,196		56.1%

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	8	8	8	7	7	8	8	7	7	7
Municipal court	1	1	1	1	1	1	1	1	1	1
Public safety										
Public safety administration	2	2	2	3	3	3	3	3	3	-
Police										
Officers	24	24	24	25	25	25	24	24	24	25
Civilians	-	-	-	-	-	-	-	-	-	1
Operations support	10	10	11	11	10	10	10	10	8	6
Fire	16	15	14	14	14	14	14	14	11	3
Public works	9	9	9	9	9	8	8	8	8	8
Engineering	2	2	2	2	-	-	-	-	-	-
Parks & recreation	2	2	2	2	2	2	2	2	2	2
Community development	5	5	5	4	7	5	5	5	4	4
Total	79	78	78	78	78	76	75	74	68	57

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police Services										
Calls for service	11,213	11,631	10,247	12,849	10,263	11,784	10,943	14,171	14,975	9,126
Traffic & ordinance citations	2,413	2,898	2,062	2,965	3,225	2,825	2,180	3,491	2,667	3,798
Municipal & state arrests	1,165	1,044	1,335	1,298	1,328	1,151	1,023	1,293	1,018	901
Fire Services										
Structure fires		9	8	10	13	5	7	9	8	5
Calls for service		1,387	1,084	1,048	1,049	1,105	1,075	943	788	487
Inspections conducted		533	590	568	535	418	416	397	479	354
Building Codes										
Commercial building permits	6	4	7	34	45	32	19	17	25	20
Residential building permits	48	42	22	40	65	24	15	19	23	20

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

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

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	58

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