



FINANCIAL REPORT
(Audited)

Year Ended June 30, 2018

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

December 28, 2018

Honorable Mayor and Board of Aldermen
CITY OF BELLEFONTAINE NEIGHBORS, 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 BELLEFONTAINE NEIGHBORS, MISSOURI** (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

- 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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

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

Opinions

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

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental 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 supplemental 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 other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 other

supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018 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 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 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.

Hirschfeld, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

Chesterfield, Missouri

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

This Management's Discussion and Analysis (MD&A) is intended to be an overview of the City of Bellefontaine Neighbors, Missouri's (the City) financial activities for the fiscal year ended June 30, 2018. It should be read in conjunction with the City's financial statements (attached).

FINANCIAL HIGHLIGHTS

Net position increased by \$981,709 during the fiscal year. Fund balances decreased by \$5,551,271 primarily due to increase of capital outlay for road construction. The fund balances are adequate for the City to operate efficiently and provide services to its citizens.

At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$4,436,842. Approximately 12% of this amount (\$543,530) is available for spending at the City's discretion (unassigned fund balance).

The General Fund had changes in fund balance of \$25 and (\$283,442) in the current and prior year, respectively. The City's General Fund budget had reflected an anticipated deficit of \$41,120 in the original budget and a deficit of \$146,726 in the final budget.

The Capital Improvement Fund had increases in fund balance of \$265,634 and \$298,308 in the current and prior year, respectively. The increase was primarily due to paying off the capital lease in the prior year.

The Debt Service Fund had changes in fund balance of (\$54,984) and \$444,036 in the current and prior year, respectively. The decrease in the current year was primarily due to additional debt service payments due to re-funding the bonds.

The Bond Fund had changes in fund balance of (\$5,796,977) and \$6,803,793 in the current and prior year, respectively. The decrease in the current year was primarily due to increase in capital outlay for street projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplemental information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Note that the government-wide financial statements exclude fiduciary fund activities.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions 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 government, building, police, street, recreation center, and court, as well as interest on long-term debt. The City does not have any 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. It should be noted that the City does not have any proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds 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 a government'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, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund, Debt Service Fund, and Bond Fund, all of which are considered to be major funds. The Sewer Lateral Fund is a nonmajor fund.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

Fiduciary fund. The fiduciary fund is used to account for resources held for the benefit of parties outside the City. The fiduciary fund is 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 accounting used for the fiduciary fund is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Supplemental information. In addition to the basic financial statements and accompanying notes, certain required and other supplemental information can be found after the basic financial statements.

CONDENSED FINANCIAL STATEMENTS

The City presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board pronouncements. Therefore, a comparative analysis of government-wide data is also included in this report.

A condensed version of the statement of net position follows:

	June 30	
	2018	2017
ASSETS		
Current and other assets	\$ 7,780,165	13,138,937
Capital assets	14,552,455	9,409,751
Total Assets	22,332,620	22,548,688
 DEFERRED OUTFLOWS OF RESOURCES	 501,440	 880,893
 LIABILITIES		
Other liabilities	414,401	1,746,580
Long-term liabilities	12,035,086	12,514,652
Total Liabilities	12,449,487	14,261,232
 DEFERRED INFLOWS OF RESOURCES	 1,025,246	 790,731
 NET POSITION		
Net investment in capital assets	3,687,583	3,846,005
Restricted	4,968,427	2,295,807
Unrestricted	703,317	2,235,806
Total Net Position	\$ 9,359,327	8,377,618

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$9,359,327 at June 30, 2018.

The City's unrestricted net position of \$3,851,583 (41%) may be used to meet the City's ongoing obligations to citizens and creditors. Additionally, a portion of the City's governmental activities net position (\$2,826,977) represents resources that are subject to external restrictions on how they may be used. During the fiscal year ended June 30, 2018, the City began accounting for amounts restricted for pension in accordance with new interpretations of pension disclosure requirements.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

The remaining portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed version of the statement of activities follows:

	For The Years	
	Ended June 30	
	2018	2017
REVENUES		
Program revenues:		
Charges for services	\$ 492,573	586,346
Operating grants and contributions	808,599	522,074
Capital grants and contributions	101,583	56,155
General revenues:		
Property taxes	1,213,325	1,128,743
Sales taxes	2,762,593	2,303,985
Gross receipts taxes	1,353,344	1,312,950
Other	109,597	115,389
Total Revenues	<u>6,841,614</u>	<u>6,025,642</u>
 EXPENSES		
General government	742,558	1,462,116
Building	123,808	163,664
Police	2,380,959	2,502,106
Street	1,424,540	967,484
Recreation center	670,304	725,606
Court	53,737	96,235
Interest and other fiscal charges on long-term debt	463,999	402,850
Total Expenses	<u>5,859,905</u>	<u>6,320,061</u>
 CHANGE IN NET POSITION	981,709	(294,419)
 NET POSITION, JULY 1	8,377,618	8,656,413
 RESTATEMENT	<u>-</u>	<u>15,624</u>
 NET POSITION, JUNE 30	<u>\$ 9,359,327</u>	<u>8,377,618</u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

SIGNIFICANT CHANGE IN NET POSITION

Revenues increased by 13.5% from the previous year while expenses decreased by 7% from the previous year accounting for the increase in net position of \$981,709. The current year increase of revenue primarily relates to increased sales tax and grants received.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund exceeded projections during 2018 mainly due to police, street, and recreation center expenditures coming in lower than expected. The total revenue variance was unfavorable by 2.4% and the expenditures variance was favorable by 5.2%. The City increased budgeted expenditures by \$105,606.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The City has invested, net of accumulated depreciation, \$14,552,455 at June 30, 2018, in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure. This amount represents a net increase of \$5,142,704 for the current fiscal year (including additions and deductions).

The City's capital assets, net of accumulated depreciation, consisted of:

	June 30	
	2018	2017
Land	\$ 467,275	467,275
Construction in progress	128,702	1,645,150
Buildings	246,542	261,469
Vehicles	144,240	257,502
Equipment	524,331	600,880
Infrastructure	13,041,365	6,177,475
Total Capital Assets	\$ 14,552,455	9,409,751

The City's long-term debt consists of the Series 2017 general obligation bonds in the amount of \$8,218,518, including premium, Series 2017A general obligations bonds in the amount of \$3,653,170, including premium and compounded interest and future liabilities for compensated absences including compensatory and vacation time payable in the amount of \$163,398.

Additional information on the City's capital assets and long-term debt can be found in Note C and Note G, respectively, in the notes to financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bellefontaine Neighbors, Missouri, Office of the City Clerk, 9641 Bellefontaine Road, Bellefontaine Neighbors, MO 63137.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash	\$ 882,700
Investments	2,805,895
Receivables:	
Municipal taxes	878,103
Gross receipts taxes	138,249
Court fines, net of allowance	63,964
Intergovernmental	9,089
Special assessments	60,985
Other	2,313
Prepaid items	273,611
Net pension asset	2,665,256
Capital assets:	
Land and construction in progress	595,977
Other capital assets, net of accumulated depreciation	13,956,478
Total Assets	22,332,620
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	501,440
 LIABILITIES	
Accounts payable	120,518
Accrued interest payable	128,342
Accrued payroll	150,661
Other liabilities	14,880
Noncurrent liabilities:	
Due within one year	717,058
Due in more than one year	11,318,028
Total Liabilities	12,449,487
 DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension	1,025,246
 NET POSITION	
Net investment in capital assets	3,687,583
Restricted for:	
Debt service	900,542
Sewer lateral	225,895
Capital improvements	1,410,058
Federal forfeitures	93,376
Public safety	197,106
Pension	2,141,450
Unrestricted	703,317
Total Net Position	\$ 9,359,327

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues			Net Revenues (Expenses) And Change In Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
General government	\$ 742,558	-	-	-	(742,558)
Building	123,808	67,634	-	-	(56,174)
Police	2,380,959	160,658	18,742	73,757	(2,127,802)
Street	1,424,540	123,573	789,857	27,826	(483,284)
Recreation center	670,304	140,708	-	-	(529,596)
Court	53,737	-	-	-	(53,737)
Interest and other fiscal charges on long-term debt	463,999	-	-	-	(463,999)
Total Governmental Activities	\$ 5,859,905	492,573	808,599	101,583	(4,457,150)
General Revenues					
Property taxes					1,213,325
Sales taxes					2,762,593
Gross receipts taxes					1,353,344
Licenses					55,172
Investment income					28,794
Other					25,631
Total General Revenues					5,438,859
CHANGE IN NET POSITION					981,709
NET POSITION, JULY 1, AS RESTATED					8,377,618
NET POSITION, JUNE 30					\$ 9,359,327

See notes to financial statements

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Capital Improvement	Debt Service	Bond	Nonmajor Sewer Lateral	Total Governmental Funds
ASSETS						
Cash	\$ 882,700	-	-	-	-	882,700
Investments	143,404	1,125,172	376,265	1,006,816	154,238	2,805,895
Receivables:						
Municipal taxes	513,329	124,995	238,100	-	1,679	878,103
Gross receipts taxes	138,249	-	-	-	-	138,249
Court fines, net of allowance	63,964	-	-	-	-	63,964
Intergovernmental	-	9,089	-	-	-	9,089
Special assessments	60,985	-	-	-	-	60,985
Other	2,313	-	-	-	-	2,313
Due from other funds	-	187,928	286,177	-	69,978	544,083
Prepaid items	273,611	-	-	-	-	273,611
	<u>273,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,611</u>
Total Assets	<u>\$ 2,078,555</u>	<u>1,447,184</u>	<u>900,542</u>	<u>1,006,816</u>	<u>225,895</u>	<u>5,658,992</u>
LIABILITIES						
Accounts payable	\$ 88,991	31,527	-	-	-	120,518
Accrued payroll	145,062	5,599	-	-	-	150,661
Due to other funds	544,083	-	-	-	-	544,083
Other liabilities	14,880	-	-	-	-	14,880
Total Liabilities	<u>793,016</u>	<u>37,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>830,142</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Court fines	63,964	-	-	-	-	63,964
Property taxes	52,967	-	214,092	-	-	267,059
Special assessments	60,985	-	-	-	-	60,985
Total Deferred Inflows Of Resources	<u>177,916</u>	<u>-</u>	<u>214,092</u>	<u>-</u>	<u>-</u>	<u>392,008</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	273,611	-	-	-	-	273,611
Restricted for:						
Debt service	-	-	686,450	-	-	686,450
Sewer lateral	-	-	-	-	225,895	225,895
Federal forfeitures	93,376	-	-	-	-	93,376
Capital improvement	-	1,410,058	-	1,006,816	-	2,416,874
Public safety	197,106	-	-	-	-	197,106
Unassigned	543,530	-	-	-	-	543,530
Total Fund Balances	<u>1,107,623</u>	<u>1,410,058</u>	<u>686,450</u>	<u>1,006,816</u>	<u>225,895</u>	<u>4,436,842</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 2,078,555</u>	<u>1,447,184</u>	<u>900,542</u>	<u>1,006,816</u>	<u>225,895</u>	<u>5,658,992</u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total Fund Balances - Governmental Funds	\$ 4,436,842
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$23,738,903 and the accumulated depreciation is \$9,186,448.	14,552,455
Property taxes, municipal court, and special assessment receivables are assessed by or due to the City, but the amounts not collected as of August 31, 2018 (within 60 days) are deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	392,008
Certain items are not a financial resource and, therefore, are not reported in the governmental funds. These consist of:	
Net pension asset	2,665,256
Deferred outflows related to pensions	501,440
Deferred inflows related to pensions	(1,025,246)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(128,342)
Accrued compensated absences	(163,398)
Compounded interest	(2,828)
General obligation bonds	(11,868,860)
Total Net Position Of Governmental Activities	<u><u>\$ 9,359,327</u></u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Bond</u>	<u>Nonmajor Sewer Lateral</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 2,783,186	730,056	920,303	-	123,573	4,557,118
Gross receipts taxes	1,353,344	-	-	-	-	1,353,344
Licenses and permits	122,714	-	-	-	-	122,714
Charges for services	140,800	-	-	-	-	140,800
Fines and forfeitures	145,677	-	-	-	-	145,677
Intergovernmental	101,319	27,826	-	-	-	129,145
Special assessment	4,010	-	-	-	-	4,010
Investment income	5,380	5,400	1,753	15,788	473	28,794
Other	17,347	283,953	2,919	-	-	304,219
Total Revenues	<u>4,673,777</u>	<u>1,047,235</u>	<u>924,975</u>	<u>15,788</u>	<u>124,046</u>	<u>6,785,821</u>
EXPENDITURES						
Current:						
Administration	1,087,883	26,048	-	-	-	1,113,931
Building	170,024	-	-	-	-	170,024
Police	2,489,470	21,926	-	-	-	2,511,396
Street	342,738	552,190	-	-	-	894,928
Court	75,999	-	-	-	-	75,999
Recreation center	515,638	145,438	-	-	-	661,076
Sewer lateral	-	-	-	-	89,015	89,015
Capital outlay	-	79,761	-	5,782,426	-	5,862,187
Debt service:						
Principal	-	-	580,000	-	-	580,000
Interest and other fiscal charges	-	-	399,959	-	-	399,959
Bond issuance costs	-	-	95,918	-	-	95,918
Total Expenditures	<u>4,681,752</u>	<u>825,363</u>	<u>1,075,877</u>	<u>5,782,426</u>	<u>89,015</u>	<u>12,454,433</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,975)</u>	<u>221,872</u>	<u>(150,902)</u>	<u>(5,766,638)</u>	<u>35,031</u>	<u>(5,668,612)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	8,000	-	-	-	-	8,000
Insurance recoveries	-	13,423	-	-	-	13,423
Proceeds of bond issuance	-	-	3,545,000	-	-	3,545,000
Premium on bond issuance	-	-	158,564	-	-	158,564
Payment to refunded bond agent	-	-	(3,607,646)	-	-	(3,607,646)
Transfer in	-	30,339	-	-	-	30,339
Transfer out	-	-	-	(30,339)	-	(30,339)
Total Other Financing Sources (Uses)	<u>8,000</u>	<u>43,762</u>	<u>95,918</u>	<u>(30,339)</u>	<u>-</u>	<u>117,341</u>
NET CHANGE IN FUND BALANCE	25	265,634	(54,984)	(5,796,977)	35,031	(5,551,271)
FUND BALANCES, JULY 1, AS RESTATED	<u>1,107,598</u>	<u>1,144,424</u>	<u>741,434</u>	<u>6,803,793</u>	<u>190,864</u>	<u>9,988,113</u>
FUND BALANCES, JUNE 30	<u>\$ 1,107,623</u>	<u>1,410,058</u>	<u>686,450</u>	<u>1,006,816</u>	<u>225,895</u>	<u>4,436,842</u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net Change In Fund Balances - Governmental Funds \$ (5,551,271)

Capital outlays are reported in the governmental funds 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 the capitalization threshold of \$5,878,133 exceeded the amount of depreciation of \$705,378 in the current period. 5,172,755

The net effect of transactions involving capital assets (i.e., sales and donations) is to decrease net position. (30,051)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 60,443

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also the 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 effect of these differences in the treatment of long-term debt and related items.

Amortization of premium	77,243
Compounded interest accruals	(2,828)
Issuance of general obligation bonds	(3,703,564)
General obligation bond payments	4,125,000

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:

Accrued compensated absences	(16,285)
Accrued interest on debt	20,109
Pension expense	830,158

Change In Net Position Of Governmental Activities \$ 981,709

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND
JUNE 30, 2018

ASSETS

Cash \$ 1,775

LIABILITIES

Due to others 1,775

NET POSITION

\$ -

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI** (the City), is a fourth class city, was incorporated on June 19, 1950 and established a Mayor/Board of Aldermen form of government. The City's major operations include police protection, street maintenance and improvements, parks and recreation, general administrative services, legislative services, judicial services, and planning.

The significant accounting policies applied by the City in the preparation of the accompanying basic financial statements are summarized below:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

2. 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 primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental funds 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 City 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.

Property taxes, franchise taxes, licenses, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period, if any. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Fund -- The Capital Improvement Fund is a special revenue fund that is used to account for receipts of the capital improvement sales tax and expenditures for certain capital improvements and maintenance.

Debt Service Fund -- The Debt Service Fund provides funding for payment of principal, interest, and other related costs from outstanding bond indebtedness.

Bond Fund -- The Bond Fund is a capital projects fund used to account for bond proceeds and the related expenditures for street improvements.

The City reports the following fiduciary fund:

Agency Fund -- The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The City's Agency Fund consists of the assets of the Bail Bond Fund.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value or cost which approximates fair value.

5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance restriction which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), if any, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City has elected not to record the historical cost of infrastructure placed in service prior to July 1, 2003.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings	15 - 50
Vehicles	5 - 20
Equipment	5 - 25
Infrastructure	20 - 40

7. Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Due To/From Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

9. Compensated Absences

Under terms of the City’s personnel policy, employees are granted vacations based on length of service and compensatory time is granted to all nonexempt employees for hours worked in excess of a normal work week. Vacations accrue on January 1 of each year. Upon termination, the employee is paid for unused vacation and accrued compensatory time. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. A portion of sick leave may be payable to employees upon termination, but it is not vested. Vested or accumulated vacation leave and compensatory time accrued at year-end are expected to be used by the employee during the following fiscal year.

10. Property Taxes

The City levies a tax on the assessed value of all real and personal property located within the City as of January 1 each year. Taxes are levied in October and are considered delinquent if not paid by December 31. St. Louis County assesses property values, collects the tax, and remits collected amounts to the City.

11. Allowance for Doubtful Accounts

Management believes accounts receivable for taxes and grants to be fully collectible; accordingly, no allowance for doubtful accounts is needed. Management estimates 50% or \$63,964 of the municipal court fines outstanding to be uncollectible.

12. Grant Revenue

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as unearned revenue or amounts receivable from the grantor.

13. Fund Balances

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balances (Continued)

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the Board of Aldermen, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen by ordinance has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

The City's policy is to maintain an unrestricted fund balance in the General Fund of at least 10% of the annual operating expenditure budget.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 currently only has deferred outflows related to the pension reported on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 currently has deferred inflows of resources for unavailable revenues from various sources reported on the governmental funds balance sheet. The City also has deferred inflows of resources related to the pension reported on the statement of net position.

15. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Pensions

For purposes of measuring the net pension asset/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 are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2018, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

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

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
Money market funds	\$ 2,805,895	-	2,805,895	-	Not rated

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City will minimize its credit risk by prequalifying financial institutions with which the City will do business. The selection bases shall include evaluation of each applicant's assets, liabilities, public deposits, local presence, credit characteristics, financial position, and collateral capabilities. Additionally, all banking contracts shall specify what types of investments may be used as collateral for deposits.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City will diversify the portfolio so that potential losses on individual securities will be minimized.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represents 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). At June 30, 2018, the City had all of its investments in money market funds.

3. Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. The City has only money market funds which are considered not subject to fair value disclosure.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

	For The Year Ended June 30, 2018			Balance June 30 2018
	Balance June 30 2017	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 467,275	-	-	467,275
Construction in progress	1,645,150	5,846,188	7,362,636	128,702
Total Capital Assets Not Being Depreciated	<u>2,112,425</u>	<u>5,846,188</u>	<u>7,362,636</u>	<u>595,977</u>
Capital assets being depreciated:				
Buildings	4,852,147	-	-	4,852,147
Vehicles	1,088,584	22,950	128,309	983,225
Equipment	2,359,580	8,995	23,405	2,345,170
Infrastructure	7,599,748	7,362,636	-	14,962,384
Total Capital Assets Being Depreciated	<u>15,900,059</u>	<u>7,394,581</u>	<u>151,714</u>	<u>23,142,926</u>
Less - Accumulated depreciation for:				
Buildings	4,590,678	14,927	-	4,605,605
Vehicles	831,082	106,161	98,258	838,985
Equipment	1,758,700	85,544	23,405	1,820,839
Infrastructure	1,422,273	498,746	-	1,921,019
Total Accumulated Depreciation	<u>8,602,733</u>	<u>705,378</u>	<u>121,663</u>	<u>9,186,448</u>
Total Capital Assets Being Depreciated, Net	<u>7,297,326</u>	<u>6,689,203</u>	<u>30,051</u>	<u>13,956,478</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,409,751</u>	<u>12,535,391</u>	<u>7,392,687</u>	<u>14,552,455</u>

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

	For The Year Ended June 30 2018
General government	\$ 7,327
Building	3,361
Police	91,931
Street	523,858
Recreation center	<u>78,901</u>
Total	<u>\$ 705,378</u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN

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, state-wide 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 supplemental information. That 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) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

2018 Valuation

Benefit multiplier	2% for life
Final average salary	3 years
Member contributions	Noncontributory for employees

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	29
Active employees	<u>59</u>
Total	<u><u>136</u></u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 7.9% (general) and 15.7% (police) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

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

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

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

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	43.00 %	5.16 %
Fixed income	26.00	2.86
Real assets	21.00	3.23
Strategic assets	10.00	5.59

Discount Rate

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

Changes in the Net Pension Liability (Asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net Pension Liability (Asset)</u> <u>(a)-(b)</u>
Balances at June 30, 2017	<u>\$ 15,059,075</u>	<u>16,280,205</u>	<u>(1,221,130)</u>
Changes for the year			
Service cost	289,783	-	289,783
Interest	1,072,204	-	1,072,204
Difference between expected and actual experience	330,450	-	330,450
Contributions - employer	-	308,280	(308,280)
Net investment income	-	2,108,360	(2,108,360)
Benefit payments, including refunds	(839,514)	(839,514)	-
Administrative expense	-	(10,670)	10,670
Other	-	730,593	(730,593)
Net Changes	<u>852,923</u>	<u>2,297,049</u>	<u>(1,444,126)</u>
Balances at June 30, 2018	<u>\$ 15,911,998</u>	<u>18,577,254</u>	<u>(2,665,256)</u>

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability (asset)	\$ (468,948)	(2,665,256)	(4,474,410)

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

For the year ended June 30, 2018, the City recognized negative pension expense of \$521,878. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 256,425	(529,222)	(272,797)
Assumption changes	245,015	-	245,015
Net difference between projected and actual earnings on pension plan investments	-	(496,024)	(496,024)
Total	\$ 501,440	(1,025,246)	(523,806)

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

**For The
Years Ending
June 30**

2019	\$ 44,256
2020	(112,032)
2021	(306,115)
2022	(149,915)
Total	\$ (523,806)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

Payable to the Pension Plan

Included in accounts payable, the City reported a payable of \$26,012 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

NOTE E - DEFINED CONTRIBUTION PLAN

The City has a defined contribution retirement plan funded through the Security Benefit Group of Companies. The plan was established by an ordinance of the Board of Aldermen through a plan agreement dated July 1, 2001. All full-time employees are eligible to participate in the plan after six months of service. Pursuant to the plan's provisions, the City is obligated to match 100% of the employee's contribution up to \$50 per month. Contributions are fully vested immediately. Contributions to the plan amounted to \$22,550 for the year ended June 30, 2018.

NOTE F - DEFERRED COMPENSATION PLAN

The City participates in a deferred compensation plan under Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan complies with Section 457 of the Internal Revenue Code and Trust provisions are incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements.

NOTE G - LONG-TERM LIABILITIES

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

	For The Year Ended June 30, 2018			Balance June 30 2018	Due Within One Year
	Balance June 30 2017	Additions	Reductions		
General obligation bonds	\$ 11,795,000	3,545,000	4,125,000	11,215,000	570,000
Plus - premium on bonds	572,539	158,564	77,243	653,860	-
Compounded interest	-	2,828	-	2,828	-
Compensated absences	147,113	188,617	172,332	163,398	147,058
Total	\$ 12,514,652	3,895,009	4,374,575	12,035,086	717,058

The compensated absences are generally liquidated by the General Fund. The general obligation bonds are liquidated by the Debt Service Fund.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM LIABILITIES (Continued)

General Obligation Bonds

In August 2009, the City issued \$5,500,000 in General Obligation Bonds (Series 2009) due in varying amounts through March 1, 2029 with interest at 2% to 4.375%. The Series 2009 Bonds were used for infrastructure improvements.

In March 2017, the City issued \$8,000,000 in General Obligation Bonds (Series 2017) due in varying amounts through March 1, 2037 with interest at 2% to 4%. The Series 2017 Bond will be used for street improvements. The balance outstanding at June 30, 2018 was \$7,715,000.

In December 2017, the City issued \$3,545,000 in General Obligation Bonds (Series 2017A) due in varying amounts through March 1, 2029 with interest rates at 2% to 3%. The Series 2017A Bonds consist of current serial bonds and capital appreciation bonds. These bonds refunded the 2009 General Obligation Bonds. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. This decreased the aggregated debt service payments by \$305,091 over 12 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$266,052. The balance outstanding at June 30, 2018 was \$3,500,000.

Aggregate maturities required on general obligation bonds are as follows:

For The Years Ending June 30	Principal	Interest	Total
2019	\$ 570,000	385,025	955,025
2020	585,000	373,625	958,625
2021	600,000	358,925	958,925
2022	615,000	340,925	955,925
2023	635,000	322,475	957,475
2024 - 2028	3,490,000	1,280,325	4,770,325
2029 - 2033	2,595,000	698,925	3,293,925
2034 - 2038	2,125,000	216,800	2,341,800
Total	<u>\$ 11,215,000</u>	<u>3,977,025</u>	<u>15,192,025</u>

NOTE H - INSURANCE

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a statewide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multi-line package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - INSURANCE (Continued)

City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30 annually.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE I - INTERFUND TRANSACTIONS

Due to/from other funds

Individual interfund assets and liabilities balances are as follows:

Receivable Fund	Payable Fund	June 30 2018
Capital Improvement Fund	General Fund	\$ 187,928
Debt Service Fund	General Fund	286,177
Nonmajor Fund	General Fund	69,978
Total		\$ 544,083

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Amounts are expected to be repaid during the next fiscal year.

Transfer in/out

Interfund transfers were used to move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them. Total transfers for the year ended June 30, 2018 amounted to \$30,339 which moved amounts from the Bond Fund to the Capital Improvement Fund.

NOTE J - RESTRICTED NET POSITION

The government-wide statement of net position reports \$4,968,427 of restricted net position, \$1,926,435 of which is restricted by enabling legislation.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE K - COMMITMENTS & CONTINGENCIES

The City is subject to various lawsuits. Although the outcome of these lawsuits is not presently determinable, the City believes the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE L - PRIOR PERIOD ADJUSTMENTS

The previously stated fund balance/net position have been restated as follows:

	Total Governmental Activities	General Fund
Fund balance/net position, June 30, 2017, as previously reported	\$ 8,361,994	1,091,974
Restatement for:		
Outstanding items on bank reconciliation	15,624	15,624
Fund Balance/Net Position, June 30, 2017, As Restated	\$ 8,377,618	1,107,598

NOTE M - SUBSEQUENT EVENT

On July 5, 2018, the City approved an agreement for engineering services for the Ashbrook and Cabot Drives road improvement project. Total estimated costs under this agreement are \$73,195. The City has an agreement with MODOT relating to this project where MODOT is responsible for 80% of the total costs of the project. The City is responsible for \$14,639 of the costs under the agreement.

On September 24, 2018, the City entered into an agreement for approximately \$209,800 for a park project. The City also ordered a pre-fabricated restroom facility for approximately \$179,000 for the project. The City has an agreement with the Municipal Park Grant Commission (the Commission) related to the project where the Commission is responsible for a significant amount of the costs.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,973,867	1,973,867	1,578,463	(395,404)
Proposition P	-	-	429,100	429,100
Real estate	106,748	106,748	135,440	28,692
Personal property	33,430	33,430	33,360	(70)
Motor vehicle	154,000	154,000	147,255	(6,745)
Railroad	30,747	30,747	75,945	45,198
Gasoline	342,804	342,804	290,771	(52,033)
Cigarette	36,000	36,000	24,974	(11,026)
Road and bridge	66,880	66,880	67,878	998
Total Taxes	<u>2,744,476</u>	<u>2,744,476</u>	<u>2,783,186</u>	<u>38,710</u>
Gross Receipts Taxes				
Utilities	1,323,564	1,323,564	1,256,210	(67,354)
Cable	102,877	102,877	97,134	(5,743)
Total Gross Receipts Taxes	<u>1,426,441</u>	<u>1,426,441</u>	<u>1,353,344</u>	<u>(73,097)</u>
Licenses				
Merchants	32,000	32,000	46,685	14,685
Liquor	1,600	1,600	673	(927)
Occupational	5,000	5,000	3,403	(1,597)
Manufacturers	4,000	4,000	4,299	299
Dog tags	360	360	112	(248)
Total Licenses	<u>42,960</u>	<u>42,960</u>	<u>55,172</u>	<u>12,212</u>
Permits and Inspections				
Building permits	43,900	43,900	50,022	6,122
Inspections	21,000	21,000	17,520	(3,480)
Total Permits And Inspections	<u>64,900</u>	<u>64,900</u>	<u>67,542</u>	<u>2,642</u>
Charges for Services				
Recreation programs	118,300	118,300	105,215	(13,085)
Meeting room rental	11,500	11,500	12,744	1,244
Snack bar	10,000	10,000	7,898	(2,102)

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (Continued)				
Charges for Services (Continued)				
Special events	16,000	16,000	13,520	(2,480)
Other	3,000	3,000	1,423	(1,577)
Total Charges for Services	<u>158,800</u>	<u>158,800</u>	<u>140,800</u>	<u>(18,000)</u>
Fines and Forfeitures				
Court fines	276,250	276,250	122,451	(153,799)
Court costs	24,000	24,000	10,524	(13,476)
Bond forfeitures	2,650	2,650	600	(2,050)
Other	8,000	8,000	12,102	4,102
Total Fines And Forfeitures	<u>310,900</u>	<u>310,900</u>	<u>145,677</u>	<u>(165,223)</u>
Intergovernmental	<u>-</u>	<u>-</u>	<u>82,577</u>	<u>82,577</u>
Special Assessment	<u>-</u>	<u>-</u>	<u>4,010</u>	<u>4,010</u>
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>5,380</u>	<u>(4,620)</u>
Other	<u>12,000</u>	<u>12,000</u>	<u>17,347</u>	<u>5,347</u>
Total Revenues	<u>4,770,477</u>	<u>4,770,477</u>	<u>4,655,035</u>	<u>(115,442)</u>
EXPENDITURES				
Administration				
Personnel costs:				
Salaries	226,000	226,000	186,538	(39,462)
Payroll tax	15,820	15,820	14,159	(1,661)
Total Personnel Costs	<u>241,820</u>	<u>241,820</u>	<u>200,697</u>	<u>(41,123)</u>
Employee insurance	389,400	389,400	365,719	(23,681)
Pension contribution	109,909	109,909	123,987	14,078
Utilities	112,793	112,793	128,202	15,409
Postage	6,000	6,000	4,997	(1,003)
Election costs	2,400	7,102	7,102	-
Supplies	26,000	26,000	25,547	(453)
Accounting	21,000	21,000	20,005	(995)
Legal fees	75,000	82,370	83,800	1,430

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Administration (Continued)				
Insurance	18,595	18,595	19,677	1,082
Commission	6,000	6,000	2,590	(3,410)
Public notices	1,000	1,000	289	(711)
Office equipment maintenance	-	-	6	6
Advertising	2,500	2,500	3,992	1,492
Professional development	16,000	19,682	20,884	1,202
Miscellaneous	70,624	70,624	80,389	9,765
Total Administration	<u>1,099,041</u>	<u>1,114,795</u>	<u>1,087,883</u>	<u>(26,912)</u>
Building				
Personnel costs:				
Salaries	150,000	150,000	137,111	(12,889)
Payroll tax	11,475	11,475	10,107	(1,368)
Total Personnel Costs	<u>161,475</u>	<u>161,475</u>	<u>147,218</u>	<u>(14,257)</u>
Pension contribution	-	6,756	6,756	-
Insurance	12,841	12,841	16,050	3,209
Total Building	<u>174,316</u>	<u>181,072</u>	<u>170,024</u>	<u>(11,048)</u>
Police				
Personnel costs:				
Salaries	1,873,351	1,873,351	1,815,043	(58,308)
Payroll tax	141,016	141,016	120,048	(20,968)
Total Personnel Costs	<u>2,014,367</u>	<u>2,014,367</u>	<u>1,935,091</u>	<u>(79,276)</u>
Pension contribution	175,952	175,952	149,433	(26,519)
Insurance	151,671	151,671	133,140	(18,531)
Telephone	6,093	6,093	6,601	508
Uniforms	11,250	11,250	8,894	(2,356)
Office supplies	6,000	6,000	6,057	57
Miscellaneous	59,013	59,013	60,965	1,952
Prisoner detention	2,500	2,500	735	(1,765)
Equipment maintenance	19,800	19,800	29,349	9,549
Fuel	25,750	32,087	32,087	-
Dispatch	65,300	65,300	68,219	2,919
Service contract	29,743	29,743	40,157	10,414
Total Police	<u>2,567,439</u>	<u>2,573,776</u>	<u>2,470,728</u>	<u>(103,048)</u>

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	Budget		Actual	Over (Under) Budget
	Original	Final		
EXPENDITURES (Continued)				
Street				
Personnel costs:				
Salaries	108,800	108,800	40,787	(68,013)
Payroll tax	8,323	8,323	3,118	(5,205)
Total Personnel Costs	<u>117,123</u>	<u>117,123</u>	<u>43,905</u>	<u>(73,218)</u>
Pension contribution	-	-	9,711	9,711
Street lights	212,000	212,000	223,449	11,449
Fuel	30,000	34,894	34,894	-
Insurance	24,519	24,519	25,923	1,404
Miscellaneous	-	-	1,196	1,196
Telephone	3,000	3,000	1,703	(1,297)
Uniforms	2,000	2,000	1,957	(43)
Total Street	<u>388,642</u>	<u>393,536</u>	<u>342,738</u>	<u>(50,798)</u>
Court				
Personnel costs:				
Salaries	76,000	76,000	62,182	(13,818)
Payroll tax	5,814	5,814	4,685	(1,129)
Total Personnel Costs	<u>81,814</u>	<u>81,814</u>	<u>66,867</u>	<u>(14,947)</u>
Pension contribution	-	-	2,952	2,952
Rejis	10,400	10,400	-	(10,400)
Insurance	6,253	6,253	4,157	(2,096)
Prosecutor	-	-	425	425
Other	1,000	1,000	1,598	598
Total Court	<u>99,467</u>	<u>99,467</u>	<u>75,999</u>	<u>(23,468)</u>
Recreation Center				
Personnel costs:				
Salaries	360,000	415,891	396,822	(19,069)
Payroll tax	27,540	32,042	29,018	(3,024)
Total Personnel Costs	<u>387,540</u>	<u>447,933</u>	<u>425,840</u>	<u>(22,093)</u>
Pension contribution	-	11,472	11,472	-
Insurance	18,102	18,102	19,147	1,045
Telephone	4,000	4,000	3,421	(579)
Supplies	13,500	13,500	258	(13,242)

(Continued)

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Recreation Center (Continued)				
Snack bar	7,250	7,250	4,012	(3,238)
Special events	14,000	14,000	10,094	(3,906)
Recreational programs	20,000	20,000	26,904	6,904
Miscellaneous	18,300	18,300	14,490	(3,810)
Total Recreation Center	<u>482,692</u>	<u>554,557</u>	<u>515,638</u>	<u>(38,919)</u>
Total Expenditures	<u>4,811,597</u>	<u>4,917,203</u>	<u>4,663,010</u>	<u>(254,193)</u>
REVENUES UNDER EXPENDITURES	(41,120)	(146,726)	(7,975)	138,751
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	8,000	8,000
NET CHANGE IN FUND BALANCE	<u>\$ (41,120)</u>	<u>(146,726)</u>	25	<u>146,751</u>
FUND BALANCE, JULY 1, AS RESTATED			<u>1,107,598</u>	
FUND BALANCE, JUNE 30			<u>\$ 1,107,623</u>	

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 700,000	730,056	30,056
Investment income	3,000	5,400	2,400
Total Revenues	703,000	735,456	32,456
EXPENDITURES			
Administration	26,000	26,048	48
Police	16,325	21,926	5,601
Police - capital outlay	-	19,500	19,500
Street	269,847	268,237	(1,610)
Street - capital outlay	-	10,158	10,158
Recreation center	220,923	145,438	(75,485)
Recreation center - capital outlay	160,000	22,277	(137,723)
Total Expenditures	693,095	513,584	(179,511)
REVENUES OVER EXPENDITURES	9,905	221,872	211,967
OTHER FINANCING SOURCES			
Insurance recoveries	-	13,423	13,423
Transfer in	-	30,339	30,339
Total Other Financing Sources	-	43,762	43,762
NET CHANGE IN FUND BALANCE	\$ 9,905	265,634	255,729
FUND BALANCE, JULY 1		1,144,424	
FUND BALANCE, JUNE 30		\$ 1,410,058	

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

Budgets and Budgetary Accounting

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

- a. Prior to July 1, the Mayor presents to the Board of Aldermen a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Annually, the budget is approved and adopted by ordinance by the Board of Aldermen.
- c. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America, except for grant revenue is netted against capital street projects in the Capital Improvements Fund and certain reimbursements of salaries are netted against expense in the Police Department. (This amounted to \$311,779 and \$18,742, respectively, for the fiscal year ended June 30, 2018.) Budgets are not adopted for the Bond Fund or for the refunding of general obligation bonds. Expenditures may not legally exceed budgeted appropriations at the department level.
- d. The current year budget may include supplemental appropriations. An ordinance from the Board of Aldermen is required to amend budgeted amounts.
- e. Annual appropriated budgets are adopted for all governmental funds.

Expenditures

For the year ended June 30, 2018, expenditures exceeded appropriations as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Debt Service Fund	\$ 550,326	979,959	429,633

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 289,783	297,751	304,610	299,417
Interest on the total pension liability	1,072,204	1,085,812	1,016,170	985,396
Difference between expected and actual experience	330,450	(759,657)	(245,736)	(178,919)
Changes of assumptions	-	-	630,704	-
Benefit payments, including refunds	<u>(839,514)</u>	<u>(776,977)</u>	<u>(707,823)</u>	<u>(660,933)</u>
Net Change In Total Pension Liability	852,923	(153,071)	997,925	444,961
Total Pension Liability Beginning	<u>15,059,075</u>	<u>15,212,146</u>	<u>14,214,221</u>	<u>13,769,260</u>
Total Pension Liability Ending (a)	<u>\$ 15,911,998</u>	<u>15,059,075</u>	<u>15,212,146</u>	<u>14,214,221</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 308,280	294,285	316,774	331,332
Net investment income	2,108,360	1,723,360	(28,528)	300,876
Benefit payments, including refunds	(839,514)	(776,977)	(707,823)	(660,933)
Administrative expense	(10,670)	(10,535)	(11,104)	(12,024)
Other changes	<u>730,593</u>	<u>(294,418)</u>	<u>169,296</u>	<u>72,282</u>
Net Change In Plan Fiduciary Net Position	2,297,049	935,715	(261,385)	31,533
Plan Fiduciary Net Position Beginning	<u>16,280,205</u>	<u>15,344,490</u>	<u>15,605,875</u>	<u>15,574,342</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 18,577,254</u>	<u>16,280,205</u>	<u>15,344,490</u>	<u>15,605,875</u>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ (2,665,256)</u>	<u>(1,221,130)</u>	<u>(132,344)</u>	<u>(1,391,654)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.75 %	108.11	100.87	109.79
Covered Payroll (for February 28/29 Valuation)	\$ 2,390,313	2,391,504	2,483,202	2,591,495
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(111.50) %	(51.06)	(5.33)	(53.70)

Note: Information is not available for fiscal years prior to 2015.

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined pension contribution	\$ 311,453	294,286	346,821	372,050	386,155	391,991	375,833	365,714	251,841	212,727
Contributions in relation to the actuarially determined contribution	308,280	294,285	316,774	331,332	307,876	290,445	264,857	234,763	202,779	174,459
Contribution Deficiency	<u>\$ 3,173</u>	<u>1</u>	<u>30,047</u>	<u>40,718</u>	<u>78,279</u>	<u>101,546</u>	<u>110,976</u>	<u>130,951</u>	<u>49,062</u>	<u>38,268</u>
Covered Payroll	\$ 2,431,370	2,384,722	2,544,802	2,571,924	2,501,379	2,572,955	2,573,953	2,522,163	2,439,834	2,382,022
Contributions as a Percentage of Covered Payroll	12.68 %	12.34	12.45	12.88	12.31	11.29	10.29	9.31	8.31	7.32

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

Entry age normal and modified terminal funding
A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period
Asset valuation method
Inflation
Salary increases
Investment rate of return
Retirement age
Mortality

Multiple bases from 13 to 15 years
5 years smoothed market; 20% corridor
3.25% wage inflation; 2.50% price inflation
3.25% to 6.55% including wage inflation
7.25%, net of investment expenses
Experience-based table of rates that are specific to the type of eligibility condition
The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

New assumptions adopted in 2016 were based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.
There were no benefit changes during the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes:			
Real estate	\$ 500,000	737,542	237,542
Personal property	95,000	182,761	87,761
Total Taxes	<u>595,000</u>	<u>920,303</u>	<u>325,303</u>
Investment income	650	1,753	1,103
Other	-	2,919	2,919
Total Revenues	<u>595,650</u>	<u>924,975</u>	<u>329,325</u>
EXPENDITURES			
Principal	250,000	580,000	330,000
Interest	300,326	399,959	99,633
Total Expenditures	<u>550,326</u>	<u>979,959</u>	<u>429,633</u>
NET CHANGE IN FUND BALANCE	<u>\$ 45,324</u>	(54,984)	<u>(100,308)</u>
FUND BALANCE, JULY 1		<u>741,434</u>	
FUND BALANCE, JUNE 30		<u>\$ 686,450</u>	

CITY OF BELLEFONTAINE NEIGHBORS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 180,000	123,573	(56,427)
Investment income	150	473	323
Total Revenues	180,150	124,046	(56,104)
EXPENDITURES			
Sewer lateral	89,750	89,015	(735)
NET CHANGE IN FUND BALANCE	\$ 90,400	35,031	(55,369)
FUND BALANCE, JULY 1		190,864	
FUND BALANCE, JUNE 30		\$ 225,895	