



Audit Committee

Committee Meeting

~ Agenda ~

300 N New Ballas Rd
Creve Coeur, MO 63141
www.creve-coeur.org/

Tracy Brothers
3144422070

Wednesday, December 5, 2018

10:00 AM

Administrative Conference Room

I. Call to Order 10:04

Attendee Name	Present	Absent	Late	Arrived
Chairperson Ellen Lawrence	☐	☐	☐	
Councilman Robert Hoffman	☐	☐	☐	
Councilman Charlotte D'Alfonso	☐	☐	☐	
Board Member Ronald Abeles	☐	☐	☐	
Vice-Chair Marjorie Richter	☐	☐	☐	

II. Approve Agenda Bob Mary

III. Approve Minutes Bob Mary

Wednesday, August 29, 2018

IV. Old Business

V. New Business

CAFR-Draft

Report on Internal Controls

Report to Audit Committee

VI. Adjournment



Audit Committee

Committee Meeting

~ Minutes ~

300 N New Ballas Rd
Creve Coeur, MO 63141
www.creve-coeur.org/

Tracy Brothers
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Wednesday, August 29, 2018

10:00 AM

Administrative Conference Room

I. Call to Order

Ellen Lawrence	Chairperson	
Robert Hoffman	Councilman	
Charlotte D'Alfonso	Councilman	
Ronald Abeles	Board Member	(Absent)
Marjorie Richter	Vice-Chair	
Lori Obermoeller	Director of Finance	
Tracy Brothers	Finance Clerk	
James Torti	Auditor	

II. Approve Minutes

Monday, November 13, 2017

III. New Business

Motion To: Elect Chair and Vice Chair

COMMENTS - Current Meeting:

Mr. Hoffman nominated Ms. Lawrence for Chair. Ms. D'Alfonso seconded the nomination with all present voting aye.

Ms. Lawrence nominated Ms. Richter for Vice Chair. Mr. Hoffman seconded the nomination with all present voting aye.

RESULT:	APPROVED [UNANIMOUS]
AYES:	Ellen Lawrence, Robert Hoffman, Charlotte D'Alfonso, Marjorie Richter
ABSENT:	Ronald Abeles

FY17 Audit Comments

COMMENTS - Current Meeting:

The Committee discussed the Audit comments from FY17. Ms. Obermoeller stated all comments were resolved except for the risk assessment. The Auditors requested the City put together a risk assessment. Staff has not completed the task but will have it completed for FY19. The new software will resolve some of the risk issues concerning internal controls.

Minutes Acceptance: Minutes of Aug 29, 2018 10:00 AM (Approve Minutes)

The current FY18 comments included;

- Balances in the liability accounts. The funds included donations, contributions to projects or programs the City had in place years ago and the funds were left in the accounts. The account balances have been transferred to miscellaneous revenue.
- Computer controls-user access and security in the City's software. This will be resolved in the new software. The new software has the capability to limit user access based on position.
- Risk assessment is still in progress and will be completed in FY19.

Pre-Audit Discussion

Mr. Torti, from Schowalter & Jabouri discussed and reviewed with the Committee the scope, timeline, review of process of the audit. Also, discussed the area of audit emphasis, fraud considerations, and new and emerging accounting pronouncements that will effect the City.

Committee members suggested having signs at windows that took cash in stating "No receipt purchase is free" to help deter employees from not ringing the cash transactions and committing fraud.

City Staff left the meeting to allow the Committee to discuss with the auditor any concerns of fraud they might have with current staff.

IV. Other Business

V. Adjournment

Motion To: Motion to Adjourn

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Marjorie Richter, Vice-Chair
SECONDER:	Robert Hoffman, Councilman
AYES:	Ellen Lawrence, Robert Hoffman, Charlotte D'Alfonso, Marjorie Richter
ABSENT:	Ronald Abeles

Minutes Acceptance: Minutes of Aug 29, 2018 10:00 AM (Approve Minutes)

CITY OF CREVE COEUR, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

*Report prepared and submitted by the
Finance Department*

*Mark C. Perkins, City Administrator
and
Lori Obermoeller, Director of Finance*

Communication: CAFR-Draft (New Business)

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Introductory Section

December 10, 2018

To the Honorable Mayor, Members of the
City Council, and Citizens of Creve Coeur,
Missouri:

The Comprehensive Annual Financial Report of the City of Creve Coeur, Missouri (the City) for the fiscal year ended June 30, 2018 is hereby submitted for your review. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Accounting principles generally accepted in the United States of America (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the analysis. The City's MD&A can be found immediately following the independent auditor's report.

The City provides a wide range of services including: police protection, street maintenance, limb chipping and leaf pick-up programs, capital improvements, planning and zoning, building permit issuance and inspection, code enforcement, health and sanitation (including recycling), and cultural and recreational services.

The City is an independent reporting entity clearly within the criteria established by the Governmental Accounting Standards Board.

CITY OF CREVE COEUR, MISSOURI

The City is located in St. Louis County approximately 15 miles west of downtown St. Louis. It is the home of the Monsanto Corporation, the Donald Danforth Plant Science Center, Missouri Baptist University, and two of the area's largest medical centers. Initially a farming community, the City has developed into a thriving community in central St. Louis County with beautiful neighborhoods, 100 acres of parkland, and one of the most dynamic business centers in the region.

Communication: CAFR-Draft (New Business)

The City was one of many unincorporated communities that grew along Olive Street Road. Its name, which means "broken heart" in French, comes from nearby Creve Coeur Lake. When the City was incorporated in December 1949, less than one square mile housed a population of 1,875. Today, the population of the City is 18,072, spanning 11.4 square miles with 7,800 housing units.

The City is a home rule municipal corporation operating under its own charter. The City operates under the City Administrator form of government. The City Council consists of eight members, two representatives for each of the City's four wards. Each council member is elected to a two-year term. The Mayor is elected for a term of three years. The Mayor with concurrence of the City Council appoints the City Administrator who oversees the daily operations of the City. The City Administrator appoints all department directors of the City with City Council approval.

FINANCIAL INFORMATION

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance that assets are effectively safeguarded and those transactions are executed in accordance with management's authorization and are properly recorded. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits require estimates and judgments by management. Within this framework, we believe that the City's system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgeting Controls: Missouri State Law and the City Charter require annual budgets be prepared for the General and Capital Projects Funds. In addition, the City Charter requires the annual preparation of a five-year Capital Improvement Program with the proposed capital expenditures for the ensuing fiscal year, be incorporated into the annual operating budget. Budgetary control is maintained by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Appropriations lapse at year-end to the extent that they have not been expended; however, encumbrances generally are re-appropriated as part of the following year's budget. The City Council exercises control over budgeted expenditures throughout the fiscal year. The City Administrator may make appropriation transfers within the operating expenditures and capital outlays of each department.

ECONOMIC DEVELOPMENT ACTIVITIES

Substantial economic growth continued to occur in the City in Fiscal Year 2018. Some of the larger developments approved or constructed in Fiscal Year 2018 included:

1. The Vue Apartment Community, a 175 unit complex located on Old Olive Road, partially occupied, remaining areas under construction.
2. Replacement hospital and attached medical office building for Barnes Jewish West County Hospital, 12634 Olive Boulevard, under construction.
3. Mercy Outpatient Facility—Mercy Hospital South Campus Expansion, 12120 Conway Road, approved.
4. Mobil on the Run and Briteworx Car Wash, 11109 Olive Boulevard, approved.
5. Lou Fusz Mazda façade renovations and site improvements, 925 N Lindbergh Blvd., under construction.
6. 9-Lot subdivision (at Ladue and Ballas) – Santino Court, under construction.

7. Amendments to the City's Sign Code to allow for larger monument signs based upon size of site and number of tenants within the building as requested by commercial property owners, approved.

All of this development within the City reflects its continued economic viability even during difficult times. The City, with its emphasis in medical services (two major hospitals), agtech, and technology, is well prepared for the future.

MAJOR INITIATIVES

During Fiscal Year 2018 the City undertook or continued several major initiatives, including:

1. Began implementing key objectives of the 39 North Master Plan in partnership with St. Louis County and the St. Louis Economic Development Partnership, including the Old Olive Street Corridor Great Streets Design Plan; the Olive/Lindbergh Interchange Reconfiguration; 39 North Greenway Study and District Branding and Marketing.
2. Began construction of a new Police Building located on the Government Center Property.
3. Partnered with MoDOT to enhance traffic signal on Lindbergh and Olive. Upgrades include black powdercoat on poles and mast arms as well as installing illuminated street name signs.
4. Completed the installation of a new HVAC system at the Dielmann Center.
5. Contracted with a consultant to design the Emerson Road Rehabilitation project (STP Grant Project).
6. Completed the emergency structural repairs of a roof beam over the ice rink at the Dielmann Complex.
7. Completed construction of the Warson Road Overlay and Sidewalk Replacement Project (STP Grant Project).
8. Completed Phase 1 of the Ladue Estates Renovation Project which included the replacement of all curbing and selective base pavement slab replacement, as well as a 2" asphalt overlay on East Ladue Estates.
9. Constructed several emergency repairs on the Glycol loop for the HVAC system at the Government Center.
10. Removed over 250 Ash trees through our Emerald Ash Borer removal program. Replaced approximately 60 Ash trees on New Ballas Medians with a mixture of trees from our diversified street tree list.
11. Constructed the annual asphalt, micro-surface, concrete, and sidewalk programs.
12. Secured an STP Grant for the renovation of Mosley Road and Sidewalk.
13. Began the design for Fernview overlay (STP Grant Project).
14. Completed the design of the North New Ballas Road Sidewalk-West side of Ballas between Ladue and De Smet High School (TAP Grant Project).

LONG-TERM FINANCIAL PLANNING

Like other local governments, Creve Coeur is facing subdued revenue growth, while the costs to the City are rising faster than the revenues. Revenues for Fiscal Year 2018 were up slightly from the previous year mainly due to an increase in utility taxes, but also due to an increase in licenses and permits. While there was an increase in revenues, and revenues outperformed expenditures, the unexpected transfer out of the General Fund into the Capital Fund for the emergency repair to Ladue Road caused a decrease in fund balance for the General Fund. If the costs of maintaining services continue to rise faster than revenues, Creve Coeur's General Fund reserve balance will eventually fall below the City's reserve policy of maintaining at least four months of the previous two years' average expenditures within 5 years.

In FY 2016, the City dedicated \$2 million in General Fund reserves for future facility needs and in FY 2017, the City dedicated \$1 million in General Fund reserves for future street improvements. \$800,000 of the future street improvement funds were used in FY2018 for an emergency repair on Ladue Road, leaving \$200,000 in General Fund reserves for future unidentified street improvements.

In April 2017, the City issued a \$10,635,000 General Obligation Bond to fund the new Police Building and to renovate part of the existing City Hall. Also, passed in April 2017, was a ½ cent County-Wide Public Safety Sales Tax, which will generate about \$850,000 per year for the City of Creve Coeur. The City developed a proposed policy for use of these funds, which includes 60% of the new revenue going towards police operating costs, 15% going to capital expenditures for public safety, 15% going to maintain the new police building and 10% reserved for police pension liability.

While the City recently increased its Municipal Utility Tax Rate from 5.5% to 7% for Residential Electric and increased all Commercial Utility Tax Rates from 7% to 8%, additional measures are needed to address the trends of stagnant revenue and increasing expenditures over the long-term. A Finance Task Force was created by the City Council in FY2019 to further study this issue. Staff is also continuously pursuing grant funding options. In addition, the City will continue to join purchasing programs through the National, State, County and Local Government Cooperative Purchasing Agreements.

The City completed its triennial citizen survey in FY 2018 to provide a better understanding of the levels of satisfaction with existing municipal services and to assist in establishing priorities for the next few years.

In FY 2019, the City will develop a parks master plan. The parks master plan will consist of a review and inventory of the City's parks, facilities, trails, green space and parking infrastructure. It will also look into current and trending demographics for future residential and community needs. Identification of future capital projects, costs and funding sources are also a part of this study.

The City's purchasing and investment policy were both updated in FY2019. The purchasing policy increased the purchase order limit from \$750 to \$1,500, increased the City Administrator's approval from \$5,000 to \$7,500, and increased the Council's approval from \$20,000 to \$25,000. The investment policy changes were minor wording changes. The investment policy strives to earn the highest possible rate of return on invested funds without sacrificing either safety or liquidity. All deposits are secured by the Federal Deposit Insurance Corporation and pledged securities. The securities pledged satisfy the requirements established under current state statutes for political subdivisions.

The City maintains a Defined Benefit (DB) Pension Trust Fund for full-time employees hired before June 1, 2006. Funding is determined annually by an independent actuary. The City has made structural changes in the plan's available benefits, initiated required employee contributions, and increased employer funding above annual required contributions to improve the funded status over time. The Pension Board decreased the interest earnings assumption from 7% to 6.75% beginning FY 2018.

All employees hired after June 1, 2006, participated in the City's Defined Contribution (DC) Plan until August 1, 2017, when the City joined the Missouri Local Government Employees Retirement System (LAGERS). All employees hired since June 2006 and new hires are enrolled in LAGERS.

INDEPENDENT AUDIT

State Statutes and the City Charter requires an annual audit of the books, financial records, and transactions that comprise all funds of the City by an independent Certified Public Accountant selected by the City Council. The external auditors met with the City's Audit Committee at the start of the field work and at the conclusion of the fieldwork. The Audit Committee met together and privately with the external auditors and management to ensure review and oversight. The auditor's report on the basic financial statements is included in the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive financial report for the fiscal year ended June 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such a comprehensive annual financial report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

ACKNOWLEDGEMENTS

This report would not be possible without the assistance of the entire administrative staff of the City. We want to especially acknowledge the dedicated services of the staff of the Finance Department and Administrative Services Department. These staff personnel were key components in establishing the City's accounting systems. In addition, we would like to thank our auditors, Schowalter & Jabouri, for their help in formulating this report.

Finally, we wish to extend our sincere gratitude to the Mayor, Members of the City Council, and Finance Committee for their leadership and support, without which the preparation of this comprehensive report would not be possible.

Respectfully submitted,

Mark Perkins
City Administrator

Lori Obermoeller
Director of Finance

CITY OF CREVE COEUR, MISSOURI

CITY OFFICIALS

MAYOR

Barry L. Glantz

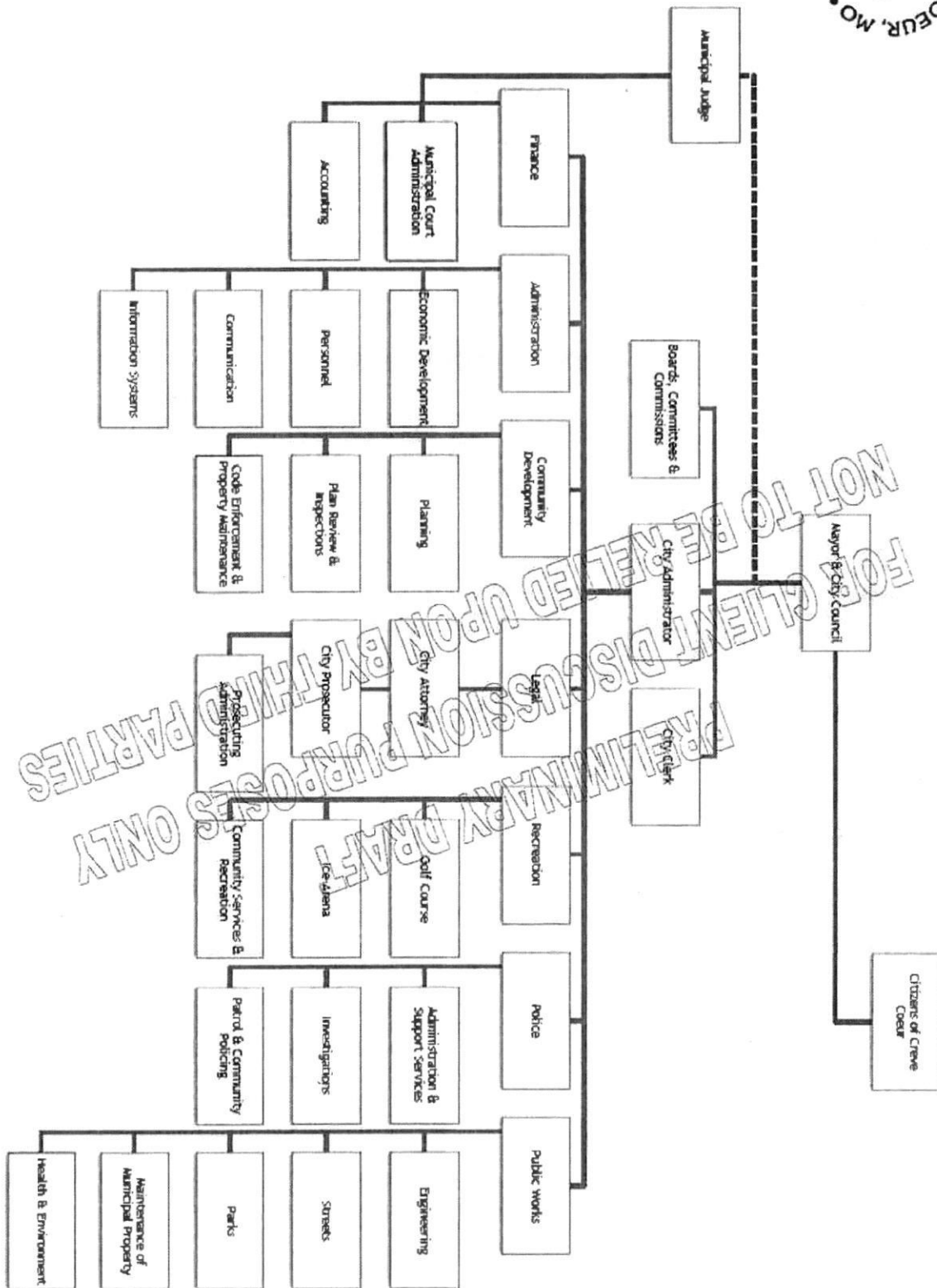
CITY COUNCIL

Ward I	Heather Silverman	Alexis Travers
Ward II	A. James Wang	Ellen Lawrence
Ward III	Charlotte D'Alfonso	Robert Hoffman
Ward IV	Scott Saunders	Sue Baseley

ADMINISTRATIVE STAFF

City Administrator	Mark C. Perkins
Assistant to the City Administrator	Sharon Stott
City Attorney	Carl Lumley
Municipal Judge	Timothy Engelmeyer
City Clerk	Deborah Ryan
Chief of Police	Glenn Eidman
Director of Finance	Lori Obermoeller
Director of Public Works	James Heines
Planning Director	Jason Jaggi
Recreation Director	Jason Valvero

Communication: CAFR-Draft (New Business)





Government Finance Officers Association

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

Presented to

**City of Creve Coeur
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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Communication: CAFR-Draft (New Business)

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Financial Section

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council
City of Creve Coeur, Missouri

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Creve Coeur, 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.

Auditors' 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 auditors' 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.

Communication: CAFR-Draft (New Business)

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

Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the City adopted new accounting guidance, GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." Our opinion is not modified with respect to this matter.

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, introductory, and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental 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.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated (date) 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 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.

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St. Louis, Missouri
(date)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

As management of the City of Creve Coeur, Missouri (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information that we have furnished in our letter of transmittal at the front of this report along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A).

Financial Highlights

- On a government-wide basis the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$57,198,138. The City has unrestricted net position totaling \$7,482,058, which can be used to fund the City's functions/ programs.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,358,550, a decrease of \$905,179 in comparison with the prior year. Approximately 50.8% of this total amount, \$13,890,502, is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,890,502 or 95% of total General Fund expenditures, a slight decrease in comparison with the prior year unassigned fund balance.
- On a government-wide basis, the City's total liabilities increased by \$3,775,478 or 20% during the current fiscal year. The increase resulted from the implementation of GASB Statement No. 75, as described in Note 1.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's 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 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.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

CITY OF CREVE COEUR, MISSOURI

Management's Discussion and Analysis (continued)

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, parks and recreation, judicial, planning, public works, public safety, and community development. The City operates business-like activities at the Ice Arena and Municipal Golf Course.

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 three categories: governmental funds, proprietary funds, and fiduciary 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, governmental funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable 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 City'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 and Capital Improvement Fund, which are considered to be major funds. Data from the other governmental fund is presented as "Lateral Sewer Fund – Nonmajor."

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

Proprietary Funds

The City maintains Enterprise Funds to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for the operations at its Ice Arena and Municipal Golf Course.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

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Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. 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 accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

Notes to the Basic Financial Statements

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

Required Supplemental Information

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

Other Supplemental Information

The individual fund statements and other supplemental information are presented immediately following the required supplemental information.

Government-wide Financial Analysis - Financial Analysis of the City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$57,198,138 at the close of the most recent fiscal year.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, park facilities, machinery and equipment, and infrastructure), 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 used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF CREVE COEUR, MISSOURI

Management's Discussion and Analysis (continued)

The City's condensed statement of net position as compared to the prior year is as follows:

**Statement of Net Position
June 30, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2018	2017	2018	2017	2018	2017	2017-2018
ASSETS							
Current and Other Assets	\$ 28,461,821	\$ 29,271,764	\$ 216,119	\$ 226,567	\$ 28,677,940	\$ 29,498,331	-3%
Capital Assets, Net	47,151,519	47,973,451	3,343,764	3,420,324	50,495,283	51,393,775	-2%
Total Assets	75,613,340	77,245,215	3,559,883	3,646,891	79,173,223	80,892,106	-2%
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amounts Related to Pensions	464,305	460,600			464,305	460,600	1%
LIABILITIES							
Long-Term Liabilities	21,079,120	17,505,149	13,765	13,724	21,092,885	17,518,873	20%
Other Liabilities	1,086,872	894,042	76,516	67,880	1,163,388	961,922	21%
Total Liabilities	22,165,992	18,399,191	90,281	81,604	22,256,273	18,480,795	20%
DEFERRED INFLOWS OF RESOURCES							
Deferred Amounts Related to Pensions and OPEB	183,117	148,163	-	-	183,117	148,163	24%
NET POSITION							
Net Investment in Capital Assets	45,380,008	47,597,255	3,343,764	3,420,324	48,723,772	51,017,579	-4%
Restricted	992,308	56,916	-	-	992,308	56,916	1643%
Unrestricted	7,356,220	11,504,290	125,838	144,963	7,482,058	11,649,253	-36%
Total Net Position	\$ 53,728,536	\$ 59,158,461	\$ 3,469,602	\$ 3,565,287	\$ 57,198,138	\$ 62,723,748	-9%

The City's net position on an entity-wide basis decreased during the current fiscal year ending June 30, 2018. The City's net position has improved 10 of the last 13 years. The significant increase in liabilities and deferred outflows relates to the debt for the General Obligation Bond for the Police Building and renovation of the existing City Hall, as well as the increase in pension liabilities from a couple of years ago primarily resulting from not meeting the projected investment earnings in the Pension Fund and the inclusion on the financial statements of the Statement of Net Position. In addition, GASB Statement No. 75 had a significant impact on liabilities. Current liabilities also increased during the current fiscal year ended June 30, 2018 by \$201,466.

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CITY OF CREVE COEUR, MISSOURI

Management's Discussion and Analysis (continued)

The City's condensed statement of activities as compared to the prior year is as follows:

**Statement of Activities
For the Fiscal Years Ended June 30, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2018	2017	2018	2017	2018	2017	2017-2018
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,931,112	\$ 1,856,223	\$ 1,054,880	\$ 1,228,705	\$ 2,985,992	\$ 3,084,928	-3%
Operating Grants and Contributions	1,789,780	1,753,857	-	-	1,789,780	1,753,857	2%
Capital Grants and Contributions	611,433	662,851	-	-	611,433	662,851	-8%
General Revenues:							
Taxes	15,175,485	13,349,464			15,175,485	13,349,464	14%
Investment Income	256,808	165,081	39	115	256,847	165,196	55%
Miscellaneous	208,221	156,093			208,221	156,093	33%
Gain on Sale of Capital Assets	22,917	50,307			22,917	50,307	-54%
Total Revenues	19,995,756	17,993,876	1,054,919	1,228,820	21,050,675	19,222,696	10%
Expenses:							
General Government	4,414,064	3,847,788	-	-	4,414,064	3,847,788	15%
Public Safety	8,062,364	7,294,707	-	-	8,062,364	7,294,707	11%
Public Works	7,801,003	6,565,453	-	-	7,801,003	6,565,453	19%
Community Development	1,593,856	1,435,456	-	-	1,593,856	1,435,456	11%
Interest on Long-term Debt	288,622	193,508	-	-	288,622	193,508	49%
Recreation Center	-	-	1,355,119	1,363,639	1,355,119	1,363,639	-1%
Total Expenses	22,159,909	19,336,912	1,355,119	1,363,639	23,515,028	20,700,551	14%
Income (Loss) in Net Position Before Transfers	(2,164,153)	(1,343,036)	(300,200)	(134,819)	(2,464,353)	(1,477,855)	67%
Transfers	(204,515)	(232,120)	204,515	232,120	-	-	0%
Change in Net Position	(2,368,668)	(1,575,156)	(95,685)	97,301	(2,464,353)	(1,477,855)	67%
Net Position, July 1	59,158,461	60,733,617	3,565,287	3,467,986	62,723,748	64,201,603	-2%
Prior Period Adjustment	(3,061,257)	-	-	-	(3,061,257)	-	100%
Net Position, June 30	\$ 53,728,536	\$ 59,158,461	\$ 3,469,602	\$ 3,565,287	\$ 57,198,138	\$ 62,723,748	-9%

Significant Changes in Fund Net Position

Governmental activities experienced a \$2,164,153 loss in net position before transfers as a result of increased expenses due to the implementation of GASB Statement No. 75 as discussed in Note 1. Revenues changed significantly in the following areas:

1. Property and Sales tax revenue increased by \$1,826,021 or 14% in 2018. Most of this increase is a result of the new Public Safety Sales Tax which began October 1, 2017.

CITY OF CREVE COEUR, MISSOURI

Management's Discussion and Analysis (continued)

2. Public utility license taxes increased by \$392,918 or 7% primarily due to a one-time electric lawsuit settlement of approximately \$180,000. While electric, water and gas utility revenues have increased slightly, telephone revenues continue to decrease.
3. Fines, forfeitures and charges for services decreased \$67,866 mainly due to a decrease in traffic violations.
4. Investment income increased primarily because there were more assets available to invest.

Expenses changed significantly in the following areas:

1. General Government – Increased \$566,276 or 15% due to the golf course cart path replacement project and an increase in LAGERS obligation.
2. Public Safety – Expenses increased \$767,657 or 11% in 2018 mainly due to expenditures for the new police building.
3. Public Works – Expenses increased \$1,235,550 or 19% in 2018 mainly as a result of the emergency Ladue Road project, and an increase in LAGERS obligation.
4. Community Development – Increased \$158,400 or 11% primarily due to the LAGERS Pension obligation.

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year 2018, the unassigned fund balance of the General Fund was \$13,890,502 while the total fund balance was \$15,739,590. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 88% of total General Fund current expenditures and transfers out of \$15,836,285 while total fund balance represents 99%.

The fund balance in the City's General Fund decreased by \$298,860 or 1.9% from the prior year fund balance. The change of the current year's fund balances was primarily due to:

- There was an unexpected transfer out of \$800,000 for the emergency repair of Ladue Road.

Management's Discussion and Analysis (continued)

Changes in fund balances for the other governmental funds can be described as follows:

- The fund balance for the Capital Improvement Fund increased \$184,111. This was primarily due to the transfer in of \$1.2M, of which \$800,000 was for the emergency Ladue Road project.
- The Police Building Fund was created at the end of FY 2017, so very little had been spent last fiscal year. However, in FY 2018, the fund balance decreased by \$1,725,822 due to the start of the construction costs.
- Nonmajor funds now includes the Sewer Lateral Fund, the Debt Fund and the Public Safety Sales Tax Fund. The Debt Fund is new and is for the new Police Building being constructed. Its fund balance is \$258,532. The Public Safety Sales Tax Fund is also new with sales tax collection beginning October 1, 2017. The fund balance of the Public Safety Sales Tax fund is \$632,659. The Sewer Lateral Fund increased \$44,201 due to a decrease in expenditures. This decrease is in part due to the City Council lowering the reimbursement percentage from 80% to 50% on January 1, 2017.

Proprietary Funds

The City maintains an Enterprise Fund to reflect the operations at its Municipal Golf Course and Ice Arena. For 2018, the Enterprise Fund sustained an operating loss of \$306,484 including depreciation of \$294,322. Operating expenditures without depreciation of \$1,067,042 were slightly over operating revenues of \$1,054,880. Operating revenues decreased at the Ice Arena, the Snack Bar and the Golf Course. There were no increases in revenue over last year.

Overall operating expenses increased due to an increase in operating costs at the Golf Course and the Snack Bar. The Golf Course increased due to sewer expenditures now being allocated correctly to Golf where before we did not know the exact amount that should go to Golf. However, operating costs have decreased at the Ice Arena due to no major operating repair costs occurring in FY 2018 as they did in FY 2017.

Fiduciary Funds

The City maintains Agency and Pension Trust Funds for monies received and held for the benefit of others for the following purposes:

- Bond deposits held to ensure a defendant's appearance in court.
- Employees' pension and retirement fund.
- Collection and release of monies in connection with various permits issued for construction projects.
- Collection and release of monies in connection with the transportation development district sales tax.

During fiscal year ended June 30, 2018, assets increased \$1,977,679 (to \$28,124,060) from fiscal year ended 2017. During the same period, the liabilities increased \$497,960 (to \$2,394,239). The assets and liabilities of the Agency Funds both increased by \$497,960 (to \$2,394,239). This increase in the Agency Funds is custodial and does not affect the City's operations. The Pension Trust Fund's net position (assets held in trust for pension benefits) increased \$1,479,719 (to \$25,729,821).

CITY OF CREVE COEUR, MISSOURI

Management's Discussion and Analysis (continued)

Capital Assets

At June 30, 2018, the City has invested \$103,949,028 in a broad range of capital assets, including land, buildings, park facilities, machinery and equipment, and infrastructure which has been depreciated by \$53,453,745. This amount represents a net decrease in capital assets for the current fiscal year (additions and deductions) of \$898,492. Depreciation expense for the year ended June 30, 2018 amounted to \$3,507,236.

**Capital Assets, Net of Depreciation
June 30, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 8,311,027	\$ 8,311,027	\$ 637,500	\$ 637,500	\$ 8,948,527	\$ 8,948,527
Right of way	157,602	157,602	-	-	157,602	157,602
Buildings and Improvements	5,460,227	5,872,056	2,526,981	2,646,599	7,987,208	8,518,655
Equipment, Furniture, and Fixtures	599,608	592,494	172,238	129,180	771,846	721,674
Vehicles	646,154	629,971	-	-	646,154	629,971
Infrastructure (including Construction in Progress)	31,976,901	32,410,301	7,045	7,045	31,983,946	32,417,346
Total	\$ 47,151,519	\$ 47,973,451	\$ 3,343,764	\$ 3,420,324	\$ 50,495,283	\$ 51,393,775

Additional information on the City's capital assets can be found in Note 7 in the notes to the basic financial statements.

Long-term Debt

At June 30, 2018, the City had outstanding long-term debt obligations for governmental activities in the amount of \$11,025,604 compared to \$11,320,414 in 2017.

The City's governmental activities debt is detailed below:

**Outstanding Long-term Debt Obligations
June 30, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total		Percent Change
	2018	2017	2018	2017	2018	2017	
General obligation bonds	\$ 10,315,000	\$ 10,635,000	\$ -	\$ -	\$ 10,315,000	\$ 10,635,000	100%
Plus - Premium	196,123	206,630	-	-	196,123	206,630	100%
	10,511,123	10,841,630	-	-	10,511,123	10,841,630	100%
Compensated absences	514,481	478,784	13,765	13,842	528,246	492,626	7%
Total	\$ 11,025,604	\$ 11,320,414	\$ 13,765	\$ 13,842	\$ 11,039,369	\$ 11,334,256	-3%

Management's Discussion and Analysis (continued)

Additional information on the City's long-term debt can be found in Note 12 in the notes to the basic financial statements.

General Fund Budgetary Highlights

The General Fund ended the year with a budget basis operating surplus of \$697,828. Other financing sources and uses netted a decrease in budgetary fund balance of (\$1,143,974). The other financing sources consisted of transfers to and from other funds and proceeds from sale of capital assets. The result was a total decrease in budgetary funds of (\$446,146) in 2018.

Overall, the General Fund ended fiscal year 2018 with favorable budget variances for expenditures.

Differences between the original budget and the final budget consist of a decrease of \$686,000 in revenues over expenditures. The highlights of these major differences were as follows:

- \$628,166 decrease in revenues - resulted primarily from a \$500,000 decrease in Public Safety Sales Tax due to this money being transferred to its own fund and a decrease in sales tax.
- \$57,834 increase in public works street operations - \$35,000 of this is a result of the city having to pay to have leaf and limb debris hauled away and \$22,834 of this is from the cost of repairing a street light that was damaged in an accident.

Economic Factors and Next Year's Budget

The City's governmental funds decreased during the fiscal year ended June 30, 2018 by \$905,179 or 3% mainly due to start of the police building construction.

The City experienced surpluses from fiscal year 2007 through fiscal year 2015 which resulted in increases in net position. These increases, especially in 2008, 2009, and 2010, resulted from one-time increases to revenues such as the utility tax rates, telecom revenues, and photo enforcement as well as a one-time lump sum lawsuit settlement. Also building permit revenues were strong initially but tailed off in 2009 and 2010. Historically expenditures have increased faster than revenues. In addition, the down turn economically had an effect on revenues. Retail sales taxes and building permit fees also decreased substantially in 2009 and 2010. As a result of these future financial concerns, a sales tax increase was placed on the November 2010 ballot and approved by the voters. In 2013 and 2014 this additional sales tax helped significantly increase General Fund revenue, but has started to decrease again. A ½ cent Public Safety Sales Tax was passed April 2017 and went into effect October 1, 2017, which will generate about \$850,000 per year. Electric, Gas and Water utility gross receipts, another significant source of revenue, is now starting to increase due to hotter summers, but of course utility tax is cyclical. Telephone Tax Receipts have continuously declined due to the telephone company's definition of what is taxable. Court revenues are continuously trending downward. Revenues increased slightly in FY 2018 mainly from utility tax revenues. Departmental expenditures were close to budget, with any overage due to unanticipated expenditures. However, with relatively flat revenues for the General Fund for the next few years, along with increasing expenditures, it is anticipated that deficits will exist before transfers to the Capital Improvements Fund.

CITY OF CREVE COEUR, MISSOURI

Management's Discussion and Analysis (continued)

For 2019 the City is budgeting the following (in thousands):

	Governmental Funds				Enterprise Fund	Fiduciary Fund
	General Fund	Capital Improvements Fund	Lateral Sewer Fund	Public Safety Sales Tax Fund	Dielman Center	Pension Trust Fund
Revenues	\$ 15,365	\$ 2,383	\$ 132	\$ 851	\$ 1,127	\$ 2,914
Expenditures	15,442	3,227	112	87	1,102	1,831
Transfers (out) in	(261)	400	-	(139)	-	-
Fund balance (utilization) increase	\$ (338)	\$ (444)	\$ 20	\$ 625	\$ 25	\$ 1,083

The business-type activities will require careful review in the future. Golf revenues appear to lag while Ice revenues remain strong. Transfer of funds from the City are not anticipated to maintain financial stability in the 5 year projections. In order to maintain financial stability in the General Fund, transfers to both the Capital Improvement Fund and business-type activities need to be closely scrutinized annually.

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:

Lori Obermoeller
Director of Finance
City of Creve Coeur, Missouri
300 North New Ballas Road
Creve Coeur, Missouri 63141

Communication: CAFR-Draft (New Business)

Basic Financial Statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,757,721	\$ 190,436	\$ 15,948,157
Cash and cash equivalents - restricted	9,013,108	-	9,013,108
Receivables (net):			
Governmental agencies	1,415,210	-	1,415,210
Public utility taxes	591,333	-	591,333
Court finds	104,519	-	104,519
Interest	67,134	-	67,134
Other	-	450	450
Note receivable	1,237,377	-	1,237,377
Inventories	2,940	6,304	9,244
Prepaid items	273,419	17,989	291,408
Internal balances	(940)	940	-
Capital assets:			
Land, right of way, and construction in progress	10,541,343	644,545	11,185,888
Other capital assets, net of accumulated depreciation	36,610,176	2,699,219	39,309,395
Total Assets	75,613,340	3,559,883	79,173,223
Deferred Outflows of Resources			
Deferred amounts related to pensions	464,305	-	464,305
Total Deferred Outflows of Resources	464,305	-	464,305
LIABILITIES			
Accounts payable	716,441	42,494	758,935
Accrued interest	97,135	-	97,135
Accrued liabilities	193,286	-	193,286
Unearned revenue	80,010	34,022	114,032
Long-term liabilities:			
Due within one year	934,481	13,765	948,246
Due in more than one year	10,091,123	-	10,091,123
Due in more than one year - net pension liability	7,044,594	-	7,044,594
Due in more than one year - total other post-employment benefits liability	3,008,922	-	3,008,922
Total Liabilities	22,165,992	90,281	22,256,273
Deferred Inflows of Resources			
Deferred amounts related to pensions	134,512	-	134,512
Deferred amounts related to OPEB	48,605	-	48,605
Total Deferred Inflows of Resources	183,117	-	183,117
NET POSITION			
Net investment in capital assets	45,380,008	3,343,764	48,723,772
Restricted for:			
Sewer lateral	101,117	-	101,117
Public safety	632,659	-	632,659
Debt service	258,532	-	258,532
Unrestricted	7,356,220	125,838	7,482,058
Total Net Position	\$ 53,728,536	\$ 3,469,602	\$ 57,198,138

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) and Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 4,414,064	\$ 456,423	\$ -	\$ -	\$ (3,957,641)	\$ -	\$ (3,957,641)
Public safety	8,062,364	553,993	61,277	-	(7,447,094)	-	(7,447,094)
Public works	7,801,003	887,973	1,727,069	611,433	(4,574,528)	-	(4,574,528)
Community development	1,593,856	32,723	1,434	-	(1,559,699)	-	(1,559,699)
Interest and amortization of deferred charges on long-term debt	288,622	-	-	-	(288,622)	-	(288,622)
Total Governmental Activities	22,159,909	1,931,112	1,789,780	611,433	(17,827,584)	-	(17,827,584)
Business-type Activities							
Recreation center	1,355,119	1,054,880	-	-	-	(300,239)	(300,239)
Total Government	\$ 23,515,028	\$ 2,985,992	\$ 1,789,780	\$ 611,433	(17,827,584)	(300,239)	(18,127,823)
General Revenues							
Taxes:							
Property					1,395,387	-	1,395,387
Sales					7,715,670	-	7,715,670
Utility					6,023,630	-	6,023,630
Other					40,798	-	40,798
Investment income					256,808	39	256,847
Miscellaneous					208,221	-	208,221
Gain on sale of capital assets					22,917	-	22,917
Total General Revenues					15,663,431	39	15,663,470
Transfers (out) in					(204,515)	204,515	-
Total General Revenues and Transfers					15,458,916	204,554	15,663,470
CHANGE IN NET POSITION					(2,368,668)	(95,685)	(2,464,353)
Net Position - Beginning of Year, Restated					56,097,204	3,565,287	59,662,491
NET POSITION - END OF YEAR					\$ 53,728,536	\$ 3,469,602	\$ 57,198,138

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Major Funds			Nonmajor Funds	Total
	General Fund	Capital Improvement Fund	Police Building Fund	Other Governmental Funds	Governmental Funds
ASSETS					
Cash, cash equivalents and investments	\$ 13,256,018	\$ 1,583,267	\$ -	\$ 918,436	\$ 15,757,721
Cash, cash equivalents and investments - restricted	-	-	9,013,108	-	9,013,108
Receivables (net):					
Governmental agencies	794,627	519,957	-	100,626	1,415,210
Public utility taxes	591,333	-	-	-	591,333
Court fines	104,519	-	-	-	104,519
Interest	43,639	-	23,495	-	67,134
Note receivable	1,237,377	-	-	-	1,237,377
Inventories	2,940	-	-	-	2,940
Prepaid items	270,955	2,464	-	-	273,419
Due from other funds	19,795	-	-	-	19,795
Total Assets	\$ 16,321,203	\$ 2,105,688	\$ 9,036,603	\$ 1,019,062	\$ 28,482,556
LIABILITIES					
Accounts payable	\$ 194,783	\$ 216,914	\$ 296,991	\$ 7,753	\$ 716,441
Accrued liabilities	193,286	-	-	-	193,286
Unearned revenues	80,010	-	-	-	80,010
Due to other funds	-	1,734	-	19,001	20,735
Total Liabilities	468,079	218,648	296,991	26,754	1,010,472
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues:					
Property taxes	9,015	-	-	-	9,015
Court	104,519	-	-	-	104,519
Total Deferred Inflows of Resources	113,534	-	-	-	113,534
FUND BALANCES					
Nonspendable:					
Inventories	2,940	-	-	-	2,940
Prepaid items	270,955	-	-	-	270,955
Note receivable	1,237,377	-	-	-	1,237,377
Restricted for:					
Sewer lateral	-	-	-	101,117	101,117
Bond proceeds	-	-	8,739,612	-	8,739,612
Public safety	-	-	-	632,659	632,659
Debt service	-	-	-	258,532	258,532
Committed for:					
Capital projects	-	1,887,040	-	-	1,887,040
Assigned to:					
Projected use of reserves	337,816	-	-	-	337,816
Unassigned	13,890,502	-	-	-	13,890,502
Total Fund Balances	15,739,590	1,887,040	8,739,612	992,308	27,358,550
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,321,203	\$ 2,105,688	\$ 9,036,603	\$ 1,019,062	\$ 28,482,556

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balance - Governmental Funds	\$	27,358,550
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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 \$94,436,414 and the accumulated depreciation is \$47,284,895.		47,151,519
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds:

Unavailable revenues <i>Prop.</i>		113,534
OPEB related deferred inflows		(48,605)
Pension related deferred outflows		464,305
Pension related deferred inflows		(4,594)
Pension related deferred inflows - LAGERS		(129,918)

Certain liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the governmental funds:

Accrued compensated absences		(514,481)
Accrued interest on outstanding debt		(97,135)
Net pension liability		(6,353,798)
Net pension liability - LAGERS		(690,796)
Other post employment benefits liability		(3,008,922)
Bonds payable		(10,315,000)
Unamortized bond premium		(196,123)

Total Net Position - Governmental Activities	\$	<u>53,728,536</u>
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CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Major Funds		Nonmajor Funds		
	General Fund	Capital Improvement Fund	Police Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property and sales taxes	\$ 5,520,125	\$ 2,130,456	\$ -	\$ 1,459,113	\$ 9,109,694
Public utility licenses	6,023,630	-	-	-	6,023,630
Other taxes	-	-	-	134,540	134,540
Licenses and permits	1,169,663	-	-	-	1,169,663
Municipal facilities	81,432	-	-	-	81,432
Intergovernmental	1,801,827	611,433	-	-	2,413,260
Fines, forfeitures, and charges for services	534,376	-	-	-	534,376
Investment income	131,186	-	126,091	-	257,277
Miscellaneous	219,160	33,097	-	-	252,257
Total Revenues	15,481,399	2,774,986	126,091	1,593,653	19,976,129
EXPENDITURES					
Current:					
General government	2,937,923	-	-	-	2,937,923
Public safety	6,766,575	-	748,419	2,300	7,517,294
Public works	3,180,854	-	-	90,339	3,271,193
Community development	1,411,244	-	-	-	1,411,244
Capital outlay	339,689	3,790,875	1,103,494	-	5,234,058
Debt service:					
Principal	-	-	-	320,000	320,000
Interest	-	-	-	244,986	244,986
Other	-	-	-	636	636
Total Expenditures	14,636,285	3,790,875	1,851,913	658,261	20,937,334
REVENUES OVER (UNDER) EXPENDITURES	845,114	(1,015,889)	(1,725,822)	935,392	(961,205)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,200,000	-	-	1,200,000
Transfers out	(1,200,000)	-	-	-	(1,200,000)
Sale of capital assets	56,026	-	-	-	56,026
Total Other Financing Sources (Uses)	(1,143,974)	1,200,000	-	-	56,026
NET CHANGES IN FUND BALANCES	(298,860)	184,111	(1,725,822)	935,392	(905,179)
FUND BALANCES - BEGINNING OF YEAR	16,038,450	1,702,929	10,465,434	56,916	28,263,729
FUND BALANCES - END OF YEAR	\$ 15,739,590	\$ 1,887,040	\$ 8,739,612	\$ 992,308	\$ 27,358,550

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Net Changes in Fund Balances - Governmental Funds \$ (905,179)

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

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 capital outlays over the capitalization threshold (\$2,922,928) exceeded depreciation (\$3,507,236) in the current period. (584,308)

The net effect of various transactions involving capital assets:

Proceeds from disposal of capital assets	(56,026)
Gain (loss) on disposal of capital assets	22,917
Transfer of capital assets between the governmental and proprietary funds	(204,515)

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements:

Decrease in unavailable revenues	(3,289)
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The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liability in the statement of 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.

Repayment of bond principal	320,000	
Amortization of bond premium	10,507	330,507

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	(76,495)
Accrued interest on bonds	(53,507)
Other post employment benefits	23,059
Pension expense	(41,118)
Pension expense - LAGERS	(820,714)

Change in Net Position of Governmental Activities \$ (2,368,668)

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2018**

ASSETS

Current Assets

Cash and cash equivalents	\$ 190,436
Accounts receivable	450
Inventories	6,304
Prepaid expenses	17,989
Due from other funds	940
Total Current Assets	216,119

Capital Assets

Land	644,545
Other capital assets, net of accumulated depreciation	2,699,219
Total Capital Assets	3,343,764
Total Assets	3,559,883

LIABILITIES

Current Liabilities

Accounts payable	42,494
Accrued liabilities	13,765
Due to other funds	-
Unearned revenues	34,022
Total Current Liabilities	90,281
Total Liabilities	90,281

NET POSITION

Net investment in capital assets	3,343,764
Unrestricted	125,838
Total Net Position	\$ 3,469,602

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE
IN NET POSITION - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

OPERATING REVENUES

Food service	\$ 56,759
Golf course	355,508
Ice arena	642,613
Total Operating Revenues	<u>1,054,880</u>

OPERATING EXPENSES

Food service	54,843
Golf course	514,336
Ice arena	497,863
Depreciation	294,322
Total Operating Expenses	<u>1,361,364</u>

OPERATING LOSS

(306,484)

NONOPERATING REVENUE (EXPENSES)

Investment income	39
Loss on sale of capital assets	6,245
Total Nonoperating Revenue (Expenses)	<u>6,284</u>

GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS

(300,200)

Capital contributions	<u>204,515</u>
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CHANGE IN NET POSITION

(95,685)

NET POSITION, BEGINNING OF YEAR

3,565,287

NET POSITION, END OF YEAR

\$ 3,469,602

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF CASH FLOWS - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:

Receipts from customers and users	\$ 1,072,725
Payments to suppliers	(527,368)
Payments to employees	(556,462)
Net Cash Used In Operating Activities	(11,105)

Cash flows from noncapital financing activities:

Advances on internal balances	(3,602)
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Cash flows used in capital and related financial activities:

Payments for capital acquisitions	(15,247)
Proceeds from disposal of capital assets	8,245
Net Cash Used In Capital and Related Financial Activities	(7,002)

Cash flows provided by investing activities:

Interest received on investments	39
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NET INCREASE IN CASH AND CASH EQUIVALENTS

(21,670)

CASH AND CASH EQUIVALENTS, JULY 1

212,106

CASH AND CASH EQUIVALENTS, JUNE 30

\$ 190,436

RECONCILIATION OF OPERATING LOSS TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating loss	\$ (306,484)
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Adjustments to reconcile operating loss to net cash provided by operating activities:

Depreciation	294,322
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Decrease (increase) in:

Service receivable	11,436
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Inventories	(1,067)
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Prepaid expenses	(17,989)
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Increase (decrease) in:

Accounts payable	2,227
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Accrued liabilities	41
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Unearned revenues	6,409
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Total Adjustments	295,379
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Net Cash Used In Operating Activities	\$ (11,105)
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Noncash Investing, Capital and Financing Activities:

During fiscal year 2018, the Enterprise Fund received \$204,515 in contributed capital from governmental activities.

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018**

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,083,120
Investments:		
Money market funds	193,301	-
Equity mutual funds	15,978,608	-
Exchange traded funds	2,538,627	-
Fixed income - managed bond account	6,967,728	-
Certificates of deposit	-	1,223,447
Interest receivable	51,557	5,570
Sales tax receivable	-	82,102
Total Assets	25,729,821	2,394,239
LIABILITIES		
Due to escrowees		2,247,636
Due to others		125,299
Court bonds payable		21,304
Total Liabilities		2,394,239
NET POSITION		
Restricted for pension benefits	\$ 25,729,821	\$ -

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ADDITIONS

Investment income:

Interest and dividends earned \$ 642,172

Net appreciation in fair value of investments 1,271,693

Total Investment Income 1,913,865

Less - Investment management and custodial fees 43,056

Net Investment Income 1,870,809

Employee contributions 99,041

Employer contributions 1,188,826

Total Additions 3,158,676

DEDUCTIONS

Benefit payments 1,657,855

Administrative expenses 21,102

Total Deductions 1,678,957

CHANGE IN NET POSITION

1,479,719

NET POSITION - RESTRICTED FOR PENSION BENEFITS:

BEGINNING OF YEAR 24,250,102

END OF YEAR \$ 25,729,821

See accompanying notes to financial statements

CITY OF CREVE COEUR, MISSOURI

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the City of Creve Coeur Missouri (the "City") in the preparation of the accompanying combined financial statements are summarized below:

A. 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and 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, with the exception of interfund services provided and used. 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and a major individual Enterprise Fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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.

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 measurable

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CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

and 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, are recorded only when payment is due (i.e., matured).

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

Capital Improvement Fund -- This fund is used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities and infrastructure (other than those financed by proprietary funds and trust funds).

Police Building Fund -- In 2016 the citizens of Creve Coeur approved Proposition P, which authorized the levying of a property tax to provide funding for the construction of a new facility for the police department and associated improvements at the current government center. This fund will be responsible for accounting for all revenues and expenditures associated with the construction of the police facility and related improvements of the government center. It is estimated this project will be completed during fiscal year 2019.

The City reports the following major proprietary fund:

Recreational Fund -- This fund is used to account for the operations of the City's food service, public golf course, and ice arena.

Additionally, the City reports the following fiduciary fund types:

Pension Trust Fund -- This fund is used to account for assets held in a trustee capacity for the City's eligible employees.

Agency Funds -- These funds are used to account for the collection and release of monies in connection with construction permits, transportation development district sales tax, and to be held as bond deposits to ensure defendants' appearances in court. The City's Agency Funds consist of the Escrow, Transportation Development District, and Court Bond Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Fund Balance Classification and Policies

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.

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 City Council, 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 Mayor and City Council officials to which the Mayor and City Council has designated authority. At this time no city official is empowered to assign fund balance without City Council approval.

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

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a rolling beginning unassigned fund balance of not less than 33.33% (4 months) of average annual operating expenditures for the prior two fiscal years.

Notes to Financial Statements (continued)

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted. The order in the use of funds therefore would be restricted, committed, assigned, and unassigned.

E. Net Position

Net position represents the difference between assets and liabilities. 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 their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2018, \$101,117 was restricted by enabling legislation for residential lateral sewer repairs, \$632,659 was restricted for public safety, and \$258,532 was restricted for debt service. All remaining net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

F. Interfund Activity

Interfund transfers (if applicable) are reported as other financing sources/uses in governmental funds. Interfund receivables and payables are eliminated in the statement of net position to reduce the "grossing up" effect on assets and liabilities within the governmental activities column.

G. Cash, Cash Equivalents, and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, collateralized public deposits (certificates of deposit), banker's acceptances, local government investment pools, and repurchase agreements. Pension Funds may invest in mutual funds.

Investments are stated at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

H. Restricted Assets

Certain proceeds from general obligation bonds are classified as restricted assets on the balance sheet and statement of net position because their use is limited by applicable bond covenant and restrictions.

I. Allowance for Doubtful Accounts

Court fines are shown net of an allowance for uncollectibles of \$104,519.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

J. Inventories

Inventories are recorded at cost, which approximates market on the first-in, first-out basis. Governmental fund type inventory is recorded as an expenditure when it is consumed rather than when purchased.

K. 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 recorded as expenditures when consumed rather than when purchased. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

L. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, side-walks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the enterprise fund in the fund financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 for governmental activities and \$750 for business-type activities and/or the enterprise fund and an estimated useful life in excess of one year. 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.

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

Assets	Years
Infrastructure	20 - 30
Buildings and improvements	15 - 40
Equipment, furniture, and fixtures	3 - 15
Vehicles	3 - 10

M. 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 will not be recognized as an outflow of resources (expense/expenditure) until then.

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 will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item,

which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the government-wide financial statements, components of pension expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

N. Pensions

The City records a net pension (asset) liability in the government-wide financial statements for defined benefit plans. The (asset) liability is calculated as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

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

Details of the City's defined benefit plans are provided in Note 10.

O. Vacation and Sick Leave

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue on January 1 of each year. Upon termination, the employee is paid for unused vacation. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination. Vested or accumulated vacation leave accrued at year-end is expected to be used by the employee during the following fiscal year.

P. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Notes to Financial Statements (continued)

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 debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year-end were \$174,552 for the General Fund, \$804,865 for the Capital Improvement Fund and \$1,850,250 for the Police Building Fund.

R. 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 and transfers in the proprietary fund type.

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

S. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

T. Adoption of New Accounting Standard

For the year ended June 30, 2018, the City adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The objective of this statement is to revise and establish new financial reporting requirements for most governments whose employees are provided with postemployment benefits other than pensions. As a result, the net position for the year ended June 30, 2017 has been restated as follows:

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Government-Wide Financial Statements - Governmental Activities:

Net position, June 30, 2017, as previously reported	\$ 59,158,461
To eliminate the other postemployment benefit liability prior to GASB Statement No. 75	19,329
To record the total other postemployment benefit liability at the beginning of the year according to GASB Statement No. 75	<u>(3,080,586)</u>
Net position, June 30, 2017, restated	<u><u>\$ 56,097,204</u></u>

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. 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.

The City participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which the City's monies are pooled with other entities' monies to purchase investments that are permitted by state statutes. The City's monies are used to purchase a pro-rata share of the pool. A board of directors provides governance and oversight of MOSIP's operations. The Board seeks to maintain a stable net position value of \$1 per share.

The deposits held at June 30, 2018 are as follows:

Type	Amount
Primary Government:	
Demand deposits	\$ 4,034,956
Money markets	3,209,390
Certificates of deposit	10,082,532
Cash on hand	1,979
Total Primary Government	<u>17,328,857</u>
Agency Funds:	
Demand deposits	1,083,120
Certificates of deposit	1,223,447
Total Agency Funds	<u>2,306,567</u>
Total Deposits	<u><u>\$ 19,635,424</u></u>

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

B. Investments

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

Investments	Fair Value	Maturities				Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	
Primary Government						
Federal agency bonds	\$ 5,310,883	\$ -	\$ 1,541,780	\$ 3,769,103	\$ -	AA
U.S. Treasury bill	2,318,496	-	595,000	1,723,496	-	N/A
External investment pool	3,029	-	3,029	-	-	AAA
Total Primary Government	7,632,408	-	2,139,809	5,492,599	-	
Pension Trust Fund						
Money market mutual funds	193,299	193,299	-	-	-	AAA
Equity mutual funds	15,978,610	15,978,610	-	-	-	N/A
Exchange traded funds	2,538,627	2,538,627	-	-	-	N/A
Fixed income individual bond accounts managed by Commerce Bank	6,967,728	-	-	-	6,967,728	A
Total Pension Trust Fund	25,678,264	18,710,536	-	-	6,967,728	
Total Investments	\$ 33,310,672	\$ 18,710,536	\$ 2,139,809	\$ 5,492,599	\$ 6,967,728	

The City has the following recurring fair value measurements as of June 30, 2018:

- Money market mutual funds, equity mutual funds and exchange traded funds are valued using quoted market prices (Level 1 inputs).
- Government securities are valued using a matrix pricing model (Level 2 inputs).
- The fixed income individual bond accounts managed by Commerce Bank are valued using quoted market prices (Level 1 inputs) and a matrix pricing model (Level 2 inputs).
- External investment pool is valued at the net asset value of shares reported on the active market for which the individual investments are traded (Level 2 inputs).

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy states that they minimize credit risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

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's policy states that they minimize interest rate 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 and investing 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's policy states that they minimize concentration of credit risk by diversifying the investment portfolio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

addresses custodial risk by prequalifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

3. NOTE RECEIVABLE

In October 2008, the City approved the Olive/Graeser Transportation Development District (TDD). The City elected to purchase the TDD's 2010 Series A revenue development note totaling \$1,260,000 on January 31, 2012. The note will be outstanding until the earlier of repayment or October 1, 2050. The note bears simple interest at 5.55%. The note and accrued interest will be repaid by a 1% TDD sales tax on all retail sales made in the TDD, but only after paying certain fees and expenses owed to the trustee or paying agent. The sales tax revenue within the TDD available for debt service will not be at a level needed to pay the interest accruing on the note during the foreseeable future. No principal will be repaid on the note during the next twelve months or in the near-term until there is growth of additional retailers within the TDD or sales growth by existing retailers. The note receivable balance was \$1,260,987 at June 30, 2018, which included accrued interest.

Note receivable activity was as follows for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Payments Received	Balance June 30, 2018
2010 Series A revenue development note	\$ 1,260,987	\$ -	\$ 23,610	\$ 1,237,377

4. INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities balances are as follows:

Receivable Fund	Payable Fund	June 30, 2018
Enterprise Fund	General Fund	\$ (940)
General Fund	Lateral Sewer Fund	19,001
General Fund	Capital Improvement Fund	1,734
Total		\$ 19,795

All of these interfund balances are due to timing differences. All interfund due to/from balances are expected to be repaid during the next fiscal year.

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5. INTERFUND TRANSFERS

Interfund transfers are used to: 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) move revenues in excess of current year expenditures to other funds, or 3) reimburse other funds for debt service payments. For the year ended June 30, 2018, the General Fund transferred \$1,200,000 to the Capital Improvement Fund as budgeted.

6. REAL ESTATE TAXES

Real estate taxes are levied in October of each year on the assessed value as of the prior January 1 for all real property located in the City. Property taxes attach as an enforceable lien on property as of January 1 and are due upon receipt of billing and become delinquent after December 31.

Property tax revenue is recognized to the extent it is collected within the current period or expected to be collected within 60 days after year-end is unavailable on the fund financial statements and recognized as revenue in the government-wide financial statements.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in municipal taxes receivable in the accompanying fund financial statements.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

7. CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2018:

	Balance June 30, 2017	Additions and Transfers	Deletions and Transfers	Balance June 30, 2018
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 8,311,027	\$ -	\$ -	\$ 8,311,027
Right of way	157,602	-	-	157,602
Construction in progress	1,539,678	1,757,580	1,224,544	2,072,714
Total capital assets not being depreciated	10,008,307	1,757,580	1,224,544	10,541,343
Capital assets being depreciated:				
Infrastructure	64,312,964	1,728,067	-	66,041,031
Buildings and improvements	13,093,021	-	52,975	13,040,046
Equipment, furniture, and fixtures	2,174,203	166,126	125,122	2,215,207
Vehicles	2,440,345	291,184	132,742	2,598,787
Total capital assets being depreciated	82,020,533	2,185,377	310,839	83,895,071
Less - Accumulated depreciation for:				
Infrastructure	33,442,341	2,694,503	-	36,136,844
Buildings and improvements	7,220,965	378,720	19,866	7,579,819
Equipment, furniture, and fixtures	1,581,709	159,012	125,122	1,615,599
Vehicles	1,810,374	275,001	132,742	1,952,633
Total accumulated depreciation	44,055,389	3,507,236	277,730	47,284,895
Total capital assets being depreciated, net	37,965,144	(1,321,859)	33,109	36,610,176
Governmental Activities Capital Assets, Net	\$ 47,973,451	\$ 435,721	\$ 1,257,653	\$ 47,151,519

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CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 637,500	\$ -	\$ -	\$ 637,500
Construction in progress	7,045	-	-	7,045
Total capital assets not being depreciated	644,545	-	-	644,545
Capital assets being depreciated:				
Buildings and improvements	7,462,761	138,268	-	7,601,029
Equipment, furniture, and fixtures	550,798	79,495	63,810	566,483
Vehicles	16,686	-	16,686	-
Total capital assets being depreciated	8,030,245	217,763	80,496	8,167,512
Less - Accumulated depreciation for:				
Buildings and improvements	4,816,162	257,886	-	5,074,048
Equipment, furniture, and fixtures	421,618	36,437	63,810	394,245
Vehicles	16,686	-	16,686	-
Total accumulated depreciation	5,254,466	294,323	80,496	5,468,293
Total capital assets being depreciated, net	2,775,779	(76,560)	-	2,699,219
Business-type Activities Capital Assets, Net	\$ 3,420,324	\$ (76,560)	\$ -	\$ 3,343,764

Depreciation expense was charged to functions/programs of the primary government as follows for the year ended June 30, 2018:

Governmental Activities

Public works, including depreciation of infrastructure assets	\$ 2,868,172
Public safety	178,592
General government	460,472
Total	\$ 3,507,236

Business-type Activities

Recreation center	\$ 294,323
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8. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries.

9. DEFINED CONTRIBUTION PLANS

The City has a defined contribution retirement plan funded through the International City Management Association Retirement Corporation (ICMA). The plan was established by ordinance of the City Council on June 11, 2001. All full-time employees (who were active participants on June 30, 2001 who elected to take the 1.7% option) are eligible to participate in the plan after 12 months of service. Pursuant to the plan's provisions, the City is obligated to contribute 3% of each eligible employee's covered wages. Participants are fully vested after 5 years of continuous service. Contributions to the plan for the year ended June 30, 2018 amounted to \$62,748. Any amendments to the plan require City Council approval.

The City had a second defined contribution retirement plan for all full-time employees hired after June 1, 2006. The plan was established by ordinance of the City Council on May 8, 2006. Eligible employees participated in the plan after 12 months of service. Pursuant to the plan's provisions, the City contributed 8% of covered wages until the employee is fully vested (after 6 years of service) then 9% if the employee elects to contribute 2% of their compensation. Contributions to the plan for the year ended June 30, 2018 amounted to \$21,238. On June 12, 2017, the City Council approved to close the City's 2006 defined contribution plan and to provide retirement benefits for its eligible employees hired on or after June 1, 2006 under the Missouri Local Government Employees Retirement System (LAGERS), pursuant to the provisions of Sections 70.600 through 70.755, RSMo. The effective date was August 1, 2017.

10. PENSION PLANS

The City maintains two pension plans for its employees. The Retirement Plan for Employees of the City of Creve Coeur hired before June 1, 2006 and LAGERS. The aggregate employer recognized pension expense for the year ended June 30, 2018 was \$2,316,324.

Retirement Plan for Employees of the City of Creve Coeur Hired Before June 1, 2006 (Pension Trust Fund)

Plan Description and Provisions

The City sponsors and administers a single-employer, defined benefit pension plan (the Plan). The Plan provides retirement and death benefits to plan members and beneficiaries in accordance with the ordinance establishing the Plan. The Plan may be amended under the provisions of the original ordinance. The Plan does not issue a separate financial report. The pension obligation is typically liquidated by the general fund, or the respective fund from which the employee is paid.

Board of Trustees Composition – "Board of Trustees" means the committee comprised of one City Council member (to be nominated by the Mayor and ratified by the City Council), one City Finance Committee member (to be designated by the Finance Committee), two Plan Participants (to be elected by vote of Participants), three residents of the City (to be nominated by the Mayor and ratified by the City Council and one or more of such residents may be members of the City Finance Committee), the City Administrator (ex officio), and the City Finance Director (ex officio).

Each member of the Board of Trustees, other than the City Administrator and Finance Director, shall serve for a term of three years, up to a maximum of three consecutive terms. In the event of the

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

resignation or removal of a member, the new member's term shall be established to complete the unexpired term of the former member. In no event shall any member of the Board of Trustees serve for more than nine consecutive years.

Basis of Accounting - The financial statements of the Pension Trust Fund are prepared using the accrual basis of accounting. City contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits are recognized when due and payable in accordance with the terms of the Plan. All plan investments are reported at fair value. Administrative costs of the Plan are financed by investment income by the Pension Trust Fund.

All of the City's full-time eligible employees, hired before June 1, 2006, become a participant on the July 1 following attainment of age 21 and 2 years of credited service. The payroll for employees covered by the Plan for the year ended June 30, 2018 was \$3,224,888. Current membership in the Plan is comprised of the following:

Group	June 30, 2018	June 30, 2017
Retirees and beneficiaries currently receiving benefits	78	72
Vested terminated employees	29	29
Active employees:		
Fully vested	40	46
Nonvested	-	-
	<u>147</u>	<u>147</u>

The City contributes an amount equal to the actuarially determined requirement, designed to meet the full annual current costs of the Plan.

A summary of the Plan's provisions follows (participants should refer to the Plan's summary plan description for a complete summary of Plan provisions):

Tax Status - The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Operating Expenses - Benefits paid and administrative expenses are approved by the Board of Trustees.

Normal Retirement Date

The first day of the month coincident with or next following attainment of age 55 if the Participant is a uniformed police officer. The first day of the month coinciding with or next following attainment of age 65 if the Participant is not a uniformed police officer.

Unreduced Early Retirement Date

The first day of the month coinciding with or next following the date on which the sum of age and Credited Service equals 85, but in no case later than Normal Retirement Date.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Amount of Normal Retirement Benefit

The normal retirement benefit is equal to Final Average Compensation times 1.7% times Credited Service not to exceed 30 years. If a participant elected not to participate in the City's defined contribution plan, then the multiplier would be 2.0%.

Final Average Monthly Earnings

A Participant's monthly rate of compensation, averaged over the 60 consecutive months out of the last 120 months preceding retirement or Interruption of Service, if earlier, which give the highest monthly rate. Compensation shall include base pay, but exclude bonuses, commissions, overtime pay, expense allowances, and similar items.

Early Retirement Eligibility

Age 50 with at least 20 years of Credited Service.

Early Retirement Benefit

The actuarial equivalent of a benefit calculated in the same manner as the Normal Retirement Benefit with Final Average Monthly Earnings and Credited Service determined as of Early Retirement Date.

Late Retirement Benefit

If a member remains employed after his Normal Retirement Date, he will receive a monthly benefit equal to the benefit computed using service and pay as of his late retirement date. Benefits commence on the first day of the month following actual retirement.

Form of Payment

The benefit is payable for 120 months guaranteed and for the member's lifetime thereafter.

Vested Termination

Members who terminate employment are eligible for a monthly benefit calculated in the same manner as the Normal Retirement Benefit, multiplied by the applicable vesting percentage:

Sum of Attained Age and Years of Credited Service	Vesting Percentage
50	50%
51	60
52	70
53	80
54	90
55 and after	100

However, if a participant has at least 8 years of Credited Service, then they are fully vested.

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Vested Deferred Retirement Benefit

Payable at Normal Retirement Date to any fully or partially vested Participant who terminates prior to eligibility for Normal or Early Retirement.

Pre-Retirement Death Benefit

The Surviving Spouse of a Participant who is actively employed and has satisfied Early or Normal Retirement eligibility requirements is entitled to a Death Benefit determined as if the Participant had retired on his date of death, selected a Joint & 2/3 Survivor Annuity and died the next day.

The Surviving Spouse of any other actively employed vested participant is entitled to a Death Benefit determined as follows:

- i) assume the Participant separated from service on date of death
- ii) survived to the earliest possible retirement eligibility date
- iii) retired with a Joint and 2/3 Survivor Annuity, and
- iv) died the next day

DROP Program

Effective September 1, 2001 through August 31, 2008, a Participant eligible for Normal Retirement or Unreduced Early Retirement benefits may elect to enter a Deferred Retirement Option Plan ("DROP") program for a period of up to 36 months (or 60 months effective August 1, 2004 or 72 months effective September 2006). Effective January 1, 2009 through December 31, 2011, a Participant eligible for Normal Retirement or Unreduced Early Retirement benefits may elect to enter a DROP program for a period of up to 36 months. During the DROP period the monthly payments otherwise due to the Participant as a retiree will be placed into a DROP account. At the end of the DROP period the account, credited with 5% interest, will be paid to the Participant as an annuity or as a lump sum.

As of June 30, 2018, there are no employees eligible for the DROP program.

Employee Contributions

Participants are required to contribute 3% of salary. Contributions accumulate at an interest rate of 5%.

Refund of Contributions

If a participant terminates employment without a vested benefit, then the participant will receive a refund of contributions with interest. If the sum of benefit payments received by a retiree or beneficiary is less than the sum of contributions with interest, then the difference may be paid to their beneficiary as an additional death benefit.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Retiree COLA

Effective January 1, 2002, each retiree (and beneficiary) was given a cost-of-living adjustment. The increase in benefit was equal to 1.75% multiplied by the number of full years since the individual's (or for a beneficiary, the original Participant's) retirement date.

Net Pension Liability

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

The funded status of the City's Defined Benefit Pension Plan as of June 30, 2018, the most recent actuarial valuation date, is as follows:

Total Pension Liability	\$	32,083,619
Plan Fiduciary Net Position		25,729,821
Net Pension Liability	\$	6,353,798
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		80.20%
Covered Payroll	\$	3,224,888
Net Pension Liability as a Percentage of Covered Payroll		197.02%

Rate of Return

For the year ended June 30, 2018, the rate of return on pension investments, net of pension plan investment expenses was 7.83%.

Investments

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board of Trustees. It is the policy of the Plan to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes. In addition, the policy details a target and a minimum and maximum range that investment managers are to invest in each class as shown below:

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CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Asset Class	Target	Allocable Range	
		Minimum Allocation	Maximum Allocation
Cash equivalents	6%	1	11
Fixed income	30%	25	35
Equities	64%	59	69
Total All Asset Classes	100%		

Equities Allocation	Allocable Range	
	Minimum Allocation	Maximum Allocation
Large cap	36%	50%
Mid cap	6%	10%
Small cap	9%	19%
International	20%	32%
REITS	3%	7%
Commodities	2%	6%

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 9,878,429	\$ 6,353,798	\$ 3,365,543

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CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2017	\$ 30,415,509	\$ 24,250,103	\$ 6,165,406
Changes for the year:			
Service Cost	255,915	-	255,915
Interest Cost	2,089,956	-	2,089,956
Effect of economic/demographic gains or losses	187,078	-	187,078
Effect of assumption changes or inputs	793,015	-	793,015
Benefit payments	(1,657,854)	(1,657,854)	-
Contributions - City	-	1,188,826	(1,188,826)
Contributions - Employees	-	99,041	(99,041)
Net Investment Income	-	1,893,838	(1,893,838)
Expenses	-	(44,133)	44,133
Net Changes	1,668,110	1,479,718	188,392
Balances at June 30, 2018	\$ 32,083,619	\$ 25,729,821	\$ 6,353,798

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 government-wide pension expense of \$1,229,944. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods:		
Differences between expected and actual experience	\$ -	\$ 67,798
Changes of assumptions	-	396,507
Net difference between projected and actual earnings	4,594	-
Total Deferred Amounts Related to Pensions	\$ 4,594	\$ 464,305

Net deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 718,920
2020	18,736
2021	(235,829)
2022	(42,116)
Total	\$ 459,711

Missouri Local Government Employees Retirement System (LAGERS)Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS) which provides certain retirement, disability and death benefits to plan members and beneficiaries. 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. The pension obligation is typically liquidated by the general fund, or the respective fund from which the employee is paid.

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:	1.5% for life, plus 0.5% to age 65
Final Average Salary:	5 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4 percent 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	-
Inactive employees entitled to but not yet receiving benefits	2
Active employees	57
	<u>59</u>

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4 percent of their gross pay to the pension plan. Employer contribution rates are 7.9 percent (General) and 8.4 percent (Police) of annual covered payroll.

Net Pension Liability

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

Actuarial Assumptions

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

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

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

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

The actuarial assumptions used in the February 28, 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 CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

Discount Rate

The discount rate used to measure the total pension liability is 7.11 percent for General and 7.25 percent for Police. 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 Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2017	\$ -	\$ -	\$ -
Changes for the year:			
Service cost	118,482	-	118,482
Interest cost	4,140	-	4,140
Changes of benefit terms	1,656,786	-	1,656,786
Differences between expected and actual experience	(122,622)	-	(122,622)
Contributions - city	-	265,666	(265,666)
Contributions - employees	-	660,010	(660,010)
Net investment income	-	53,966	(53,966)
Benefit payments, including refunds	(995)	(995)	-
Administrative expense	-	(4,869)	4,869
Other (net transfer)	-	(8,783)	8,783
Net changes	1,655,791	964,995	690,796
Balances at June 30, 2018	\$ 1,655,791	\$ 964,995	\$ 690,796

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.11 percent for General and 7.25 percent for Police, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.11 percent for General and 6.25 percent for Police) or one percentage point higher (8.11 percent for General and 8.25 percent for Police) than the current rate.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

	General			Police		
	Current Single			Current Single		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	(6.11%)	(7.11%)	(8.11%)	(6.25%)	(7.25%)	(8.25%)
Net Pension Liability	\$ 661,376	\$ 480,312	\$ 322,704	\$ 392,382	\$ 210,484	\$ 63,496

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 government-wide pension expense of \$1,086,380. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ -	\$ 112,703
Changes of assumptions		-
Net difference between projected and actual earnings on pension plan investments	-	17,215
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	-	129,918
Pension Contributions Made Subsequent to the Measurement Date	-	-
Total Deferred Amounts Related to Pensions	\$ -	\$ 129,918

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

Year Ending June 30,	Net Deferred Outflows of Resources
2019	\$ (14,223)
2020	(14,223)
2021	(14,223)
2022	(14,222)
2023	(9,919)
Thereafter	(63,108)
Total	\$ (129,918)

11. OTHER POSTEMPLOYMENT BENEFITS**Plan Description**

The City of Creve Coeur Other Postemployment Benefit ("OPEB") plan (the "Plan") provides OPEB for certain eligible employees who retire from the City. The Plan is a single-employer defined benefit OPEB Plan that is administered by the City. The benefits and benefit levels are governed by City policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The plan does not issue a stand-alone financial report.

The Plan, stated in the City's Personnel Policy, was established by City Ordinance, which assigns the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

Benefits Provided

The Plan provides healthcare benefits to employees defined as City retirees who have attained age 50 plus 20 years of service until attainment of Medicare Eligibility Age. Employees hired before August 31, 2001 must contribute the employee portion of the monthly premium. Employees hired after August 31, 2001 must contribute the entire monthly premium. Individual-only medical and prescription drug benefits are available to retirees in the St. Louis Area Insurance Trust's (SLAIT) self-insured pool. The individual pays the monthly group health insurance premium. Retirees may elect to cover spouses and eligible dependent children. Surviving spouses can continue coverage after the retiree's death. Since retirees pay the premium for each year, the City's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation.

For those employees participating in the City of Creve Coeur Retirement Plan, employees who are eligible for Normal or Early retirement are eligible for OPEB benefits. Normal retirement age is the earlier of age 65 (55 for Uniformed participants) or age plus service equal to 85 points ("Rule of 85"). Early retirement is age 50 with 20 years of service.

For those employees participating in LAGERS, employees who are eligible for Normal or Early retirement are eligible for OPEB benefits. General employees are eligible for Normal retirement at age 60 with 5 years of service or Early retirement at age 55 with 5 years of service. Police employees are eligible for Normal retirement at age 55 with 5 years of service or Early retirement at age 50 with 5 years of service.

Retiree medical contributions effective for July 1, 2018 are as follows:

	Hired prior to July 1, 2001	Hired after July 1, 2001
Retiree	\$ 84.48	\$ 563.16
Retiree + Spouse	\$ 208.38	\$ 1,182.69
Retiree + Children	\$ 185.86	\$ 1,070.06
Family	\$ 298.50	\$ 1,633.23

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Employees Covered by Benefit Terms

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

Inactive employees currently receiving benefits	17
Spouses of inactive employees currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	100
Total	<u>125</u>

Total OPEB Liability

The City's total OPEB liability of \$3,008,922 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	4.00%
Discount rate	3.87%
Healthcare cost trend rates	Medical cost trend rate of 5.7% for 2018, gradually decreasing to an ultimate rate of 4.0% for 2096 and beyond.
Actuarial cost method	Entry age normal based on level percentage of projected salary.
Amortization method	N/A

The discount rate was based on the index rate for 20-year tax-exempt general obligation bonds.

Mortality rates were based on the RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability at June 30, 2017	\$ 3,080,586
Change for the year:	
Service cost	60,575
Interest costs	109,156
Changes in assumptions or other inputs	(55,529)
Benefit payments	<u>(185,866)</u>
Net change in total OPEB liability	<u>(71,664)</u>
Total OPEB Liability at June 30, 2018	<u>\$ 3,008,922</u>

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Impact of Changes of Benefit Terms

There were no changes of benefit terms that significantly impacted the valuation.

Impact of Plan Experience

The Plan has not had a formal actuarial experience study performed.

Impact of Changes of Assumptions

The impact of changes in assumptions is valued at a loss of approximately \$55,000 in respect to the total OPEB liability. This occurred due to many assumptions changing, such as a re-evaluation of the discount rate using the current updated mortality table - reflecting participants living longer and actuarial cost method. The remainder of the changes are due to accrual of benefits and the passage of time.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 3,204,955	\$ 3,008,922	\$ 2,825,707

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend	1% Increase
Total OPEB liability	\$ 2,795,608	\$ 3,008,922	\$ 3,246,760

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$162,807. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	(48,605)
Total	\$ -	\$ (48,605)

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30,	Net Deferred (Inflows) and Outflows of Resources
2019	\$ (6,924)
2020	(6,924)
2021	(6,924)
2022	(6,924)
2023	(6,924)
Thereafter	(13,985)
Total	\$ (48,605)

12. LONG-TERM DEBT

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

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Series 2017	\$ 10,635,000	\$ -	\$ 320,000	\$ 10,315,000	\$ 420,000
Compensated absences	478,784	566,123	530,426	514,481	514,481
Total Governmental Activities	\$ 11,113,784	\$ 566,123	\$ 850,426	10,829,481	\$ 934,481
Add: Unamortized bond premium				196,123	
				\$ 11,025,604	
Business-Type Activities:					
Compensated absences	\$ 13,842	\$ 16,969	\$ 17,046	\$ 13,765	\$ 13,765
Total Business-Type Activities	\$ 13,842	\$ 16,969	\$ 17,046	\$ 13,765	\$ 13,765

The general obligation bonds payable are liquidated by the Debt Service Fund. The compensated absences are generally liquidated by the General Fund for governmental activities and the Enterprise Fund for business-type activities.

General Obligation Bonds

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net position, were issued to finance a new police station on the current government center property and to make certain renovations to the existing building. The general obligation bonds are to be repaid from future property tax levies. The bonds bear interest at rates ranging from 2.00% to 3.125% and mature through 2037.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

The annual principal requirements to maturity of bonded debt outstanding as of June 30, 2018, are as follows:

Years Ending June 30,	Principal	Interest
2019	\$ 420,000	\$ 291,406
2020	430,000	283,006
2021	440,000	270,106
2022	455,000	261,306
2023	470,000	247,656
2024-2028	2,520,000	1,049,681
2029-2033	2,915,000	675,944
2034-2037	2,665,000	209,131
	<u>\$ 10,315,000</u>	<u>\$ 3,288,236</u>

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. The computation is as follows:

Assessed valuation - 2017 tax year		<u>\$ 1,031,589,397</u>
Debt limit - 10% of assessed valuation		\$ 103,158,940
Amount of debt applicable to debt limit:		
Total general obligation bonded debt	\$ 10,315,000	
Less: Amount available in debt service fund	<u>(258,532)</u>	
Bonded indebtedness applicable to debt limit		<u>10,056,468</u>
Legal Debt Margin		<u>\$ 93,102,472</u>

13. LEASE OBLIGATIONS

The City has entered into various operating lease agreements for golf carts, copiers, a postage machine, solar panels and a storage site. Total expenses for the leases were \$44,356 for the year ended June 30, 2018. The future minimum lease payments are as follows:

Years Ending June 30,	Total
2019	\$ 33,797
2020	5,598
2021	<u>1,240</u>
	<u>\$ 40,635</u>

14. INSURANCE PROGRAMS

The City, along with various other local governments, participates in an insurance trust for workers' compensation, general liability matters, and health insurance (St. Louis Area Insurance Trust - SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust; however, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed.

15. JOINT VENTURE

The City, in cooperation with two other municipalities, created a joint police and emergency dispatching service which was organized in 2010. The administration of the joint dispatching venture is overseen by a board of directors, comprised of the City Administrator from each of the participating municipalities. This joint venture was established to share operating costs of a central dispatching center, thereby saving overall expenses incurred by each participating municipality. In addition, the joint effort is expected to improve service and increase the likelihood of obtaining grant funds.

This joint venture has not currently enhanced or hindered the City's financial operations. The City is jointly liable for their representative share of current and potential liabilities. A separately issued financial report can be obtained for this joint venture by contacting the City's finance department.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

Summary of financial highlights follows (in thousands):

	June 30,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ -	\$ 277,187
Prepaid expenses	-	8,072
Net pension asset	-	113,152
Capital assets, net of accumulated depreciation	-	64,783
Total Assets	-	463,194
LIABILITIES		
Accounts payable	-	2,983
Payroll liabilities	-	35,501
Noncurrent liabilities:		
Due within one year	-	31,711
Total Liabilities	-	70,195
NET POSITION		
Net investment in capital assets		64,783
Unrestricted	-	309,363
Total Net Position	\$ -	\$ 374,146
	For The Years Ended June 30,	
	2018	2017
OPERATING REVENUES		
Dispatch fees	\$ -	\$ 1,142,163
OPERATING EXPENSES		
Personnel	-	828,482
Contractual	-	135,637
Depreciation	-	4,270
Material and supplies	-	11,443
Other	-	24,978
Total Operating Expenses	-	1,004,810
OPERATING LOSS	-	137,353
NONOPERATING REVENUES		
Investment income	-	1,935
CHANGE IN NET POSITION	-	139,288
NET POSITION, JULY 1	-	234,858
NET POSITION, JUNE 30	\$ -	\$ 374,146

For the year ended June 30, 2018, the City paid \$493,795 for dispatching assessments.

16. CONTINGENCIES AND COMMITMENTS

The City has various voluntary deferred compensation plans for the benefit of the City Administrator and Department Managers. Such plans provide for direct contributions by the employee with additional current contributions by the City annually based upon salary. The amount that the City is required to contribute may increase in future years. The City is required to contribute to the plans only during the term of the City Administrator's and Department Managers' employment.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have material adverse effect on the financial condition of the City.

17. FUTURE ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In November 2016, the GASB approved Statement No. 83 "Certain Asset Retirement Obligations." This Statement addresses the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In January 2017, the GASB approved Statement No. 84, "Fiduciary Activities." This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In June 2017, the GASB approved Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

CITY OF CREVE COEUR, MISSOURI

Notes to Financial Statements (continued)

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In March 2018, the GASB approved Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In June 2018, the GASB approved Statement 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In August 2018, the GASB approved Statement No. 90, "Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61." The objective of this Statement is to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

The effects of the City's financial statements as a result of the adoption of these new pronouncements are undetermined.

Communication: CAFR-Draft (New Business)

Required Supplemental Information

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
REVENUES				
General Property and Sales Taxes				
General property taxes:				
Real property - current year	\$ 550,000	\$ 550,000	\$ 569,869	\$ 19,869
Real property - prior year (net refund)	2,000	2,000	-	(2,000)
Sales and use tax	5,100,000	4,950,000	4,950,256	256
Total General Property and Sales Taxes	5,652,000	5,502,000	5,520,125	18,125
Public Utility Licenses				
Electric	3,110,000	3,110,000	3,317,383	207,383
Gas	545,000	545,000	620,800	75,800
Telephone	1,350,000	1,350,000	1,245,526	(104,474)
Water	420,000	420,000	442,886	22,886
Cable television franchise fees	355,000	355,000	325,539	(29,461)
Right of way and fiber optic franchise fees	82,000	82,000	71,496	(10,504)
Total Public Utility Licenses	5,862,000	5,862,000	6,023,630	161,630
Licenses and Permits				
Occupation and merchants' licenses	190,000	190,000	220,425	30,425
Liquor licenses	40,000	40,000	39,281	(719)
Vending machine licenses	2,600	2,600	2,760	160
Emergency alarm licenses	50	50	175	125
Billboard license	-	-	-	-
Building permits	540,000	540,000	644,324	104,324
Occupancy permits	75,000	75,000	110,820	35,820
Sign permits	10,000	10,000	7,170	(2,830)
Street excavation fees	5,500	5,500	6,480	980
Dog park license fees	18,000	18,000	13,183	(4,817)
Miscellaneous zoning and other fees	95,500	95,500	121,120	25,620
Miscellaneous construction permits	1,000	1,000	3,925	2,925
Total Licenses and Permits	977,650	977,650	1,169,663	192,013
Municipal Facilities				
Community center:				
Multi-purpose rental	23,000	23,000	20,608	(2,392)
Meeting room rental	11,000	11,000	7,906	(3,094)
Gymnasium rental	25,500	25,500	20,000	(5,500)
Recreational programs	32,060	32,060	14,151	(17,909)
Miscellaneous revenue	11,500	11,500	18,767	7,267
Total Municipal Facilities	103,060	103,060	81,432	(21,628)

See accompanying independent auditors' report and notes to budgetary comparison information

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES (continued)				
Intergovernmental				
Grant income	132,240	132,240	73,049	(59,191)
New car sales tax	238,000	238,000	245,103	7,103
Cigarette tax	50,000	50,000	40,798	(9,202)
Gasoline and motor fuel tax	485,000	485,000	477,353	(7,647)
Road and bridge tax	920,000	920,000	965,524	45,524
Law enforcement	500,000	-	-	-
Total Intergovernmental	2,325,240	1,825,240	1,801,827	(23,413)
Fines, Forfeitures, and Charges for Services				
Municipal court fines	40,000	40,000	37,365	(2,635)
Traffic violations fines	560,000	560,000	445,580	(114,420)
Police service contracts	52,478	52,478	51,431	(1,047)
Total Fines, Forfeitures, And Charges For Services	652,478	652,478	534,376	(118,102)
Investment Income	210,000	210,000	131,186	(78,814)
Miscellaneous	115,550	137,384	219,160	81,776
Total Revenues	15,897,978	15,269,812	15,481,399	211,587
EXPENDITURES				
General Government				
Legislative:				
Personnel services	210,211	210,211	208,219	(1,992)
Operating	252,891	252,891	237,637	(15,254)
Capital outlay	11,880	11,880	10,883	(997)
Total Legislative	474,982	474,982	456,739	(18,243)
Administrative:				
Personnel services	646,807	646,807	615,386	(31,421)
Operating	192,636	192,636	164,453	(28,183)
Capital outlay	237,068	237,068	215,483	(21,585)
Total Administrative	1,076,511	1,076,511	995,322	(81,189)

See accompanying independent auditors' report and notes to budgetary comparison information

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
EXPENDITURES (continued)				
General Government (continued)				
Community services:				
Personnel services	81,873	81,873	82,130	257
Operating	35,549	35,549	30,554	(4,995)
Capital outlay	920	920	735	(185)
Total Community Services	118,342	118,342	113,419	(4,923)
Maintenance of municipal property:				
Personnel services	145,803	145,803	144,461	(1,342)
Operating	200,500	200,500	176,277	(24,223)
Capital outlay	9,000	9,000	450	(8,550)
Total Maintenance of Municipal Property	355,303	355,303	321,188	(34,115)
Court:				
Personnel services	194,488	194,488	187,330	(7,158)
Operating	63,413	63,413	46,916	(16,497)
Capital outlay	450	450	315	(135)
Total Court	258,351	258,351	234,561	(23,790)
Finance:				
Personnel services	650,666	650,666	648,349	(2,317)
Operating	417,167	417,167	378,455	(38,712)
Capital outlay	1,700	1,700	10,519	8,819
Total Finance	1,069,533	1,069,533	1,037,323	(32,210)
Total General Government	3,353,022	3,353,022	3,158,552	(194,470)
Public Safety				
Administrative:				
Personnel services	865,781	865,781	825,700	(40,081)
Operating	663,426	663,426	613,963	(49,463)
Capital outlay	28,320	28,320	17,733	(10,587)
Total Administrative	1,557,527	1,557,527	1,457,396	(100,131)
Investigations:				
Personnel services	615,015	615,015	585,074	(29,941)
Operating	33,216	33,216	24,227	(8,989)
Capital outlay	12,099	12,099	3,040	(9,059)
Total Investigations	660,330	660,330	612,341	(47,989)

See accompanying independent auditors' report and notes to budgetary comparison information

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
EXPENDITURES (continued)				
Public Safety (continued)				
Patrol:				
Personnel services	4,881,323	4,881,323	4,532,220	(349,103)
Operating	235,486	235,486	185,390	(50,096)
Capital outlay	142,835	142,835	150,765	7,930
Total Patrol	5,259,644	5,259,644	4,868,375	(391,269)
Total Public Safety	7,477,501	7,477,501	6,938,112	(539,389)
Public Works				
Administrative:				
Personnel services	582,050	582,050	528,691	(53,359)
Operating	34,185	34,185	18,168	(16,017)
Capital outlay	800	800	756	(44)
Total Administrative	617,035	617,035	547,615	(69,420)
Street:				
Personnel services	877,862	877,862	789,158	(88,704)
Operating	743,365	801,199	702,692	(98,507)
Capital outlay	48,250	48,250	33,336	(14,914)
Total Street	1,669,477	1,727,311	1,525,186	(202,125)
Health and welfare:				
Operating	774,500	774,500	741,031	(33,469)
Parks:				
Personnel services	261,600	261,600	250,061	(11,539)
Operating	227,130	227,130	195,801	(31,329)
Capital outlay	28,000	28,000	15,438	(12,562)
Total Parks	516,730	516,730	461,300	(55,430)
Total Public Works	3,577,742	3,635,576	3,275,132	(360,444)
Community Development				
Administrative:				
Personnel services	380,014	380,014	359,915	(20,099)
Operating	50,670	50,670	38,194	(12,476)
Capital outlay	275	275	95	(180)
Total Administrative	430,959	430,959	398,204	(32,755)

See accompanying independent auditors' report and notes to budgetary comparison information

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
EXPENDITURES (continued)				
Community Development (continued)				
Building:				
Personnel services	997,645	997,645	973,496	(24,149)
Operating	43,540	43,540	39,639	(3,901)
Capital outlay	850	850	436	(414)
Total Building	<u>1,042,035</u>	<u>1,042,035</u>	<u>1,013,571</u>	<u>(28,464)</u>
Total Community Development	<u>1,472,994</u>	<u>1,472,994</u>	<u>1,411,775</u>	<u>(61,219)</u>
Total Expenditures	<u>15,881,259</u>	<u>15,939,093</u>	<u>14,783,571</u>	<u>(1,155,522)</u>
 REVENUES OVER (UNDER) EXPENDITURES	 <u>16,719</u>	 <u>(669,281)</u>	 <u>697,828</u>	 <u>1,367,109</u>
 OTHER FINANCING (USES) SOURCES				
Transfers out	(525,000)	(1,525,000)	(1,200,000)	325,000
Sale of capital assets	25,000	25,000	56,026	31,026
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(1,500,000)</u>	<u>(1,143,974)</u>	<u>356,026</u>
 NET CHANGE IN FUND BALANCE - BUDGET BASIS	 <u>\$ (483,281)</u>	 <u>\$ (2,169,281)</u>	 <u>(446,146)</u>	 <u>\$ 1,723,135</u>
 ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Encumbrances reserved at June 30, 2018			174,552	
Encumbrances reserved at June 30, 2017			(27,266)	
Total Adjustments To Reconcile To GAAP Basis			<u>147,286</u>	
 NET CHANGE IN FUND BALANCE - GAAP BASIS			(298,860)	
 FUND BALANCE, BEGINNING OF YEAR			<u>16,038,450</u>	
 FUND BALANCE, END OF YEAR			<u>\$ 15,739,590</u>	

See accompanying independent auditors' report and notes to budgetary comparison information

CITY OF CREVE COEUR, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
FOR THE FISCAL 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 City Administrator submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearing meetings are held to obtain taxpayer comments.
- c. Prior to July 1, the budget is adopted by the City Council.
- d. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America except that budgetary basis expenditures include encumbrances. Expenditures on a budget basis may not legally exceed budgeted appropriations at the department level. Other financing source, related capital outlay of capital leases in the year the City enters into the lease agreement, and depreciation expense for the Enterprise Fund are not budgeted.
- e. Current year budget includes supplemental appropriations. A motion from the City Council is required to transfer budgeted amounts between funds, or to transfer substantial budgeted amounts between departments within any fund or for any revisions that would alter the total expenditures of any fund. Management can transfer budgeted amounts within departments, except salary expenditures, without City Council approval.
- f. In April 2017 the St. Louis County voters approved a ½ percent tax for the purpose of Public Safety. The City segregated the revenues into a Special Revenue Fund. Since the City had not yet decided how it would allocate the revenues, an expenditure budget was not created in fiscal year 2018. As a result, actual expenditures exceeded the budget by \$2,300.

Communication: CAFR-Draft (New Business)

CITY OF CREVE COEUR, MISSOURI

**RETIREMENT PLAN FOR EMPLOYEES OF THE CITY -
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 255,915	\$ 409,425	\$ 424,445	\$ 371,341	\$ 447,610
Interest on total pension liability	2,089,956	2,059,464	1,994,674	1,918,318	1,827,698
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or losses	187,078	(279,359)	21,701	64,357	3,949
Effect of assumption changes or inputs	793,015	-	-	1,832,668	-
Benefit payments	(1,657,854)	(1,544,910)	(1,457,024)	(1,392,018)	(1,508,007)
Net change in total pension liability	1,668,110	644,620	983,796	2,794,666	771,250
Total pension liability - beginning	30,415,509	29,770,889	28,787,093	25,992,427	25,221,177
Total Pension Liability - Ending (A)	\$ 32,083,619	\$ 30,415,509	\$ 29,770,889	\$ 28,787,093	\$ 25,992,427
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,188,826	\$ 1,200,992	\$ 1,270,402	\$ 1,254,457	\$ 1,444,717
Contributions - member	99,041	107,272	112,251	93,099	74,183
Net investment income	1,893,838	2,499,524	251,339	426,117	3,245,642
Benefit payments, including refunds of member contributions	(1,657,854)	(1,544,910)	(1,457,024)	(1,392,017)	(1,508,007)
Expenses	(44,133)	-	-	-	-
Net change in plan fiduciary net position	1,479,718	2,262,878	176,968	381,656	3,256,535
Plan fiduciary net position - beginning	24,250,103	21,987,225	21,810,257	21,428,601	18,172,066
Plan Fiduciary Net Position - Ending (B)	\$ 25,729,821	\$ 24,250,103	\$ 21,987,225	\$ 21,810,257	\$ 21,428,601
Net Pension Liability - Ending (A) - (B)	\$ 6,353,798	\$ 6,165,406	\$ 7,783,664	\$ 6,976,836	\$ 4,563,826
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	79.73%	73.86%	75.76%	82.44%
Covered Valuation Payroll	\$ 3,224,888	\$ 3,557,984	\$ 3,816,272	\$ 3,866,480	\$ 3,822,287
Net Pension Liability as a Percentage of Covered Valuation Payroll	197.02%	173.28%	203.96%	180.44%	119.40%

Notes to Schedule:

- Benefit changes - None
- Changes of assumptions -
 - 2017 - The Municipal Bond Rate assumption changed from 2.71% to 3.13%. This change had no impact on the results.
 - 2016 - The Municipal Bond Rate assumption changed from 3.73% to 2.71%.
 - 2015 - a) Mortality improvement projection scale was updated from a static projection using Scale AA 10 years after valuation date to a fully generational projection using Scale BB; b) The interest rate assumption was changed from 7.47% to 7.0%.
- This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Communication: CAFR-Draft (New Business)

CITY OF CREVE COEUR, MISSOURI

**RETIREMENT PLAN FOR EMPLOYEES OF THE CITY -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,159,936	\$ 1,139,751	\$ 1,220,627	\$ 910,670	\$ 1,088,415	\$ 1,204,193	\$ 1,339,314	\$ 1,179,145	\$ 1,004,897	\$ 675,394
Contributions made in relation to the actuarial determined contribution	1,188,826	1,200,992	1,270,404	1,254,457	1,444,717	1,261,350	1,389,538	1,225,000	1,057,900	757,900
Contribution (excess) deficiency	\$ (28,890)	\$ (61,241)	\$ (49,777)	\$ (343,787)	\$ (356,302)	\$ (57,157)	\$ (50,224)	\$ (45,855)	\$ (53,003)	\$ (82,506)
Covered - employee payroll	\$ 3,224,888	\$ 3,557,984	\$ 3,816,272	\$ 3,866,480	\$ 3,822,287	\$ 4,016,528	\$ 4,073,539	\$ 4,252,159	\$ 4,625,095	\$ 4,850,260
Contribution as a percentage of payroll	36.86%	33.75%	33.29%	32.44%	37.80%	31.40%	34.11%	28.81%	22.87%	15.63%

Notes to Schedule:

Methods and assumptions used to determine contribution rates for the most recent year include:

Valuation date	June 30 of each year
Actuarial cost method	Entry age normal
Amortization method	Level percent, layered, 10 years for UAL as of 7/1/2015, 15 years for other UAL
Asset valuation method	Three-year smoothed value, with difference between actual investment return and expected investment return recognized in equal installments over a three-year period
General inflation	2.50%
Salary increases	4.00%
Investment rate of return	6.75%
Mortality	RP-2000 Combined Healthy Table with a 70% Blue Collar adjustment with a fully generational projection of mortality improvement using Scale BB

Summary of changes from July 1, 2016 valuation:

None

Summary of changes from July 1, 2015 valuation:

The summary scale assumption was changed from 5% to 4% per annum.

Summary of changes from the July 1, 2014 valuation:

Mortality improvement projection scale was updated from a static projection using Scale AA 10 years after the valuation date to a fully generational projection using Scale BB.

The interest rate assumption was changed from 7.5% to 7.0%

The contribution policy was changed. The amortization of Unfunded Actuarial Liability component of the City's cost was changed from an open 15-year amortization to a closed 10-year amortization of the UAL at July 1, 2015.

Summary of changes from July 1, 2017 valuation:

The interest rate assumption was changed from 7% to 6.75%

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**RETIREMENT PLAN FOR EMPLOYEES OF THE CITY -
SCHEDULE OF INVESTMENT RETURNS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The following table shows the investment rate of return on assets for the City's retirement plan for employees over the past ten years.

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Investment return net of all expenses	7.83%	11.43%	1.15%	1.99%	17.86%	12.87%	0.23%	19.62%	12.16%	-18.25%

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CITY OF CREVE COEUR, MISSOURI

**MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Fiscal Year Ended June 30, 2018
Total Pension Liability	
Service cost	\$ 118,482
Interest on the total pension liability	4,140
Changes of benefit terms	1,656,786
Difference between expected and actual experience	(122,622)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(995)
Net Changes in Total Pension Liability	1,655,791
Total Pension Liability - Beginning	-
Total Pension Liability - Ending (A)	\$ 1,655,791
Plan Fiduciary Net Position	
Contributions - employer	\$ 265,666
Contributions - member	660,010
Net investment income	53,966
Benefit payments, including refunds of member contributions	(995)
Administrative expense	(4,869)
Other (net transfer)	(8,783)
Net Change in Plan Fiduciary Net Position	964,995
Plan Fiduciary Net Position - Beginning	-
Plan Fiduciary Net Position - Ending (B)	\$ 964,995
Net Pension Liability - Ending (A) - (B)	\$ 690,796
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.28%
Covered Payroll	\$ 3,627,761
Net Pension Liability as a Percentage of Covered Payroll	19.04%

Note to Schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The following exhibit is history of contributions to the LAGERS plan.

	Fiscal Year Ended June 30, 2018
Actuarially determined contribution	\$ 265,666
Contributions made in relation to the actuarial determined contribution	265,666
Contribution deficiency	\$ -
 Covered payroll	 \$ 3,272,453
Contribution as a percentage of covered payroll	8.12%

Notes to Schedule:

Methods and assumptions used to determine contribution rates for the most recent year include:

Valuation date	February 28/29 of each year; the roll-forward of total pension liability from February 28, 2018, to June 30, 2018, reflects expected service cost and interest reduced by actual benefit payments.
Actuarial cost method	Entry age normal cost and modified terminal funding
Amortization method	Level percentage of payroll, closed.
Remaining amortization period	Multiple bases from 15 to 29.
Asset valuation method	5-year smoothed market; 20% corridor.
General inflation	3.25% wage inflation; 2.50% price inflation.
Salary increases	3.25% to 6.55% including wage inflation.
Investment rate of return	7.25%, net of investment expenses.
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	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 table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Other information:	None.

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**POST-EMPLOYMENT MEDICAL AND PRESCRIPTION PLAN
FOR EMPLOYEES OF THE CITY – SCHEDULE OF CHANGES IN OTHER
POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Year Ended June 30, 2018
Total OPEB liability	
Service cost	\$ 60,575
Interest costs	109,156
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(55,529)
Changes in benefit terms	-
Benefit payments	(185,866)
Net change in total OPEB liability	(71,664)
Total OPEB Liability at June 30, 2017	3,080,586
Total OPEB Liability at June 30, 2018	\$ 3,008,922
Covered employee payroll	\$ 7,011,239
Total OPEB liability as a percentage of covered employee payroll	42.9%

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

Impact of Changes of Benefit Terms

There were no changes of benefit terms that significantly impacted the valuation.

Impact of Plan Experience

The Plan has not had a formal actuarial experience study performed.

Impact of Changes of Assumptions

The impact of changes in assumptions is valued at a loss of approximately \$55,000 in respect to the total OPEB liability. This occurred due to many assumptions changing, such as a re-evaluation of the discount rate using the current updated mortality table - reflecting participants living longer and actuarial cost method. The remainder of the changes are due to accrual of benefits and the passage of time.

Note:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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Other Supplemental Information

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MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Fund - This fund is used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities and infrastructure (other than those financed by proprietary funds and trust funds).

Police Building Fund - In 2016 the citizens of Creve Coeur approved Proposition P which authorized the levying of a property tax to provide funding for the construction of a new facility for the police department and associated improvements at the current government center. This fund will be responsible for accounting for all revenues and expenditures associated with the construction of the police facility and related improvements of the government center. It is estimated this project will be completed during fiscal year 2019.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of major capital projects) that are legally restricted to expenditures for specific purposes.

Lateral Sewer Fund - This fund is used to account for special assessments to be utilized for maintenance of lateral sewer lines within the City.

Public Safety Fund - This fund is used to account for a ½ percent sales tax to be used for improving police and public safety.

DEBT SERVICE FUND

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

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general obligation and certificates of participation long-term debt principal, interest and related costs.

CITY OF CREVE COEUR, MISSOURI

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds			Total
	Lateral Sewer Fund - Nonmajor	Public Safety Fund	Debt Service Fund	
ASSETS				
Cash, cash equivalents, and investments	\$ 127,871	\$ 532,033	\$ 258,532	\$ 918,436
Receivables (net):				
Governmental agencies	-	100,626	-	100,626
Total Assets	\$ 127,871	\$ 632,659	\$ 258,532	\$ 1,019,062
LIABILITIES				
Accounts payable	\$ 7,753	\$ -	\$ -	\$ 7,753
Due to other funds	19,001	-	-	19,001
Total Liabilities	26,754	-	-	26,754
FUND BALANCES				
Restricted for:				
Sewer lateral	101,117	-	-	101,117
Public safety	-	632,659	-	632,659
Debt service	-	-	258,532	258,532
Total Fund Balances	101,117	632,659	258,532	992,308
Total Liabilities and Fund Balances	\$ 127,871	\$ 632,659	\$ 258,532	\$ 1,019,062

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CITY OF CREVE COEUR, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds			Debt Service Fund	Total
	Lateral Sewer Fund - Nonmajor	Public Safety Fund			
REVENUES					
General property and sales taxes	\$ -	634,959	824,154	\$	1,459,113
Other taxes	134,540	-	-		134,540
Total Revenues	134,540	634,959	824,154		1,593,653
EXPENDITURES					
Current:					
Public safety	-	2,300	-		2,300
Public works	90,339	-	-		90,339
Debt service:					
Principal	-	-	320,000		320,000
Interest	-	-	244,986		244,986
Other	-	-	636		636
Total Expenditures	90,339	2,300	565,622		658,261
REVENUES OVER EXPENDITURES	44,201	632,659	258,532		935,392
NET CHANGES IN FUND BALANCES	44,201	632,659	258,532		935,392
FUND BALANCES - BEGINNING OF YEAR	56,916	-	-		56,916
FUND BALANCES - END OF YEAR	\$ 101,117	\$ 632,659	\$ 258,532	\$	992,308

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
General property and sales taxes	\$ 2,108,030	\$ 2,108,030	\$ 2,130,456	\$ 22,426
Intergovernmental	407,045	904,595	611,433	(293,162)
Investment income	7,500	7,500	(468)	(7,968)
Miscellaneous	-	8,565	33,565	25,000
Total Revenues	<u>2,522,575</u>	<u>3,028,690</u>	<u>2,774,986</u>	<u>(253,704)</u>
EXPENDITURES				
Capital outlay	3,442,638	5,398,475	4,307,266	(1,091,209)
Total Expenditures	<u>3,442,638</u>	<u>5,398,475</u>	<u>4,307,266</u>	<u>(1,091,209)</u>
REVENUES UNDER EXPENDITURES	<u>(920,063)</u>	<u>(2,369,785)</u>	<u>(1,532,280)</u>	<u>837,505</u>
Other Financing Sources (Uses)				
Transfers in	525,000	1,525,000	1,200,000	(325,000)
Sale of capital assets	20,000	20,000	-	(20,000)
Total Other Financing Sources (Uses)	<u>545,000</u>	<u>1,545,000</u>	<u>1,200,000</u>	<u>(345,000)</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (375,063)</u>	<u>\$ (824,785)</u>	<u>(332,280)</u>	<u>\$ 492,505</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Encumbrances reserved at June 30, 2018			804,865	
Encumbrances reserved at June 30, 2017			(288,474)	
Total Adjustments To Reconcile To GAAP Basis			<u>516,391</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			184,111	
FUND BALANCE - BEGINNING OF YEAR			<u>1,702,929</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,887,040</u>	

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - POLICE BUILDING CAPITAL PROJECTS FUND - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Investment income	\$ 80,500	\$ 80,500	\$ 126,091	\$ 45,591
Total Revenues	<u>80,500</u>	<u>80,500</u>	<u>126,091</u>	<u>45,591</u>
EXPENDITURES				
Public safety	64,282	64,282	639,258	574,976
Capital outlay	4,716,704	4,716,704	2,953,744	(1,762,960)
Total Expenditures	<u>4,780,986</u>	<u>4,780,986</u>	<u>3,593,002</u>	<u>(1,187,984)</u>
REVENUES UNDER EXPENDITURES	<u>(4,700,486)</u>	<u>(4,700,486)</u>	<u>(3,466,911)</u>	<u>1,233,575</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (4,700,486)</u>	<u>\$ (4,700,486)</u>	<u>(3,466,911)</u>	<u>\$ 1,233,575</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Encumbrances reserved at June 30, 2018			1,850,250	
Encumbrances reserved at June 30, 2017			(109,161)	
Total Adjustments To Reconcile To GAAP Basis			<u>1,741,089</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			(1,725,822)	
FUND BALANCE - BEGINNING OF YEAR			<u>10,465,434</u>	
FUND BALANCE - END OF YEAR			<u>\$ 8,739,612</u>	

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LATERAL SEWER SPECIAL REVENUE FUND - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Other taxes	\$ 132,000	\$ 132,000	\$ 134,540	\$ 2,540
EXPENDITURES				
Public works	111,500	111,500	90,339	(21,161)
NET CHANGE IN FUND BALANCE	<u>\$ 20,500</u>	<u>\$ 20,500</u>	44,201	<u>\$ 23,701</u>
FUND BALANCE - BEGINNING OF YEAR			<u>56,916</u>	
FUND BALANCE - END OF YEAR			<u>101,117</u>	

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CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PUBLIC SAFETY SPECIAL REVENUE FUND - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
General property and sales taxes	\$ -	\$ 500,000	\$ 634,959	\$ 134,959
EXPENDITURES				
Public safety	-	-	2,300	2,300
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 500,000</u>	<u>632,659</u>	<u>\$ 132,659</u>
FUND BALANCE - BEGINNING OF YEAR				
FUND BALANCE - END OF YEAR			<u>\$ 632,659</u>	

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

Communication: CAFR-Draft (New Business)

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
General property and sales taxes	\$ 769,471	\$ 769,471	\$ 824,154	\$ 54,683
Investment income	400	400	-	(400)
Total Revenues	<u>769,871</u>	<u>769,871</u>	<u>824,154</u>	<u>54,283</u>
EXPENDITURES				
Debt service:				
Principal	310,000	310,000	320,000	10,000
Interest	259,206	259,206	244,986	(14,220)
Other			636	636
Total Expenditures	<u>569,206</u>	<u>569,206</u>	<u>565,622</u>	<u>(3,584)</u>
REVENUES OVER EXPENDITURES	<u>200,665</u>	<u>200,665</u>	<u>258,532</u>	<u>57,867</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 200,665</u>	<u>\$ 200,665</u>	<u>258,532</u>	<u>\$ 57,867</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Encumbrances reserved at June 30, 2018			-	
Encumbrances reserved at June 30, 2017			-	
Total Adjustments To Reconcile To GAAP Basis			-	
NET CHANGE IN FUND BALANCE - GAAP BASIS			258,532	
FUND BALANCE - BEGINNING OF YEAR			-	
FUND BALANCE - END OF YEAR			<u>\$ 258,532</u>	

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Recreational Fund - This fund is used to account for the operations of the City's food service, public golf course, and ice arena.

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
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CITY OF CREVE COEUR, MISSOURI

**COMPARATIVE STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2018 AND 2017**

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 190,436	\$ 212,106
Accounts receivable	450	11,886
Inventories	6,304	5,237
Prepaid expenses	17,989	-
Due from other funds	940	-
Total Current Assets	216,119	229,229
Capital Assets		
Land	644,545	644,545
Other capital assets, net of accumulated depreciation	2,699,219	2,775,779
Total Capital Assets	3,343,764	3,420,324
Total Assets	3,559,883	3,649,553
LIABILITIES		
Current Liabilities		
Accounts payable	42,494	40,267
Accrued liabilities	13,765	13,724
Due to other funds	-	2,662
Unearned revenues	34,022	27,613
Total Current Liabilities	90,281	84,266
NET POSITION		
Net investment in capital assets	3,343,764	3,420,324
Unrestricted	125,838	144,963
Total Net Position	\$ 3,469,602	\$ 3,565,287

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**COMBINING SCHEDULE OF REVENUES AND EXPENSES -
ENTERPRISE FUND - RECREATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Food Service Department	Golf Course Department	Ice Arena Department	Totals
OPERATING REVENUES				
Greens fees	\$ -	\$ 242,498	\$ -	\$ 242,498
Cart rental and merchandise sales	-	87,187	-	87,187
Food	14,440	-	-	14,440
Beverages	42,319	-	-	42,319
Admissions	-	-	46,837	46,837
Hockey league rental	-	-	131,987	131,987
Contract rental - other	-	-	309,709	309,709
Skate rental and sharpening	-	-	11,538	11,538
Skating lessons	-	-	73,846	73,846
Figure skating camp and contracts	-	-	28,893	28,893
Miscellaneous	-	25,823	39,803	65,626
Total Operating Revenues	56,759	355,508	642,613	1,054,880
OPERATING EXPENSES				
Personnel services	9,427	300,028	247,048	556,503
Operating expenses	45,416	214,308	250,815	510,539
Depreciation	-	22,290	272,032	294,322
Total Operating Expenses	54,843	536,626	769,895	1,361,364
OPERATING INCOME (LOSS)	1,916	(181,118)	(127,282)	(306,484)
NONOPERATING REVENUE (EXPENSE)				
Investment income	-	20	19	39
Loss on sale of capital assets	-	-	6,245	6,245
Total Nonoperating Revenue (Expenses)	-	20	6,264	6,284
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,916	(181,098)	(121,018)	(300,200)
Capital contributions	-	-	204,515	204,515
CHANGE IN NET POSITION	\$ 1,916	\$ (181,098)	\$ 83,497	(95,685)
NET POSITION, BEGINNING OF YEAR				3,565,287
NET POSITION, END OF YEAR				\$ 3,469,602

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - ENTERPRISE FUND -
RECREATIONAL FUND - FOOD SERVICE DEPARTMENT
BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
OPERATING REVENUES				
Food	\$ 16,000	\$ 16,000	\$ 14,440	\$ (1,560)
Beverages	40,000	40,000	42,319	2,319
Total Operating Revenues	<u>56,000</u>	<u>56,000</u>	<u>56,759</u>	<u>759</u>
OPERATING EXPENSES				
Personnel services	8,157	8,157	9,427	1,270
Operating expenses	32,853	32,853	45,416	12,563
Total Operating Expenses	<u>41,010</u>	<u>41,010</u>	<u>54,843</u>	<u>13,833</u>
OPERATING INCOME	<u>\$ 14,990</u>	<u>\$ 14,990</u>	<u>\$ 1,916</u>	<u>\$ (13,074)</u>

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

Communication: CAFR-Draft (New Business)

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - ENTERPRISE FUND -
RECREATIONAL FUND - GOLF COURSE DEPARTMENT -
BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
OPERATING REVENUES				
Greens fees	\$ 247,500	\$ 247,500	\$ 242,498	\$ (5,002)
Cart rental and merchandise sales	118,350	118,350	87,187	(31,163)
Miscellaneous	20,000	20,000	25,823	5,823
Total Operating Revenues	385,850	385,850	355,508	(30,342)
OPERATING EXPENSES				
Personnel services	294,903	294,903	300,028	5,125
Operating expenses	194,750	194,750	214,308	19,558
Depreciation			22,290	22,290
Total Operating Expenses	489,653	489,653	536,626	46,973
OPERATING LOSS	(103,803)	(103,803)	(181,118)	(77,315)
NONOPERATING REVENUE (EXPENSE)				
Investment income			20	20
Total Nonoperating Revenue (Expense)			20	20
LOSS BEFORE CAPITAL CONTRIBUTIONS	(103,803)	(103,803)	(181,098)	(77,295)
Capital contributions	-	-	-	-
CHANGE IN NET POSITION	\$ (103,803)	\$ (103,803)	\$ (181,098)	\$ (77,295)

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - ENTERPRISE FUND -
RECREATIONAL FUND - ICE ARENA DEPARTMENT -
BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
OPERATING REVENUES				
Admissions	\$ 38,750	\$ 38,750	\$ 46,837	\$ 8,087
Hockey league rental	152,000	152,000	131,987	(20,013)
Contract rental - other	300,000	300,000	309,709	9,709
Skate rental and sharpening	8,575	8,575	11,538	2,963
Skating lessons	41,000	41,000	73,846	32,846
Figure skating camp and contracts	33,000	33,000	28,893	(4,107)
Miscellaneous	41,670	41,670	39,803	(1,867)
Total Operating Revenues	614,995	614,995	642,613	27,618
OPERATING EXPENSES				
Personnel services	281,707	281,707	247,048	(34,659)
Operating expenses	246,881	250,776	246,920	(3,856)
Depreciation			272,032	272,032
Total Operating Expenses	528,588	532,483	766,000	233,517
OPERATING INCOME (LOSS)	86,407	82,512	(123,387)	(205,899)
NONOPERATING REVENUE				
Investment income	200	200	19	(181)
Loss on sale of capital assets	-	-	6,245	6,245
Total Nonoperating Revenue	200	200	6,264	6,064
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	86,607	82,712	(117,123)	(199,835)
Capital contributions	-	-	204,515	-
CHANGE IN NET POSITION - BUDGET BASIS	\$ 86,607	\$ 82,712	\$ 87,392	\$ (199,835)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Encumbrances reserved at June 30, 2018				
Encumbrances reserved at June 30, 2017			(3,895)	
Total Adjustments To Reconcile To GAAP Basis			(3,895)	
NET CHANGE IN FUND BALANCE - GAAP BASIS			\$ 83,497	

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

FIDUCIARY FUND TYPES - TRUST AND AGENCY FUNDS

Trust Funds are used to account for assets held by the City in a trustee capacity. Agency Funds are used to account for assets held by the City as an agent for individual, private organizations, other governments, and/or other funds.

Pension Trust Fund - This fund is used to account for assets held in a trustee capacity for the City's eligible employees.

Agency Funds - The Escrow, Transportation Development District, and Court Bond Funds are used to account for the collection and release of monies in connection with construction permits, transportation development district sales tax, and to be held as bond deposits to ensure defendants' appearances in court.

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
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CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
BUDGET AND ACTUAL - PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
ADDITIONS				
Investment income:				
Interest and dividends earned	\$ 525,000	\$ 525,000	\$ 642,172	\$ 117,172
Net appreciation (depreciation) in fair value of investments	1,011,682	1,271,693	1,271,693	-
Total Investment Income	1,536,682	1,796,693	1,913,865	117,172
Less - Investment management and custodial fees	42,145	42,145	43,056	911
Net Investment Income	1,494,537	1,754,548	1,870,809	116,261
Employee contributions	104,000	104,000	99,041	(4,959)
Employer contributions	1,430,000	1,430,000	1,188,826	(241,174)
Total Additions	3,028,537	3,288,548	3,158,676	(129,872)
DEDUCTIONS				
Benefit payments	1,733,120	1,657,855	1,657,855	-
Administrative expenses	24,000	21,102	21,102	-
Total Deductions	1,757,120	1,678,957	1,678,957	-
CHANGE IN NET POSITION	\$ 1,271,417	\$ 1,609,591	1,479,719	\$ (129,872)
NET POSITION RESTRICTED FOR PENSION BENEFITS, BEGINNING OF YEAR			<u>24,250,102</u>	
NET POSITION RESTRICTED FOR PENSION BENEFITS, END OF YEAR			<u>\$ 25,729,821</u>	

See accompanying independent auditors' report

CITY OF CREVE COEUR, MISSOURI

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Escrow Fund				
Assets:				
Cash and cash equivalents	\$ 1,523,772	\$ 3,512,287	\$ 4,017,138	\$ 1,018,921
Investments	250,030	2,954,815	1,981,398	1,223,447
Interest receivable	1,077	5,570	1,077	5,570
Total Assets	\$ 1,774,879	\$ 6,472,672	\$ 5,999,613	\$ 2,247,938
Liabilities:				
Due to escrowees	\$ 1,774,879	\$ 2,570,554	\$ 2,097,495	\$ 2,247,938
Total Liabilities	\$ 1,774,879	\$ 2,570,554	\$ 2,097,495	\$ 2,247,938
Transportation Development District Fund				
Assets:				
Cash and cash equivalents	\$ 40,742	\$ 472,264	\$ 470,111	\$ 42,895
Sales tax receivable	69,831	82,102	69,831	82,102
Total Assets	\$ 110,573	\$ 554,366	\$ 539,942	\$ 124,997
Liabilities - due to others	\$ 110,573	\$ 554,366	\$ 539,942	\$ 124,997
Court Bond Fund				
Assets - cash and cash equivalents	\$ 10,827	\$ 30,832	\$ 20,355	\$ 21,304
Liabilities - court bonds payable	\$ 10,827	\$ 30,832	\$ 20,355	\$ 21,304
All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 1,575,341	\$ 4,015,383	\$ 4,507,604	\$ 1,083,120
Investments	250,030	2,954,815	1,981,398	1,223,447
Interest receivable	1,077	5,570	1,077	5,570
Sales tax receivable	69,831	82,102	69,831	82,102
Total Assets	\$ 1,896,279	\$ 7,057,870	\$ 6,559,910	\$ 2,394,239
Liabilities:				
Due to escrowees	\$ 1,774,879	\$ 2,570,554	\$ 2,097,495	\$ 2,247,938
Due to others	110,573	554,366	539,942	124,997
Court bonds payable	10,827	30,832	20,355	21,304
Total Liabilities	\$ 1,896,279	\$ 3,155,752	\$ 2,657,792	\$ 2,394,239

See accompanying independent auditors' report

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

Statistical Information

CITY OF CREVE COEUR, MISSOURI

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

Contents

Financial Trends 84 - 88

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 89 - 95

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 96 - 98

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 99 - 102

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 103 - 104

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

Communication: CAFR-Draft (New Business)

CITY OF CREVE COEUR, MISSOURI

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets	\$ 45,380,008	\$ 47,597,255	\$ 48,271,627	\$ 49,331,801	\$ 49,753,109	\$ 46,543,616	\$ 46,485,745	\$ 45,739,321	\$ 46,336,679	\$ 45,979,748
Restricted for:										
Capital projects	-	-	-	-	-	-	-	2,348,619	1,891,955	2,474,755
Debt service	258,532	-	-	-	815,870	829,820	843,334	857,151	1,117,339	1,117,339
Economic development	-	-	-	-	-	-	28,642	29,999	517,699	517,699
Sewer lateral	101,117	56,916	37,125	100,682	186,500	269,110	281,155	316,596	304,830	277,133
Public safety	632,659	-	-	-	-	-	-	-	-	-
Unrestricted	7,356,220	11,504,290	12,424,865	11,778,200	11,796,147	18,836,038	17,686,249	14,615,928	14,462,926	13,144,650
Total Governmental Activities	\$ 53,728,536	\$ 59,158,461	\$ 60,733,617	\$ 61,210,683	\$ 61,735,756	\$ 66,464,634	\$ 65,282,969	\$ 63,892,440	\$ 63,883,540	\$ 63,511,324
Business-type Activities										
Net investment in capital assets	\$ 3,343,764	\$ 3,420,324	\$ 3,436,167	\$ 3,198,238	\$ 3,405,635	\$ 3,586,842	\$ 3,869,783	\$ 4,082,412	\$ 4,292,559	\$ 4,132,914
Unrestricted	125,838	144,963	31,819	22,131	(1,354,864)	(1,343,514)	(1,390,224)	(1,480,808)	(1,561,464)	(1,655,164)
Total Business-type Activities	\$ 3,469,602	\$ 3,565,287	\$ 3,467,986	\$ 3,220,369	\$ 2,050,771	\$ 2,243,328	\$ 2,479,559	\$ 2,601,604	\$ 2,731,095	\$ 2,477,750
Primary Government										
Net investment in capital assets	\$ 48,723,772	\$ 51,017,579	\$ 51,707,794	\$ 52,530,039	\$ 53,158,744	\$ 50,130,458	\$ 50,355,528	\$ 49,821,733	\$ 50,629,238	\$ 50,112,662
Restricted	992,308	56,916	37,125	100,682	186,500	1,084,980	1,110,975	3,537,191	3,083,935	4,386,926
Unrestricted	7,482,058	11,649,253	12,456,684	11,800,331	10,441,283	17,492,524	16,296,025	13,135,120	12,901,462	11,489,486
Total Primary Government	\$ 57,198,138	\$ 62,723,748	\$ 64,201,603	\$ 64,431,052	\$ 63,786,527	\$ 68,707,962	\$ 67,762,528	\$ 66,494,044	\$ 66,614,635	\$ 65,989,074

Source: Basic financial statements

2014 amount was restated for implementation of GASB 68 and 71.

2012 amount was restated for implementation of GASB 63 and 65.

CITY OF CREVE COEUR, MISSOURI

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

For The Fiscal Years Ended June 30,										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental Activities										
General government	\$ 4,414,064	\$ 3,847,788	\$ 3,815,798	\$ 3,459,805	\$ 2,937,063	\$ 3,499,759	\$ 3,549,249	\$ 3,302,799	\$ 3,313,133	\$ 3,337,554
Public safety	8,062,364	7,294,707	7,461,156	6,666,101	6,379,688	6,301,073	6,508,186	6,480,234	6,330,140	6,158,179
Public works	7,801,003	6,565,453	6,320,068	6,697,351	7,051,789	6,653,270	6,382,087	6,438,609	6,207,448	6,460,883
Community development	1,593,856	1,435,456	1,417,196	1,253,125	1,155,390	1,084,653	1,052,483	971,173	975,709	1,036,649
Economic development	-	-	-	-	-	-	28,642	1,357	348,754	1,271,263
Interest on long-term debt	288,622	193,508	-	-	444,455	212,633	249,421	276,444	305,443	337,031
Total Governmental Activities Expenses	22,159,909	19,336,912	18,715,218	18,076,382	17,968,385	17,751,388	17,770,068	17,470,616	17,480,627	18,601,559
Business-type Activities										
Recreation center	1,355,119	1,363,639	1,321,202	1,153,885	1,195,321	1,220,074	1,161,492	1,203,726	1,218,633	1,174,500
Total Primary Government Expenses	23,515,028	20,700,551	20,036,420	19,230,267	19,163,706	18,971,462	18,931,560	18,674,342	18,699,260	19,776,059
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	456,423	437,159	408,135	438,310	229,190	228,375	242,461	228,749	303,795	222,029
Public safety	553,993	624,012	1,000,796	1,248,559	1,409,666	1,909,495	2,056,877	1,948,490	1,815,272	2,428,807
Public works	887,973	766,469	820,924	936,999	728,815	668,547	643,552	411,344	430,567	895,210
Community development	32,723	28,583	38,037	21,767	14,358	4,290	6,468	5,409	3,427	9,647
Operating grants and contributions	1,789,780	1,753,857	1,799,905	1,730,412	1,743,862	1,684,292	1,697,710	1,747,480	1,731,486	1,780,974
Capital grants and contributions	611,433	662,851	537,672	618,735	575,952	555,484	754,762	-	741,426	772,607
Total Governmental Activities Program Revenues	4,332,325	4,272,931	4,603,469	4,988,782	4,701,643	5,050,483	5,401,830	4,341,472	5,025,973	5,909,274
Business-type Activities										
Charges for services:										
Recreation center	1,054,880	1,228,705	1,068,062	995,236	1,002,575	953,409	1,014,246	938,998	988,568	1,017,068
Total Business-type Activities Program Revenues	1,054,880	1,228,705	1,068,062	995,236	1,002,575	953,409	1,014,246	938,998	988,568	1,017,068
Total Primary Government Program Revenues	5,387,205	5,501,636	5,671,531	5,984,018	5,704,218	6,003,892	6,416,076	5,280,470	6,014,541	6,926,342
NET REVENUE (EXPENSES)										
Governmental Activities	(17,827,584)	(15,063,981)	(14,111,749)	(13,087,600)	(13,266,742)	(12,700,905)	(12,368,238)	(13,129,144)	(12,454,654)	(12,692,285)
Business-type Activities	(300,239)	(134,934)	(253,140)	(158,649)	(192,746)	(266,665)	(147,246)	(264,728)	(230,065)	(157,432)
Total Primary Government, Net Expenses	(18,127,823)	(15,198,915)	(14,364,889)	(13,246,249)	(13,459,488)	(12,967,570)	(12,515,484)	(13,393,872)	(12,684,719)	(12,849,717)

CITY OF CREVE COEUR, MISSOURI

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	For The Fiscal Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental Activities										
Property tax	1,395,387	563,490	539,318	547,335	553,347	549,157	632,358	681,159	648,502	1,529,001
Sales tax	7,715,670	7,107,947	7,166,389	7,024,743	6,876,143	6,601,450	6,475,114	5,665,753	5,266,229	5,355,038
Utility tax	6,023,630	5,630,711	5,964,434	5,586,528	5,775,034	5,822,439	5,718,965	5,829,959	6,212,734	5,265,596
Other tax	40,798	47,316	53,096	46,900	45,982	48,726	47,302	47,375	47,740	52,959
Gain (loss) on sale of capital assets	22,917	50,307			(3,139)	17,595	7,284	27,821	90,211	19,380
Investment income	256,808	155,081	288,161	222,964	287,644	189,012	141,139	204,816	295,507	610,169
Miscellaneous	208,221	156,093	123,550	462,040	617,230	684,191	828,170	816,161	748,888	738,327
Transfers	(204,215)	(232,120)	(500,225)	(1,327,983)	(300,000)	(30,000)	(25,000)	(135,000)	(482,941)	(120,000)
Total Governmental Activities General										
Revenues And Other Changes In										
Net Position	15,459,216	13,468,825	13,634,683	12,562,527	13,852,241	13,882,570	13,825,332	13,138,044	12,826,870	13,450,470
Business-type Activities										
Investment income	39	115	532	264	189	434	201	237	469	459
Transfers	204,215	232,120	500,225	(1,327,983)		30,000	25,000	135,000	482,941	120,000
Total Business-type Activities General										
Revenues and Other Changes In										
Net Position	204,254	232,235	500,757	1,328,247	189	30,434	25,201	135,237	483,410	120,459
Total Primary Government General										
Revenues and Other Changes In										
Net Position	15,663,470	13,721,060	14,135,440	13,890,774	13,852,430	13,913,004	13,850,533	13,273,281	13,310,280	13,570,929
CHANGE IN NET POSITION										
Governmental Activities	(2,368,368)	(1,575,156)	(477,066)	(525,073)	585,499	1,181,665	1,457,094	8,900	372,216	758,185
Business-type Activities	(95,985)	97,301	247,617	1,69,598	(192,557)	(236,231)	(122,045)	(129,491)	253,345	(36,973)
Total Primary Government	\$ (2,464,353)	\$ (1,477,855)	\$ (229,449)	\$ 644,525	\$ 392,942	\$ 945,434	\$ 1,335,049	\$ (120,591)	\$ 625,561	\$ 721,212

Source: Basic financial statements

CITY OF CREVE COEUR, MISSOURI

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	\$ 1,511,272	\$ 1,276,446	\$ 1,289,083	\$ 1,303,057	\$ 2,735,319	\$ 2,675,889	\$ 2,698,327	\$ 1,530,392	\$ -	\$ -
Committed	-	-	-	-	-	-	-	200,000	-	-
Assigned	337,816	483,280	288,970	217,744	399,530	34,224	30,294	53,346	-	-
Unassigned	13,890,502	14,278,724	14,544,490	13,810,928	12,634,732	14,714,129	13,284,533	12,900,335	-	-
Reserved	-	-	-	-	-	-	-	-	1,702,906	2,123,171
Unreserved	-	-	-	-	-	-	-	-	12,875,216	11,305,371
Total General Fund	\$ 15,739,590	\$ 16,038,450	\$ 16,122,543	\$ 15,331,729	\$ 15,769,581	\$ 17,424,242	\$ 16,013,154	\$ 14,684,073	\$ 14,578,122	\$ 13,428,542
All Other Governmental Funds										
Restricted	\$ 9,731,920	\$ 10,522,350	\$ 37,125	\$ 100,682	\$ 186,650	\$ 1,084,980	\$ 1,110,975	\$ 1,188,572	\$ -	\$ -
Committed	1,887,040	1,702,929	2,188,311	1,643,035	1,096,020	1,452,541	1,745,349	2,348,619	-	-
Reserved	-	-	-	-	-	-	-	-	1,209,177	1,472,769
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	334,829	794,832
Capital Projects Funds	-	-	-	-	-	-	-	-	1,539,929	1,868,325
Total All Other Governmental Funds	\$ 11,618,960	\$ 12,225,279	\$ 2,225,436	\$ 1,743,717	\$ 1,282,670	\$ 2,537,521	\$ 2,856,324	\$ 3,537,191	\$ 3,083,935	\$ 4,135,926

Source: Basic financial statements

Note: The City implemented GASB 54 in fiscal year 2011

CITY OF CREVE COEUR, MISSOURI

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

	For The Fiscal Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
General property and sales taxes	\$ 9,109,694	\$ 7,673,835	\$ 7,707,270	\$ 7,573,959	\$ 7,435,114	\$ 7,154,658	\$ 7,099,980	\$ 6,352,146	\$ 5,920,195	\$ 6,880,453
Public utility licenses	6,023,630	5,630,712	5,964,434	5,586,528	5,860,067	5,871,668	5,829,469	5,862,030	6,259,404	5,300,177
Other taxes	134,540	134,821	131,711	85,162	86,574	86,320	86,176	136,493	135,311	160,277
Licenses and permits	1,169,663	1,018,615	1,060,723	1,248,177	933,612	870,856	880,358	623,841	732,717	869,059
Municipal facilities	81,432	93,113	96,981	99,202	84,274	78,991	81,247	79,696	85,329	72,481
Intergovernmental	2,413,260	2,462,358	2,300,743	2,237,648	1,871,204	2,288,502	2,499,774	1,794,855	2,524,674	2,614,217
Fines, forfeitures, and charges for services	534,376	600,744	1,000,843	1,184,979	1,603,730	1,881,137	1,916,303	1,859,471	1,901,596	2,306,556
Investment income	257,277	165,081	288,161	222,965	287,644	189,012	141,139	204,816	295,507	610,169
Miscellaneous	252,257	165,204	220,023	449,949	445,475	540,110	625,323	645,001	562,990	571,185
Total Revenues	19,976,129	17,944,483	18,770,889	18,688,569	18,607,694	18,961,254	19,159,769	17,558,349	18,417,723	19,384,574
EXPENDITURES										
General government	2,937,923	3,159,421	3,262,373	3,156,302	3,126,107	3,331,747	3,240,401	3,062,389	3,136,463	3,050,410
Public safety	7,517,294	6,899,238	6,515,068	6,350,570	6,163,104	6,103,441	6,294,000	6,343,603	6,040,024	5,889,577
Public works	3,271,193	3,388,121	3,479,473	3,998,481	3,955,462	3,739,868	3,845,244	3,758,289	3,743,773	3,969,343
Community development	1,411,244	1,399,051	1,334,521	1,221,667	1,150,934	1,079,326	1,059,845	1,033,409	981,707	1,036,671
Economic development	-	-	-	-	-	-	28,642	1,357	348,754	1,271,263
Capital outlay	5,234,058	3,990,650	2,960,201	2,695,378	2,672,906	2,608,613	3,088,422	1,726,152	2,806,429	3,597,688
Debt service:										
Principal	320,000	-	-	-	4,010,000	2,810,000	785,000	755,000	990,000	1,080,000
Interest	244,986	-	-	-	240,897	183,569	211,044	237,543	261,741	287,650
Bond issue costs and other	636	151,631	-	-	-	-	-	-	-	-
Total Expenditures	20,937,334	18,988,112	17,551,636	17,422,398	21,319,410	17,856,564	18,552,598	16,917,742	18,308,891	20,182,602
REVENUES OVER (UNDER) EXPENDITURES	(961,205)	(1,043,629)	1,219,253	1,266,171	(2,711,716)	1,104,690	607,171	640,607	108,832	(798,028)
OTHER FINANCING SOURCES (USES)										
Transfers in	1,200,000	400,000	400,000	400,000	3,150,000	400,000	400,000	750,000	584,831	425,000
Transfers out	(1,200,000)	(400,000)	(400,000)	(1,727,983)	(3,450,000)	(430,000)	(425,000)	(885,000)	(679,831)	(545,000)
Sale of capital assets	56,026	115,998	53,280	85,157	102,054	17,595	66,043	53,600	83,757	26,357
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Issuance of bonds	-	10,635,000	-	-	-	-	-	-	-	-
Bond premium	-	208,381	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	56,026	10,959,379	53,280	(1,242,826)	(197,946)	(12,405)	41,043	(81,400)	(11,243)	(93,643)
NET CHANGE IN FUND BALANCES	\$ (905,179)	\$ 9,915,750	\$ 1,272,533	\$ 23,345	\$ (2,909,662)	\$ 1,092,285	\$ 648,214	\$ 559,207	\$ 97,589	\$ (891,671)
Debt services as a percentage of noncapital expenditures	3.1%	0.0%	0.0%	0.0%	22.0%	6.3%	6.3%	6.4%	7.8%	8.0%
Fines and forfeitures as a percentage of general operating revenues (1)	4.0%	4.6%	7.4%	8.9%	11.6%	13.7%	N/A	N/A	N/A	N/A

Source: Basic financial statements

(1) Beginning in 2013 Missouri House Bill (HB) 103 requires cities to report the percentage of fines and forfeitures for traffic violations to the annual general operating revenue.

CITY OF CREVE COEUR, MISSOURI

**PROGRAM REVENUES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS**

		For The Fiscal Years Ended June 30,																		
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009									
FUNCTIONS/PROGRAMS																				
Governmental Activities																				
General government	\$	456,423	\$	437,159	\$	406,135	\$	435,310	\$	229,190	\$	235,215	\$	264,646	\$	246,594	\$	303,795	\$	222,029
Public safety		615,270		686,920		1,071,479		1,329,100		1,573,505		1,989,910		2,166,650		2,050,683		1,928,916		2,538,678
Public works		3,226,475		3,118,603		3,080,129		3,192,034		2,884,590		2,821,068		2,964,066		2,038,786		2,789,835		3,138,920
Community development		34,157		30,249		45,726		32,338		14,358		4,290		6,468		5,409		3,427		9,647
Total Governmental Activities		4,332,325		4,272,931		4,603,469		4,988,782		4,701,643		5,050,483		5,401,830		4,341,472		5,025,973		5,909,274
Business-type Activities																				
Recreation center		1,054,880		1,228,705		1,068,062		995,236		1,002,575		953,409		1,014,246		938,998		988,568		1,017,068
Total Primary Government	\$	5,387,205	\$	5,501,636	\$	5,671,531	\$	5,984,018	\$	5,704,218	\$	6,003,892	\$	6,416,076	\$	5,280,470	\$	6,014,541	\$	6,926,342

Source: Basic financial statements

CITY OF CREVE COEUR, MISSOURI

**TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

Fiscal Year	Property	Sales	Franchise And Public Service (1)	Sewer Lateral	Total
2018	\$ 1,394,024	\$ 7,715,670	\$ 6,023,630	\$ 134,540	\$ 15,267,864
2017	565,888	7,107,947	5,630,712	134,821	13,439,368
2016	540,881	7,166,389	5,964,434	131,711	13,803,415
2015	549,217	7,024,742	5,586,528	85,162	13,245,649
2014	558,971	6,876,143	5,860,067	86,574	13,381,755
2013	553,208	6,601,450	5,871,668	86,320	13,112,646
2012	624,866	6,475,114	5,829,469	86,176	13,015,625
2011	686,393	5,665,753	5,862,030	136,493	12,350,669
2010	653,966	5,266,229	6,259,404	135,311	12,314,910
2009	1,525,415	5,355,038	5,300,177	160,277	12,340,907

Source: Governmental revenues and supplemental information

(1) Franchise fees are included beginning fiscal year 2016. In prior years, franchise fees were included in miscellaneous revenue.

CITY OF CREVE COEUR, MISSOURI

**ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Calendar Year	Real Property	Personal Property	Railroads And Utilities	Total Assessed Value	Total Direct Tax Rate *	Estimated Actual Value	Assessed Value As A Percentage Of Actual Value
2018	2017	\$ 881,346,730	\$ 139,396,990	\$ 9,750,787	\$ 1,030,494,507	0.063	\$ 4,315,659,767	23.9 %
2017	2016	822,297,210	138,314,730	9,469,166	970,081,106	0.007	4,045,195,714	24.0
2016	2015	809,126,200	123,143,860	9,884,656	942,154,716	0.071	3,912,975,119	24.1
2015	2014	760,034,050	122,154,990	9,028,873	891,217,913	0.072	3,695,388,826	24.1
2014	2013	759,807,910	124,352,250	8,768,479	892,928,639	0.072	3,713,371,407	24.0
2013	2012	787,933,000	125,405,530	8,522,313	921,860,843	0.070	3,815,929,320	24.2
2012	2011	789,377,830	118,568,180	8,651,648	916,597,658	0.084	3,799,263,960	24.1
2011	2010	815,184,540	131,034,600	8,380,539	954,599,679	0.086	3,959,734,130	24.1
2010	2009	816,204,740	139,612,080	8,489,480	964,306,300	0.080	3,986,706,707	24.2
2009	2008	866,688,010	152,722,290	7,937,228	1,027,347,528	0.075	4,258,496,506	24.1

Source: St. Louis County Assessor

*Commencing in 2003, Missouri State Law required the City to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The tax rate stated above for each year after 2003 reflects a re-blended rate for the various types of taxable property.

CITY OF CREVE COEUR, MISSOURI

**PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	For The Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City of Creve Coeur*										
Operating	0.0630	0.0680	0.0690	0.0720	0.0720	0.0700	0.0840	0.0860	0.0800	0.0750
Debt Service	0.0820	-	-	-	-	-	-	-	-	-
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
County general	0.1950	0.2060	0.2060	0.2090	0.0200	0.2000	0.2000	0.2000	0.1900	0.1900
County health/hospital	0.1310	0.1380	0.1380	0.1400	0.1400	0.1400	0.1400	0.1400	0.1500	0.1500
County park maintenance	0.0460	0.0490	0.0490	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
County bond retirement	0.0190	0.0190	0.0190	0.0190	0.0280	0.0280	0.0280	0.0280	0.0280	0.0630
County road and bridge	0.0980	1.0300	0.1030	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
St. Louis Community College	0.2112	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013
Special School District	1.1912	1.2409	1.2348	1.2609	1.2400	1.0123	1.0125	0.9950	0.9384	0.9184
Metro Zoo Park and Museum	0.2694	0.2795	0.2777	0.2797	0.2797	0.2684	0.2671	0.2546	0.2493	0.2344
Sheltered workshop	0.0840	0.0880	0.0880	0.0900	0.0890	0.0840	0.0840	0.0790	0.0740	0.0690
St. Louis County Library	0.2340	0.2460	0.2460	0.2500	0.2500	0.1730	0.1630	0.1565	0.1400	0.1400
Parkway School District	3.9857	4.2163	4.4617	4.0743	4.0743	3.9361	3.6761	3.5672	3.4100	3.2300
Ladue School District	3.8107	3.9195	3.5339	3.7000	3.6300	3.3600	3.1000	3.1000	2.9800	2.9800
Pattonville School District	4.8800	4.8800	4.8800	4.8800	4.5213	4.5213	4.4245	4.0766	3.6706	3.4334
Metro Sewer District	0.1159	0.1196	0.0876	0.0879	0.0874	0.0635	0.0818	0.0818	0.0790	-
Metro Sewer District Extension	0.1159	0.1196	0.0195	0.0197	0.0196	0.0186	0.0185	0.0185	0.0180	-
Creve Coeur-Frontenac Sewer	-	-	-	-	-	-	-	-	0.0700	-
University City Storm Water	-	-	0.0930	0.0930	0.0930	0.0850	0.0850	0.0850	0.0800	-
Deer Creek Sewer District	-	-	0.0830	0.0860	0.0860	0.0840	0.0840	0.0840	0.0810	-
West Overland Fire Protection District	2.0970	2.0170	2.0170	2.0170	2.0170	2.0170	1.8350	1.6750	1.6690	1.4560
Creve Coeur Fire Protection District	1.1260	1.1790	1.1550	1.1875	0.9040	0.8960	0.8930	0.8850	0.8810	0.8080

Source: St. Louis County Assessor (rates stated per \$100 assessed valuation)

*Rate for residential property.

CITY OF CREVE COEUR, MISSOURI

**PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2018				2009			
	Total Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value		Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	
Monsanto	\$ 69,626,500	1	6.76 %		\$ 56,460,260	1	5.86 %	
RNSI City Place Owner LLC	37,538,350	2	3.64		-	-	-	
Emerson Rd LLC (formerly I & G Direct Real Estate 18, LP)	23,922,050	3	2.32		20,099,550	3	2.08	
Waterfront Creve Coeur MO LLC (Formerly Cross Creek Multifamily	13,151,750	4	1.28		-	-	-	
MRES CP6 Holdings LP	11,335,520	5	1.10		-	-	-	
Asbury Automotive St. Louis, LLC	8,383,750	6	0.81		11,079,830	7	1.15	
Cove West Creve MO LLC	7,647,500	7	0.74		-	-	-	
Joe H. Scott Sr./Scott Properties	6,549,880	8	0.64		13,180,600	4	1.37	
AVBH VICINO LLC	6,080,020	9	0.59		-	-	-	
St. Josephs Convent of Mercy	5,814,560	10	0.56		8,132,160	8	0.84	
Missouri American Water/St. Louis Co Water					6,849,240	9	0.71	
Cornerstone LLC					32,756,730	2	3.40	
Reuters Information Technology, Inc.					12,594,270	5	1.31	
Camden Westchase					11,710,430	6	1.21	
Riversource REO 1, LLC					6,641,800	10	0.69	
Total	\$ 190,049,880		18.44		\$ 179,504,870		18.62	

Source: St. Louis County Assessor

CITY OF CREVE COEUR, MISSOURI

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy Year	Net Tax Levy (1)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections (Settlements)	Total Tax Collections (2)	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
2018	2017	\$ 1,452,839	\$ 1,443,206	99.3 %	\$ (28,976)	\$ 1,414,230	97.3 %	\$ 10,570	0.73 %
2017	2016	593,291	587,102	99.5	(12,721)	574,381	96.8	6,704	1.13
2016	2015	581,463	578,325	99.5	(29,207)	549,118	94.4	9,576	1.65
2015	2014	575,834	560,882	97.4	(4,079)	556,803	96.7	12,709	2.21
2014	2013	573,273	566,355	99.0	1,040	567,395	99.0	13,495	2.35
2013	2012	572,217	566,605	98.6	(5,255)	561,350	98.1	19,119	3.34
2012	2011	646,707	637,661	99.4	(4,319)	633,342	97.9	23,170	3.58
2011	2010	696,022	691,514	99.0	2,593	694,107	99.7	17,281	2.48
2010	2009	622,061	616,124	98.2	(659)	615,465	98.9	20,911	3.36
2009	2008	627,266	615,715	98.7	6,101	621,816	99.1	26,376	4.20

Source: St. Louis County Collector's office

(1) Originally adjusted for strike offs and additions by St. Louis County Board of Equalization after adjustments.

(2) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

CITY OF CREVE COEUR, MISSOURI

**SALES TAX RATES, DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS**

For The Years Ended June 30	City Direct Rate	St. Louis County	State Of Missouri	Direct And Overlapping	Taxable Sales (1)
2018	0.750 %	3.388 %	4.225 %	8.363 %	\$ 449,133,947
2017	0.750	2.888	4.225	7.863	492,360,659
2016	0.750	2.888	4.225	7.863	496,501,301
2015	0.750	2.888	4.225	7.863	480,735,102
2014	0.750	2.888	4.225	7.863	473,215,450
2013	0.750	2.700	4.225	7.675	465,241,962
2012	0.750	2.950	4.225	7.675	471,598,063
2011	0.750	2.700	4.225	7.675	452,599,841
2010	0.500	2.200	4.225	6.925	440,227,975
2009	0.500	2.100	4.225	6.825	465,173,037

(1) Taxable sales reported by the Missouri Department of Revenue. State law prohibits the disclosure of specific taxpayer information

Note: The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

Note: The City's direct rate is made up of the following:

- 0.500% Capital improvements sales tax
- 0.250% Local option sales tax effective January 2011

CITY OF CREVE COEUR, MISSOURI

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage Of Personal Income (1)	Per Capita(1)
	General Obligation Bonds (2)	Capital Lease Obligations	Special Obligation Bonds (2)			
2018	\$ 10,511,123	\$ -	\$ -	\$ 10,511,123	1.00%	\$ 589
2017	10,841,630	-	-	10,841,630	1.03%	608
2016	-	-	-	-	-	-
2015	-	-	-	-	-	-
2014	-	-	-	-	-	-
2013	-	-	4,036,082	4,036,082	0.36%	226
2012	-	-	4,850,095	4,850,095	0.46%	272
2011	-	6,032	5,639,108	5,645,140	0.54%	317
2010	-	11,675	6,398,121	6,409,796	0.81%	388
2009	-	16,954	7,392,980	7,409,934	0.94%	449

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See Demographics and Economic Statistics Table
 (2) Face amount of bonds plus unamortized premium

CITY OF CREVE COEUR, MISSOURI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018**

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
St. Louis County	\$ 92,215,000	4.24 %	\$ 3,909,916
Parkway School District	178,945,000	13.94	24,944,933
Ladue School District	134,720,000	19.18	25,839,296
Pattonville School District	72,905,000	3.40	2,478,770
Monarch Fire District	-	4.35	-
West Overland Fire District	2,636,125	9.67	254,913
Creve Coeur Fire District	11,675,000	63.23	7,382,103
Subtotal	493,096,125		64,809,931
City of Creve Coeur	10,511,123	100.00	10,511,123
Total Direct And Overlapping Debt	\$ 503,607,248		\$ 75,321,054

Source: Information was obtained by contacting the taxing jurisdiction and the St. Louis County Collector's office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF CREVE COEUR, MISSOURI

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	For The Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 103,158,940	\$ 97,008,111	\$ 94,215,472	\$ 89,121,791	\$ 89,292,864	\$ 92,186,084	\$ 91,659,766	\$ 95,459,968	\$ 96,430,630	\$ 102,734,753
Net debt applicable to limit	10,056,468	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 113,215,408	\$ 97,008,111	\$ 94,215,472	\$ 89,121,791	\$ 89,292,864	\$ 92,186,084	\$ 91,659,766	\$ 95,459,968	\$ 96,430,630	\$ 102,734,753
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	9.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF CREVE COEUR, MISSOURI

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Median Age (1)	Median Household Income (1)	Total Personal Income (1)	Per Capita Income (1)	Unemployment Rate (2)
2018	17,833	44.3	\$ 88,350	\$ 1,055,624,435	\$ 59,195	3.1
2017	17,833	44.3	88,350	1,055,624,435	59,195	3.7
2016	17,833	44.3	88,350	1,055,624,435	59,195	5.1
2015	17,833	44.3	88,350	1,055,624,435	59,195	4.4
2014	17,833	44.3	88,350	1,055,624,435	59,195	6.9
2013	17,833	44.3	98,093	1,106,644,648	62,056	7.0
2012	17,833	44.3	94,852	1,060,992,168	59,496	6.9
2011	17,833	44.3	91,642	1,044,585,808	58,576	8.9
2010	16,500	43.1	75,032	790,432,500	47,905	9.3
2009	16,500	43.1	75,032	790,432,500	47,905	9.7

(1) Source: 2000 and 2010 Census and U.S. Bureau of Census

(2) Source: Missouri Department of Economic Development

CITY OF CREVE COEUR, MISSOURI

**PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS**

Fiscal Year	Calendar Year	Total Estimated Actual Value (1)	New Construction (2)				Alterations and Additions		Building Demolitions
			Commercial		Residential		Number Of Permits	Estimated Cost Of Construction	Number Of Permits
			Number Of Permits	Estimated Cost Of Construction	Number Of Permits	Estimated Cost Of Construction			
2018	2017	\$ 4,315,659,767	6	\$ 31,341,876	18	\$ 8,763,246	1,350	\$ 73,837,539	23
2017	2016	4,045,195,714	1	5,366,000	32	16,073,170	1,191	68,495,046	29
2016	2015	3,912,975,119	7	30,974,548	48	22,179,779	1,102	48,216,828	23
2015	2014	3,695,388,826	5	52,602,986	55	27,205,217	1,060	56,975,739	26
2014	2013	3,713,371,407	2	18,389,042	14	6,381,607	1042	48,245,467	26
2013	2012	3,815,929,320	3	13,277,456	9	6,925,444	930	57,907,117	11
2012	2011	3,799,263,960	1	130,000	7	3,758,881	750	45,549,635	13
2011	2010	3,959,734,130	7	88,597,941	10	4,227,269	724	35,604,238	15
2010	2009	3,986,706,707	6	12,107,508	5	2,441,000	566	35,345,655	12
2009	2008	4,258,496,506	7	100,799,623	23	15,416,103	715	67,193,355	31

(1) Source: St. Louis County Assessor

(2) Source: The City's Building Department

CITY OF CREVE COEUR, MISSOURI

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mercy Hospital St. Louis	5,994	1	11.26 %	6,452	1	14.34 %
Monsanto	4,170	2	7.83	3,700	2	8.22
Daugherty Systems, Inc.	542	3	1.02	246	9	0.55
Barnes West	482	4	0.91	-	-	-
SSM Healthcare Corporation	450	5	0.85	-	-	-
Reuters Information Technology, Inc.	386	6	0.73	1,000	3	2.22
The Climate Corporation	261	7	0.49	-	-	-
Busey Bank	250	8	0.47	-	-	-
Advanced ICU Care Inc	225	9	0.42	-	-	-
Commerce Bank	225	10	0.42	200	12	0.44
St. Louis Series of Lockton Companies LLC	210	11	0.39	-	-	-
Parc Provence Management LLC	200	12	0.38	-	-	-
Soft Surroundings	200	13	0.38	-	-	-
Brown, Smith, Wallace	180	14	0.34	-	-	-
Arch Coal	156	15	0.29	200	13	0.44
Enterprise Bank & Trust	154	16	0.29	-	-	-
Bunzel Distribution USA Inc	153	17	0.29	-	-	-
ICL Specialty Products Inc.	149	18	0.28	-	-	-
Behavioral Health Response Inc.	146	19	0.27	-	-	-
Westrock CP LLC	113	20	0.27	-	-	-
Spectrum Healthcare Resources	-	-	-	131	20	0.29
Bunel Distribution	-	-	-	135	19	0.30
Caraustar Custom Packaging	-	-	-	138	18	0.30
CSI Leasing	-	-	-	138	17	0.31
Isle of Capri Casinos	-	-	-	160	16	0.36
Schnucks Market	-	-	-	171	15	0.38
Elseviser, Inc.	-	-	-	178	14	0.40
Color Art Palette, Inc.	-	-	-	225	11	0.50
Ceridan Corporation	-	-	-	240	10	0.53
HBE Corporation	-	-	-	250	8	0.56
Correctional Medical Services	-	-	-	311	7	0.69
Healthlink	-	-	-	341	6	0.76
Plaza Motor Company	-	-	-	370	5	0.82
Smurfit-Stone Container	-	-	-	550	4	1.22
Total	14,646		27.58 %	15,136		33.63 %

Source: The City's Planning Department

CITY OF CREVE COEUR, MISSOURI

**FULL-TIME CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Legislative services	1.7	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Information services	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Maintenance of municipal property	1.7	2.0	1.7	1.7	1.0	1.5	1.8	2.8	2.8	3.0
Municipal court	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Police:										
Officers	50.0	50.0	50.0	50.0	50.0	49.0	49.0	50.0	48.0	50.0
Civilians**	4.3	4.3	4.0	4.0	4.0	4.0	4.0	11.0	11.0	11.0
Community services	0.7	0.7	0.7	0.7	1.0	0.6	0.6	0.6	0.6	0.6
Public works:										
Administration	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	5.0	5.5
Street maintenance	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0	11.0
Parks maintenance	3.3	3.3	3.3	3.3	4.0	4.0	4.0	4.0	4.0	4.0
Community development	13.0	13.0	13.0	12.0	11.0	10.5	10.2	10.2	10.2	11.0
Ice arena	2.5	2.5	2.5	2.5	2.0	2.2	2.2	2.2	2.2	2.2
Golf course	3.8	3.8	3.8	3.8	3.0	3.2	3.2	4.6	4.2	4.2
Total	109.0	109.6	109.0	107.0	105.0	104.0	104.0	114.4	112.0	116.5

Source: The City's Annual Budget Document

*Schedule only includes full-time City personnel positions.

**A joint police and emergency dispatching service began operations during 2011 and the City no longer employs dispatching employees.

CITY OF CREVE COEUR, MISSOURI

**OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	For The Fiscal Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police-Patrol										
Arrests	790	655	991	1,442	1,388	1,318	1,201	1,279	1,450	1,326
Traffic citations	4,202	3,899	6,821	9,826	10,701	9,862	10,475	10,393	11,051	10,880
Crime reports	1,035	999	973	954	1,361	1,071	913	848	1,032	1,167
Accident reports	1,474	1,412	1,489	1,353	1,254	1,383	1,387	1,451	1,356	1,311
Warrants	115	101	173	148	165	209	153	127	204	171
Public Works										
Road repair-tons of mix	194	182	182	238	264	324	375	596	425	428
Linear feet of storm pipe cleared	50	-	-	-	90	120	120	100	350	323
Traffic control signs serviced	129	185	201	109	178	158	215	337	450	467
Leaves collected-cubic yards	13,663	14,590	14,244	14,820	20,452	17,500	15,234	13,021	15,500	15,514
Weed violations issued	93	54	38	25	32	47	43	55	60	62
Acres mowed and maintained	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
Trees and shrubs planted	78	28	9	47	350	300	176	100	438	421
Planning and Building										
Site development/concept plans	9	17	11	16	29	24	14	15	15	15
Rezoning applications	3	-	-	-	2	4	2	-	6	4
Text amendments	4	2	4	3	3	9	7	6	6	10
Building permits issued	1,374	1,224	1,154	1,120	1,046	972	847	768	683	594
Building inspections completed	6,163	6,251	5,482	5,614	5,093	4,794	3,952	4,577	3,523	5,101
Finance and Administration										
Merchant licenses issued	1,008	939	971	1,031	1,030	1,023	991	881	911	938
Payroll checks issued	3,776	3,729	3,762	3,679	3,639	3,753	3,760	3,852	4,040	4,133
Accounts payable processed	4,293	4,938	4,469	4,573	4,470	4,288	4,578	4,726	4,922	6,044
Website page views	362,696	432,380	451,242	395,649	362,508	412,754	408,172	384,283	NA	NA
Requests for public records	133	105	91	110	98	110	100	103	144	124

Source: The City's Internal Department Reports

CITY OF CREVE COEUR, MISSOURI

**CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS	For The Fiscal Years Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	11	11	16	16	16	15	16	16	16	16
Sectors	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of streets	157.0	157.0	157	157	154	149	149	149	149	149
Street lights and signals	**121	**121	**121	**121	**121	110	54	54	52	52
Parks and Recreation										
Number of parks	7.00	7.00	7	7	7	7	7	7	7	7
Acres of parks	95	95	95	95	95	95	89	89	89	89
Tennis courts	8	8	8	8	8	8	8	8	8	8
Ice arena	1	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1	1

Source: The City's capital assets inventory report

Note: An actual inventory of street lights and signals was taken in 2007 and prior year totals have been restated based on this actual physical inventory.

**Decorative street lights on Olive only. 55 poles with 2 lights each. Eleven intersections with traffic signals.

CITY OF CREVE COEUR, MISSOURI

**REPORT ON INTERNAL CONTROL RELATED
MATTERS AND ADVISORY COMMENTS**

JUNE 30, 2018

**PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES**

The Honorable Mayor, Members
of the City Council and Management
City of Creve Coeur, Missouri

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Creve Coeur, Missouri (the "City") as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Current Year Matters
- II. Status of Prior Year Other Matters

This communication is intended solely for the information and use of management, the Honorable Mayor, the Members of the City Council, and others within the City, and is not intended to be, and should not be used by anyone other than these specified parties.

We will be pleased to further discuss these matters with you and want to express our sincere appreciation to the staff for the cooperation and assistance received during the audit engagement and for the opportunity to serve the City of Creve Coeur, Missouri.

Yours very truly,

St. Louis, Missouri
(date)

I. CURRENT YEAR MATTERS

A. New Accounting Guidance for Leases

In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. GASB 87 is effective for fiscal years beginning January 1, 2020 and is to be applied retroactively. Existing leases are to be recognized and measured based on the facts and circumstances of the lease in the period of implementation of GASB 87, not inception of the lease. Governments generally participate in a significant number of leases and the administration of those leases may be decentralized across the organization, making it difficult to determine exactly which leases may be subject to the new accounting and financial reporting requirements.

We recommend the City begin to evaluate all current leases and contracts to determine if they meet the GASB 87 definition of a lease and develop a plan for the implementation. GFOA has issued a best practice/advisory to assist governments with the implementation.

B. Computer Controls

One of the basic elements of internal control is separation of duties so that no one person controls all phases of an operation. During our audit, we noted the following practices which represent a lack of segregation of duties:

- The Finance Manager is a privileged superuser of the computer application.
- Several individuals have access to the vendor master data file.
- A payroll user access report was not available during our audit.

Management has indicated that the new accounting system implemented in fiscal year 2019 will resolve these segregation of duties concerns. We recommend that the City continue to monitor computer access to the accounting system to ensure proper segregation of duties. At least annually, the supervisor of each department should receive a user access report with all the employees in their department and the access that these employees have.

C. Risk Assessment

The opportunity to commit and conceal fraud exists where there are assets susceptible to misappropriation and inadequate controls to prevent or detect the fraud. Although management addresses risks as they arise in the normal course of everyday business, we recommend that the City perform a risk assessment to identify, analyze, and manage the risk of asset misappropriation. Risk assessment, including fraud risk assessment, is one element of internal control. Thus, ideally, the City's internal control systems should include performance of this assessment.

The risk assessment can be informal and performed by a management-level individual who has extensive knowledge of the City. Ordinarily, the management-level individual would conduct interviews or lead group discussions with personnel who also have an extensive knowledge of the City, its environment, and its processes.

Once areas vulnerable to fraud or other risks have been identified, a review of the City's systems, procedures, and existing controls relating to the identified areas should be conducted. The City should consider the additional controls that need to be implemented to reduce the risk of fraud, considering the nature and extent of controls recommended and the cost of implementing those controls. This assessment of risks and internal controls should be documented to provide the foundation for appropriate communication concerning the City's responsibility for the evaluation and monitoring of the effective operation of controls. Once completed, risk assessments should be reviewed and updated annually or as significant changes occur.

II. STATUS OF PRIOR YEAR OTHER MATTERS

A. Liability Accounts

We recommended the City investigate and take action to resolve liability accounts that appear to be dormant.

Status: Implemented.

B. Risk Assessment

Although management addresses risks as they arise in the normal course of everyday business, we recommended that the City perform a risk assessment to identify, analyze, and manage the risk of asset misappropriation.

Status: See "Other Current Year Matters" for current comment.

C. Computer Controls

We recommended that the City continue to monitor computer access to the GEMS system to ensure proper segregation of duties. At least annually, the supervisor of each department receives a GEMS user access report with all the employees in their department and the access that these employees have.

Status: See "Other Current Year Matters" for current comment.

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

Communication: Report on Internal Controls (New Business)

CITY OF CREVE COEUR, MISSOURI
REPORT TO THE AUDIT COMMITTEE
AND REPORT TO THE HONORABLE MAYOR
AND THE CITY COUNCIL

JUNE 30, 2018

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

Communication: Report to Audit Committee (New Business)

To The Members of the Audit Committee
City of Creve Coeur, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Creve Coeur, Missouri (the "City") for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 14, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the current year, the City adopted Statement of Government Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 1 of the financial statements.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements are:

- Management's estimate for useful lives of capital assets.
- The City provides an allowance for uncollectible accounts equal to the estimated collection losses that will be incurred in collection of its court fines receivable. The estimated losses are 50% of the total court fines receivable which are based on historical collection experience coupled with a review of the current status of the existing receivables. The City follows the practice of writing off uncollectible accounts as they are incurred for all other receivables.
- Management records a net pension obligation and an OPEB liability in the proprietary fund and government-wide financial statements based on amounts actuarially determined in accordance with the parameters of applicable GASB statements.

Significant Audit Findings (continued)

Qualitative Aspects of Accounting Practices (continued)

We evaluated the key factors and assumptions used to develop the estimates above in determining that they are reasonable in relation to the financial statement taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We assisted the City in preparing year-end modified and full accrual journal entries and the financial statements and related notes. All adjusting journal entries prepared by us have been reviewed, approved, and recorded by management in the books and records.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated (date).

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and required supplemental information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplemental information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, except the budgetary comparison schedules are prepared on a budget basis as described in the notes to the budgetary comparison information. We also performed procedures and made certain inquiries of management to determine that the method of preparation has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the audit committee, the Honorable Mayor and the Members of the City Council and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

St. Louis, Missouri
(date)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the City Council
City of Creve Coeur, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Creve Coeur, 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, and have issued our report thereon dated (date).

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Communication: Report to Audit Committee (New Business)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PRELIMINARY DRAFT
FOR CLIENT DISCUSSION PURPOSES ONLY
NOT TO BE RELIED UPON BY THIRD PARTIES

St. Louis, Missouri
(date)

Communication: Report to Audit Committee (New Business)