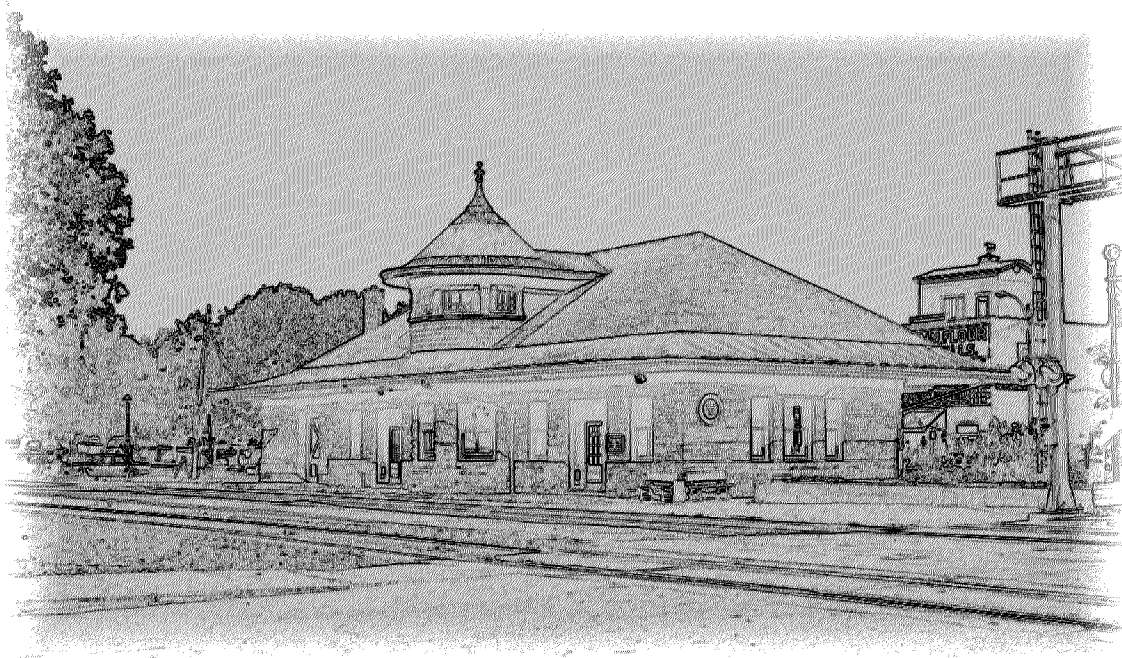


Comprehensive Annual Financial Report

For Fiscal Year Ended
March 31, 2018



Kirkwood, Missouri Train Station

City of Kirkwood, Missouri

Kirkwood, Missouri Train Station

In 1852 the Pacific Railroad obtained this land from Owen Collins for a right of way and in 1863 a frame depot was built. At the Train Station, members of the first school board met to draft the charter of the Kirkwood School District, which was granted in 1865. This outstanding example of Richardsonian architecture was constructed by Douglas Donovan to replace the previous wooden station. The track for the Pacific Railroad to Kirkwood was completed in 1853. The first train arrived May 11, 1853, for an auction sale of lots, making Kirkwood the first planned suburb west of the Mississippi. The town was named for the chief engineer for the railroad, James Pugh Kirkwood. Commuter trains ran to and from Kirkwood until 1961. A train turntable was located near the present Farmer's Market for the engines to be turned for the return trip to St. Louis and for the helper engines, which were used to help freight trains manage the "Kirkwood Hill," prior to the arrival of diesel engines. It is still an active station for Amtrak service.

CITY OF KIRKWOOD, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2018



Report issued by the Finance Department

John R. Adams
Director of Finance

Sandra F. Stephens
Assistant Director of Finance

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City of

Introductory Section

Kirkwood



WHERE COMMUNITY AND SPIRIT MEET ®

September 26, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the City of Kirkwood (City), Missouri, for the fiscal year ended March 31, 2018, is hereby submitted. The City of Kirkwood's Finance Department prepared this report. The management of the City is responsible for the accuracy of the data and the completeness and fairness of the presentation of the financial statements and other information presented herein. We believe the presentation is accurate in all material respects and includes all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial activities.

This report has been prepared following the guidelines recommended by the Government Finance Officer's Association of the United States and Canada (GFOA). This association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with the high standards of public financial reporting including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is our belief that the accompanying Fiscal Year 2018 Financial Report meets these program standards, and it will be submitted to the Government Finance Officer's Association for review.

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

PROFILE OF THE GOVERNMENT

Kirkwood is located in St. Louis County, approximately 14 miles west of the City of St. Louis. The City covers approximately 9.1 square miles and is bounded by Interstate 44 on its southern boundary and traversed by Interstate 270 near its western boundary. Together, the interstate highways provide excellent access to all parts of the St. Louis metropolitan area.

Kirkwood was the first planned suburban residential area west of the Mississippi River. The City was established in 1853, incorporated in 1865, re-incorporated as a fourth class city in 1899, and as a third class city in 1930. In 1984, the City became a home rule city as permitted under a 1971 amendment to the Missouri Constitution.

Known as “The Green Tree City,” the City is an attractive suburban residential community with tree-lined streets, a vibrant downtown shopping district, and a highly rated public school system. The City has a diverse economic base, which includes several large retailers, limited industries, and many small specialty shops. Kirkwood also is a scheduled daily stop on Amtrak’s St. Louis to Kansas City route.

Missouri State Law and City ordinances require annual budgets to be prepared for the General and Special Revenue Funds on a basis that approximates generally accepted accounting principles. For the period covered by this annual financial report, budgetary control over expenditures was exercised by the City Council throughout the entire fiscal year. The City Council could amend the budget throughout the year provided total expenditures appropriations did not exceed projected revenues plus unencumbered reserves.

Appropriation transfers were made within or between departments with the approval of the Chief Administrative Officer. All budget amendments in excess of the original budget were approved by City ordinances or by transfer from an amount appropriated for contingencies. A City policy, which is not required by state statute, requires all budget amendments or transfers of \$10,000 or more be approved by ordinance. Therefore, the legal level of budgetary control is established by law at the sub object or account level.

The City’s accounting system provides for internal controls to ensure that assets of the City are protected from loss, theft or misuse, and are properly accounted for. The City has designed a comprehensive set of internal controls to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the valuation of costs and benefits requires estimates and judgments by management.

It is the opinion of management that the internal controls utilized are adequate and provide for the safeguarding of assets and assure proper recording of financial transactions.

FACTORS AFFECTING FINANCIAL CONDITION

Service delivery is paramount. The citizens of Kirkwood are accustomed to, demand, and rightly expect exceptional services from their city. Police and Fire operations unfailingly meet the need. From Electric to Water to all levels of public works services, the City continues to strive to provide the highest quality and value. In order to do this, we face many challenges. We must identify where our limited City funding is most wisely invested. This year we will use a professionally conducted comprehensive community survey to help set the course, indicate deficiencies, and to identify what our citizens believe needs improvement. The survey, together with the comprehensive planning process, will allow the leaders of the City to make well informed decisions that will most benefit our citizens.

In order to continue to deliver the high quality of life for our citizens, we must have strong stewardship of our finances. The City's finance staff monitors closely the day to day cash flow and budget expenditures. Our strong fund balances is one of the primary reasons the City of Kirkwood has been able to maintain and keep the Aa2 bond rating. This is only one level from the highest rating possible. The strong investment grade bond rating has allowed the City broad access to the credit markets over the years and provided opportunity to borrow funds at some of the lowest possible borrowing costs, which can and will save our citizens hundreds of thousands of dollars whenever new debt is issued. We must strive to maintain and build our strong fund balances citywide.

The City is considering some major projects that could transform Kirkwood for years to come. There is always the temptation to innovate, but we would not want to jeopardize the things that are so great about Kirkwood. We must review all aspects of the community center project to ensure that, in whatever form it ultimately takes, it brings value added and raises our citizens' quality of life. We will need to account for what portion of operating expenses may be expected to be recovered from participatory fees. Comprehensive cost recovery will solidify the business aspects of both the community center and theater operations. There are opportunities here to create and drive new revenue streams for the City. Framing the financing of the project with contributions from non-profit or private entities will also be a challenge that, with proper input from our financial advisors, will allow the city to take on this large project in the most fiscally-prudent way.

Opportunity abounds in the controlled redevelopment of our commercial corridors. The Envision Kirkwood 2035 Plan will guide development that is sustainable, and complimentary to the character and current land uses throughout the City. The City will benefit by engaging in strategic investment through the SBD, and in underutilized locations of the City. These investments will provide the seeds of change to more fully realize great potential in underdeveloped sites.

The City needs to refocus its efforts regarding economic development opportunities. The Planning and Zoning Committee has worked diligently to provide an innovative tool that will allow flexibility in certain redevelopment situations. This will be a key piece of the puzzle in securing quality private investment in some of the City's more difficult to develop properties. Obtaining highest and best use on these underutilized land parcels will grow the property and sales tax bases to provide the highest quality services our citizens' demand and expect. To this end we plan to include in the budget a reorganization of the planning function to include more of an economic development component.

As of September 2018 we are not sure where we are going to take our single stream recycling. Our current depository will not accept single stream as of November 2018. This is soon to be a national problem with China no longer accepting most of the United States single stream recycling. We are moving from an environment where we received \$15 a ton to according to our best estimates we will be paying from \$80 to \$130 a ton.

Our council has decided to use the sanitation reserves until we can solidify what we are going to do with the City of Kirkwood's recycling.

Threats to the City's fiscal health do not stop the economy or the weather. There are sure to be more initiatives at the state level that follow the course of Senate Bill 5, that erode Home Rule, and could bring more restrictions on municipalities. One need only to read a randomly selected issue of the St. Louis Post-Dispatch to glean that the issues in some cities are generalized and broadly extended to encompass other, better operated municipalities.

INDEPENDENT AUDIT

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Hochschild, Bloom & Company, LLP was selected by the City Council for this year's audit. The external auditors met with the City's Audit Committee at the start of fieldwork and at the conclusion of 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 AND ACKNOWLEDGEMENTS

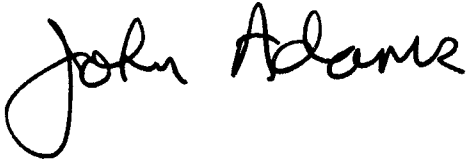
The (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Kirkwood, Missouri, for its CAFR for the fiscal year ended March 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the finance department. Each member of the department and all City employees who supplied information have our sincere appreciation for the contributions made in preparation of this report.

In closing, without the leadership, interest and support of the Mayor, City Council and Chief Administrative Officer, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink that reads "John Adams". The signature is written in a cursive style with a large, looping initial "J" and a stylized "A".

John Adams
Director of Finance

CITY OF KIRKWOOD, MISSOURI

CITY OFFICIALS

MAYOR

Timothy Griffin

COUNCIL MEMBERS

Maggie Duwe

Bob Sears

Ellen Edman

Paul Ward

Nancy Luetzow

Mark Zimmer

COUNCIL STAFF

Elizabeth Montano

City Clerk

ADMINISTRATION

Russell Hawes

Chief Administrative Officer

Georgia Ragland

Asst. Chief Administrative Officer

Elizabeth Von Behren

Public Information Officer

DEPARTMENT HEADS

John Adams

Finance Director

David Weidler

Purchasing Director

Kevin Campe

Information Systems Director

Brian Murphy

Police Chief

James Silvernail

Fire Chief

Mark Petty

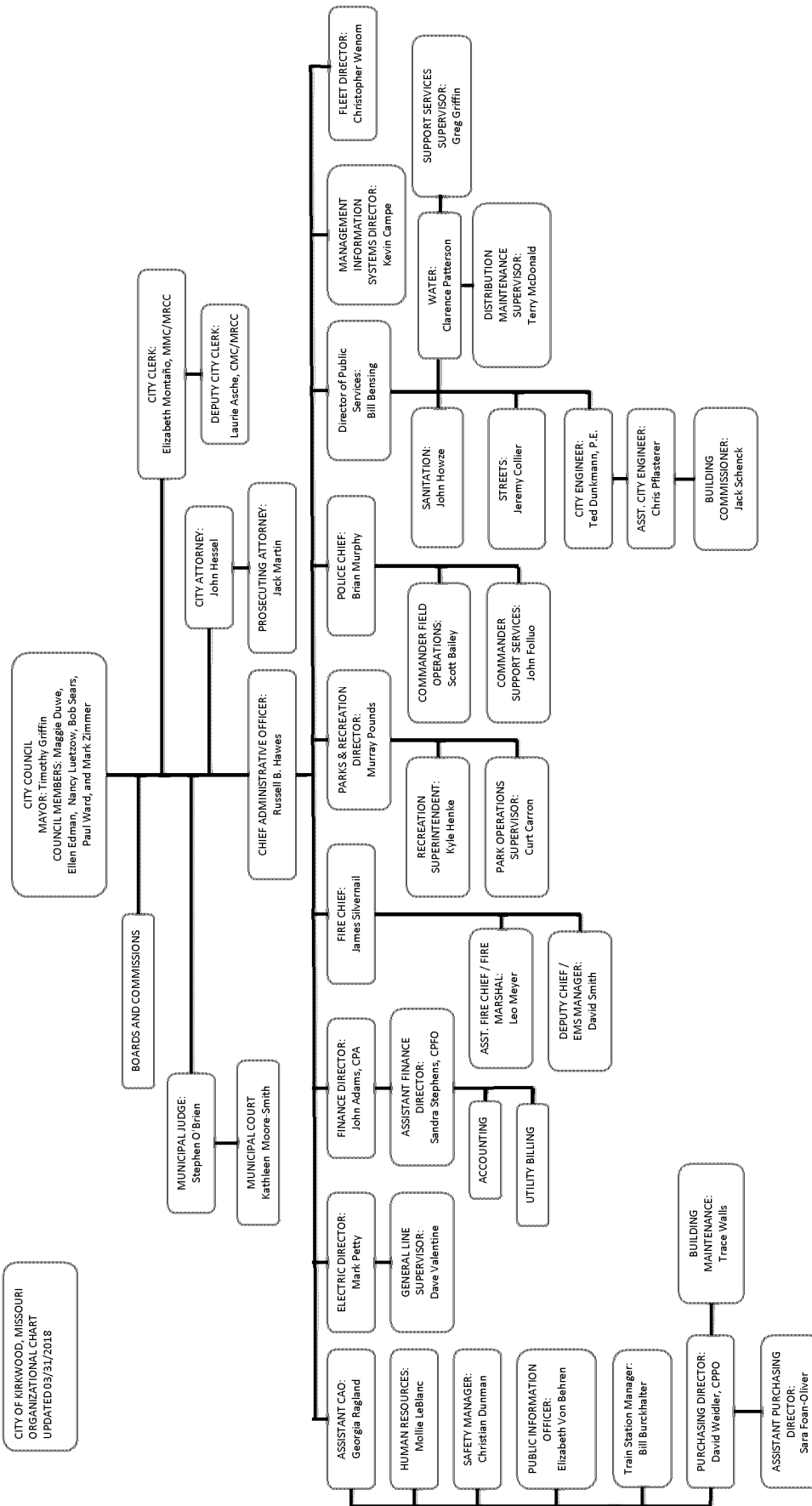
Electric Director

Bill Bensing

Public Services Director

Murray Pounds

Parks and Recreation Director





Government Finance Officers Association

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

Presented to

**City of Kirkwood
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2017

Christopher P. Morrell

Executive Director/CEO



City of

Kirkwood

Financial Section





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

INDEPENDENT AUDITOR'S REPORT

September 26, 2018

Honorable Mayor and Members of the City Council
CITY OF KIRKWOOD, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF KIRKWOOD, MISSOURI** (the City) as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of March 31, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information and 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 supplementary 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 supplementary 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 September 26, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri

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CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2018

As management of the CITY OF KIRKWOOD, we offer readers of the CITY OF KIRKWOOD'S financial statements this narrative overview and analysis of the financial activities of the CITY OF KIRKWOOD for the fiscal year ended MARCH 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the CITY OF KIRKWOOD exceeded its liabilities at the close of the most recent fiscal year by \$130,175 (*net position*). Of this amount, \$87,833 is invested in capital assets, net of related debt; \$30,416 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. While \$11,926 is restricted for a specific use (see NET POSITION, page 17).
- As of the close of the current fiscal year, the CITY OF KIRKWOOD'S governmental funds reported combined ending fund balances of \$42,328 an increase of \$24,144 in comparison with the prior year. This increase is due to the debt issued for the performing arts center. A total of \$5,149 is *available for spending* at the government's discretion (*unassigned fund balance*). While \$37,114 has been assigned for a specific use (see FUND BALANCES, page 19).
- At the end of the current fiscal year, nonspendable, assigned, and unassigned fund balance for the general fund was \$6,784, or 29 percent of total general fund annual operating expenditures.
- At the end of the current fiscal year, nonspendable, assigned, and unassigned net position for our business-type activities were \$48,358. Electric, Water, and Sanitation funds all had a positive change in net position.

Overview of Financial Statements

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

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the CITY OF KIRKWOOD'S finances, in a manner similar to a private-sector business.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Overview of Financial Statements (continued)

The *statement of net position* presents information on all of the CITY OF KIRKWOOD'S assets, deferred outflows of resources, and liabilities, 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 OF KIRKWOOD is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the CITY OF KIRKWOOD 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 OF KIRKWOOD include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the CITY OF KIRKWOOD include Water, Sanitation and an Electric Distribution operation.

The government-wide financial statements include not only the CITY OF KIRKWOOD itself (known as the *primary government*), but also a legally separate Industrial Development Authority for which the CITY OF KIRKWOOD is financially accountable. Financial information for this *component unit* is reported by the City.

The government-wide financial statements can be found on pages 17 and 18 of this report.

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 OF KIRKWOOD, 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 OF KIRKWOOD 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 fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Overview of Financial Statements (continued)

Governmental Funds (continued)

governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The CITY OF KIRKWOOD maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, public park board, police & fire property tax pension and our two voter approved capital improvement funds which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The CITY OF KIRKWOOD adopts an annual appropriated budget for its general, public parks, and P&F property tax pension fund. A budgetary comparison statement has been provided for the general, public parks, and P&F property tax pension fund. Due to the management controls adopted, which provide for the budget to be controlled at a detail greater than the statutory level of control, the legal level of budgetary control for all governmental funds is established at the sub object level. Compliance with the legal level of budgetary control is demonstrated through the issuance of a separate report, which is available for inspection on the city's web site www.kirkwoodmo.org or at the Finance Department.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds. The CITY OF KIRKWOOD maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The CITY OF KIRKWOOD uses enterprise funds to account for its Water, Sanitation and for its Electric Distribution operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the CITY OF KIRKWOOD'S various functions. The CITY OF KIRKWOOD uses internal service funds to account for the maintenance & repair of its vehicles and equipment, worker's compensation program and to self-insure for our healthcare needs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water distribution, Sanitation and for the Electric Distribution operation, the three of which are considered to be major funds of the CITY OF KIRKWOOD. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Overview of Financial Statements (continued)

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the CITY OF KIRKWOOD'S own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the 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. The notes to the basic financial statements can be found on pages 29 through 77 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CITY OF KIRKWOOD'S budgetary comparisons. Required supplementary information can be found starting on page 78.

The combining statements referred to earlier in connection with nonmajor governmental funds, the nonmajor governmental funds budget comparisons, and internal service funds are presented in other supplementary information. Combining and individual fund statements and schedules can be found on pages 85 through 103 of this report.

Government-wide Financial Analysis

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 OF KIRKWOOD, assets and deferred outflows of resources exceeded liabilities by \$130,175 at the close of the most recent fiscal year.

By far the largest portion of the CITY OF KIRKWOOD'S net positions (67 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) net of related debt. The CITY OF KIRKWOOD uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The second largest portion of the CITY OF KIRKWOOD'S net position is the unrestricted portion of net position (23 percent).

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

The following table reflects the condensed statement of net position as of MARCH 31, 2018:

City of Kirkwood's Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Current and other assets	\$23,954	\$49,496	\$28,101	\$23,839	\$52,055	\$73,335
Capital assets	<u>62,549</u>	<u>63,423</u>	<u>32,050</u>	<u>36,295</u>	<u>94,599</u>	<u>99,718</u>
Total Assets	<u>86,503</u>	<u>112,919</u>	<u>60,151</u>	<u>60,134</u>	<u>146,654</u>	<u>173,053</u>
Deferred Outflow of Resources:						
Deferred charge on Refunding	<u>100</u>	<u>44</u>	<u>113</u>	<u>106</u>	<u>213</u>	<u>149</u>
Long-term liabilities						
Outstanding	4,232	26,994	11,319	10,403	15,551	37,397
Other liabilities	<u>2,668</u>	<u>4,151</u>	<u>2,232</u>	<u>1,479</u>	<u>4,900</u>	<u>5,630</u>
Total Liabilities	<u>6,900</u>	<u>31,145</u>	<u>13,551</u>	<u>11,882</u>	<u>20,451</u>	<u>43,027</u>
Net Position:						
Net invested in						
Capital assets	59,956	61,751	20,933	26,082	80,889	87,833
Restricted	8,922	11,245	676	681	9,598	11,926
Unrestricted	<u>10,825</u>	<u>8,821</u>	<u>25,104</u>	<u>21,595</u>	<u>35,929</u>	<u>30,416</u>
Total Net Position	<u>\$79,703</u>	<u>\$81,817</u>	<u>\$46,713</u>	<u>\$48,358</u>	<u>\$ 126,416</u>	<u>\$130,175</u>

A portion of the CITY OF KIRKWOOD'S Governmental Activities net position (14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net positions* \$8,821 (11 percent) may be used to meet the government's ongoing obligations.

At the end of the current fiscal year, the CITY OF KIRKWOOD is able to report positive balances in all three categories of net position, for the government as a whole, business type activities as well as for its component unit.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

The CITY OF KIRKWOOD'S net position increased by \$3,759 during the current fiscal year as a result of the activity shown in the following table:

City of Kirkwood's Changes in Net Position

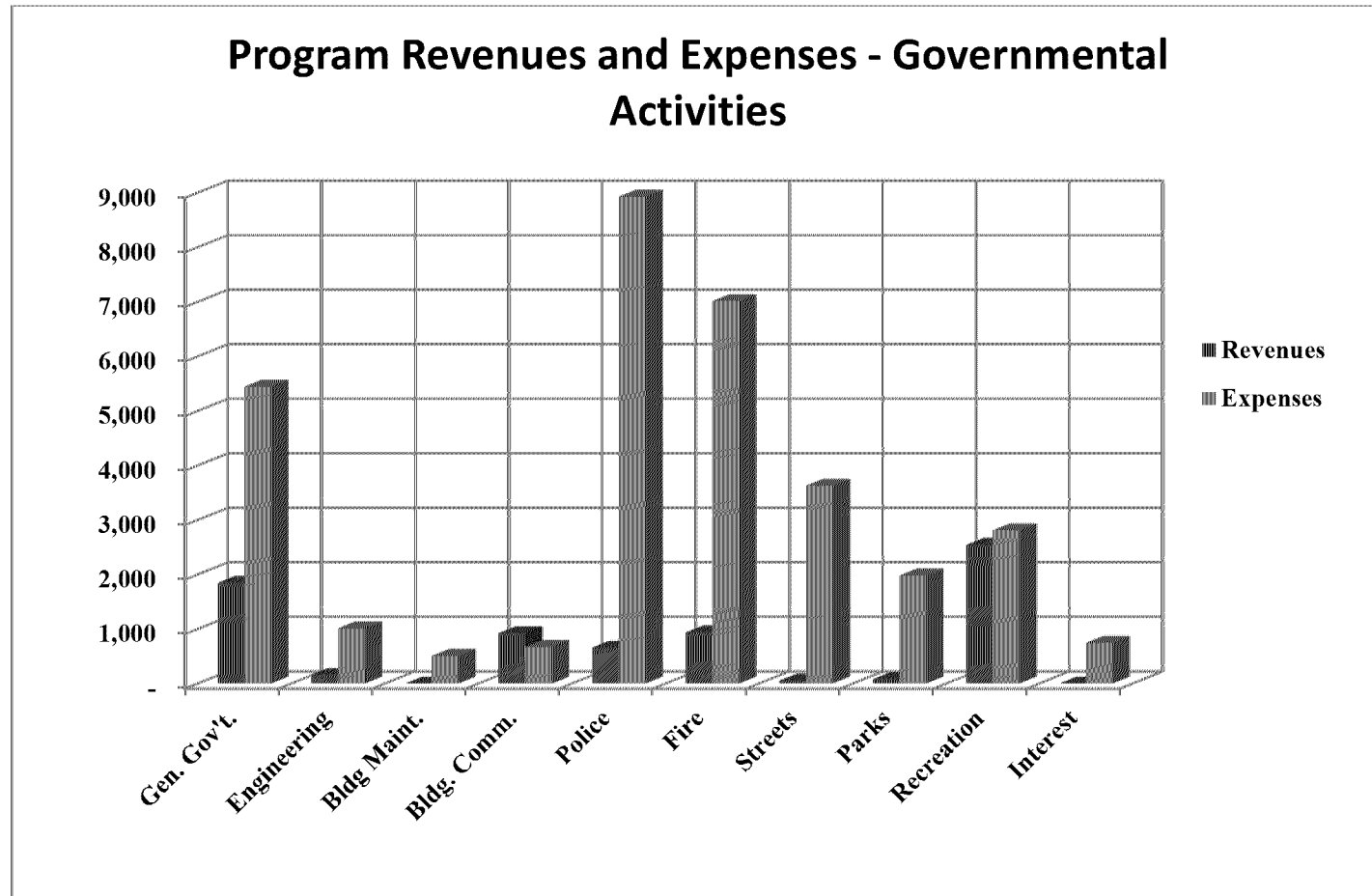
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Revenues:						
Program Revenues:						
Charges for services	\$6,520	\$6,309	\$31,144	\$36,430	\$37,664	\$42,739
Operating grants and Contributions	343	181	--	--	343	181
Capital grants and Contributions	180	716	345	217	525	933
General Revenues:						
Property taxes	4,740	4,999	--	--	4,740	4,999
Other taxes	17,995	18,733	--	--	17,995	18,733
Other revenues	627	675	263	358	890	1,033
Total Revenues	<u>30,405</u>	<u>31,163</u>	<u>31,752</u>	<u>37,005</u>	<u>62,157</u>	<u>68,618</u>
Expenses:						
General government	5,054	5,314	--	--	5,054	5,314
Engineering	684	1,013	--	--	684	1,013
Building maintenance	539	506	--	--	539	506
Building commissioner	749	673	--	--	749	673
Police	8,290	8,929	--	--	8,290	8,929
Fire	7,013	7,015	--	--	7,013	7,015
Streets	2,906	3,631	--	--	2,906	3,631
Parks	1,992	1,982	--	--	1,992	1,982
Recreation	2,774	2,813	--	--	2,774	2,813
Interest on long-term debt	252	745	--	--	252	745
Electric	--	--	20,625	25,153	20,625	25,153
Water	--	--	4,377	5,292	4,377	5,292
Sanitation	--	--	2,785	2,395	2,785	2,395
Total Expenses	<u>30,253</u>	<u>32,621</u>	<u>27,787</u>	<u>32,840</u>	<u>58,040</u>	<u>65,461</u>
Increase (decrease)						
in net position before						
special items and transfers	152	(1,008)	3,965	4,165	4,117	3,157
Special item	--	602	--	--	--	602
Transfers	<u>1,845</u>	<u>2,520</u>	<u>(1,845)</u>	<u>(2,520)</u>	<u>--</u>	<u>--</u>
Increase/decrease						
In net position	<u>1,997</u>	<u>2,114</u>	<u>2,120</u>	<u>1,645</u>	<u>4,117</u>	<u>3,759</u>
Net position -						
April 1, 2017	<u>\$ 79,703</u>		<u>\$ 46,713</u>		<u>\$ 126,416</u>	
Net position -						
March 31, 2018		<u>\$81,817</u>		<u>\$48,358</u>		<u>\$130,175</u>

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Government-wide Financial Analysis (continued)

The following exhibit presents expenditures and program revenues of governmental activities:



Governmental activities and Business activities showed growth this past fiscal year.

Overall governmental revenues have remained flat with a small increase however the City is still concerned because the recovery appears to be sluggish.

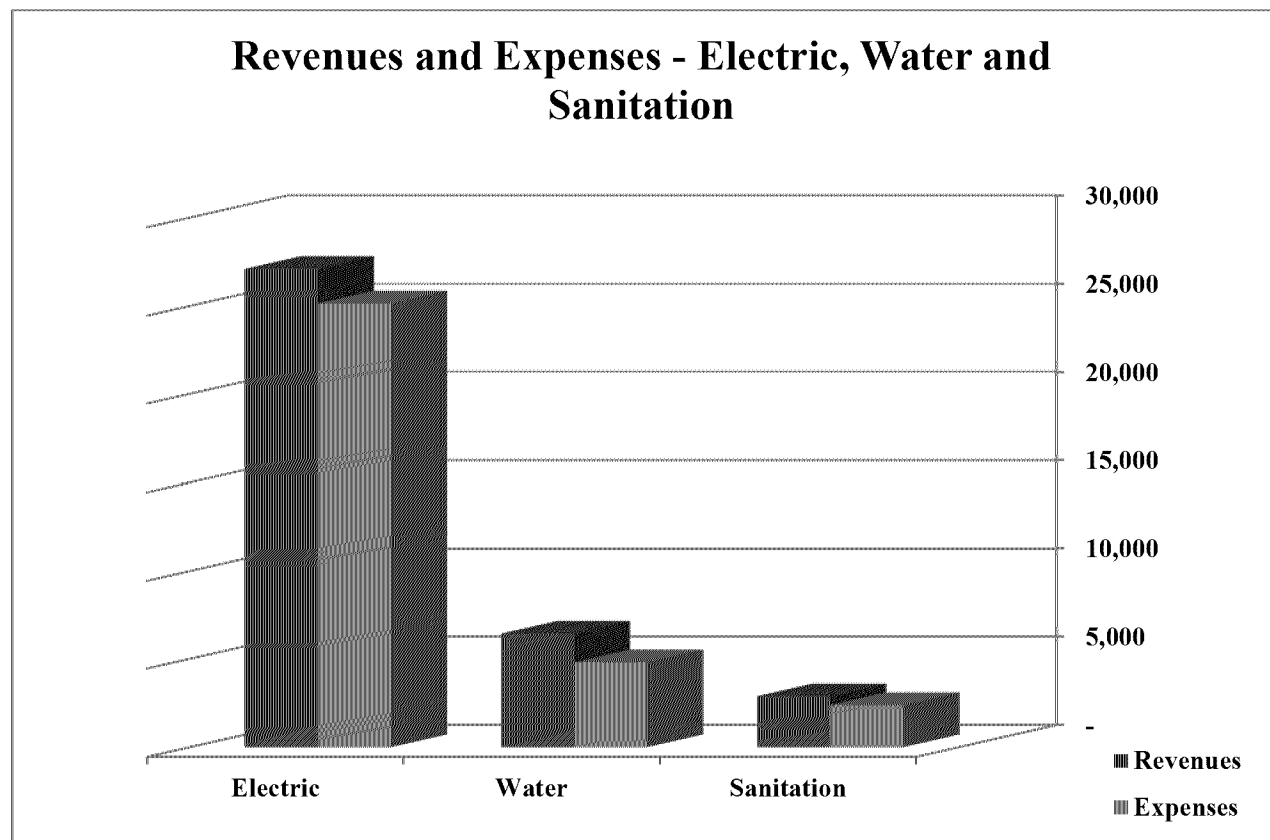
Business-type Activities. Our Water, Electric, and Sanitation business-type activities showed a positive increase in net position. The largest increase was in the electric fund which had an increase in net position of \$597.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Business-type Activities (continued)

- Operational revenues for electric, water, and sanitation services increased by \$5,286 compared to our last fiscal year. Operating expenses compared to the last fiscal year increased by \$5,168. The warm summer increased usage so we sold more electricity and water.
- The Water Distribution System purchases 100% of its water from Missouri American Water Company. The water is delivered to Kirkwood through five separate interconnects and a long term contract with Missouri American Water system have made our system more reliable, in addition to providing the City with predictable costs.
- Sanitation had a (\$198) change in net position in 2017. Sanitation's change in net position in 2018 is \$522. The turnaround was due to the elimination of commercial sanitation and a rate increase.



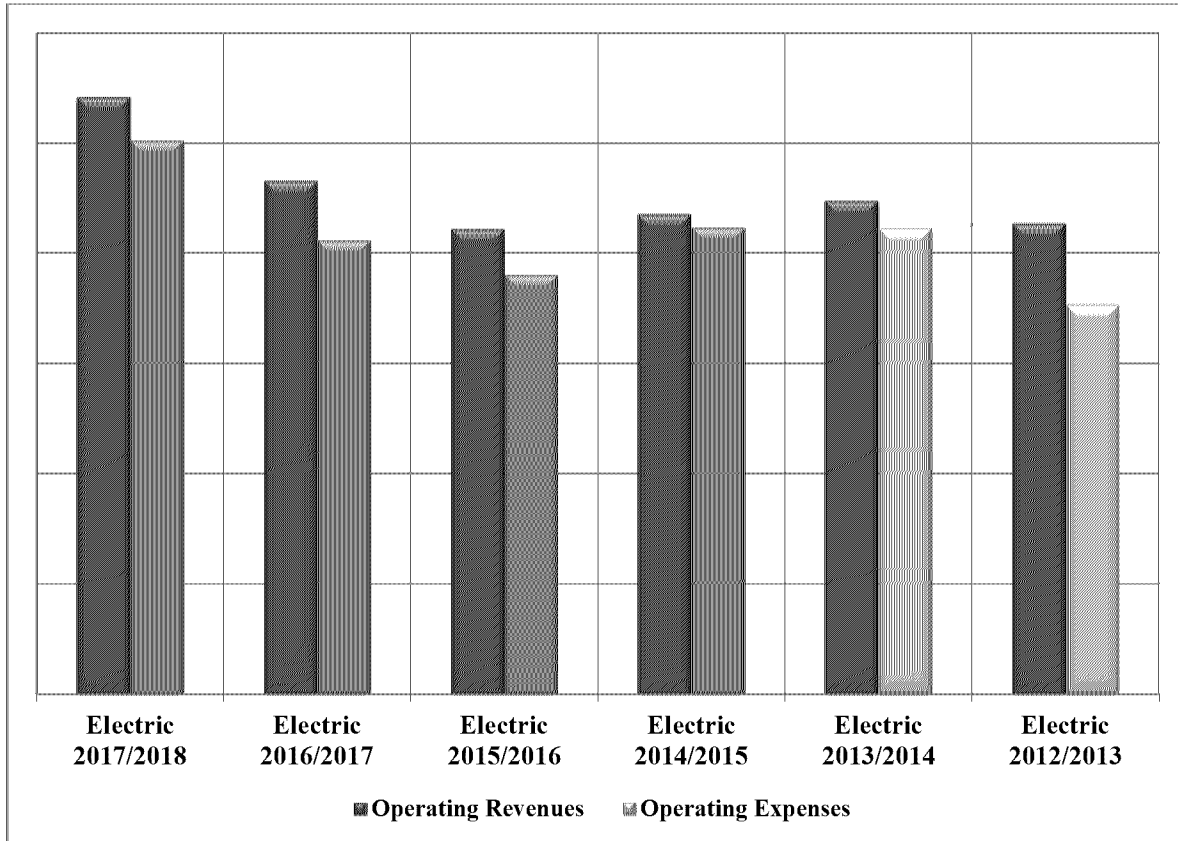
CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Government-wide Financial Analysis (continued)

Business-type Activities (continued)

ELECTRIC FUND



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the CITY OF KIRKWOOD'S governmental funds reported combined ending fund balance of \$42,328, an increase of \$24,144 in comparison with the prior year. This increase is due to the issuance of debt for the performing arts center.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Financial Analysis of the Government's Funds (continued)

Approximately (12 percent, \$5,149) of this total ending fund balance constitutes unassigned *fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either assigned, nonspendable, or restricted. To indicate that it is not available for new spending because it has already been committed 1) Nonspendable, inventory, and prepaid items (\$64), 2) Restricted, legally restricted by outside parties or by law through constitutional provisions or enabling legislation (\$37,114).

The general fund is the chief operating fund of the CITY OF KIRKWOOD. At the end of the current fiscal year, fund balance of the general fund was \$6,784.

The fund balance of the CITY OF KIRKWOOD'S general fund decreased by \$2,877 during the current fiscal year. Key factors in the decrease were:

- Transfer out of \$3,000 to parks/recreation sales tax fund to be used on the performing arts center. Council decided the general fund would pay back this debt to the electric department who provided the cash that passed through the general fund.

The fund balance of the Public Park Board increased by \$82 during the current fiscal year. Key factors in the increase were:

- Increase in property taxes collected and a decrease in capital expenditures.

The fund balance of the Police & Fire property Tax Pension Fund decreased by (\$494)

- We are maintaining the property tax rate however we continue to use fund balance. We hired on seven new firefighters and as a result of Proposition P passing council gave all of our police officers a 6.25 salary increase. We are paying deferred contributions and medicare for police and fire from the general fund. We are also taking steps to reverse the voluntary reduction in the police and fire property tax which will increase our property tax collections by \$194. We are hoping this will allow us to break even in this fund.

The fund balance of the Capital Improvement Fund increased by \$1,032 during the current fiscal year. Key factors in the increase were:

- Increased transfers in primarily from enterprise funds by \$985.
- Decreased capital expenditures by (\$479)

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Financial Analysis of the Government's Funds (continued)

The fund balance of the Park & Storm Water Improvement Fund increased by \$26,960 compared to the previous fiscal year. Key factors of the increase were:

- Over \$24,000 in debt was issued in December for use on the performing arts center and community center construction and renovation projects.
- \$3,000 transfer from the general fund for use on the performing arts center.

The debt service fund has a total fund balance of \$485, all of which is restricted for the payment of debt service. The City enacted a dedicated property tax for debt service when initially approved by the voters. This annual property tax produced revenues of \$606 in the current fiscal year which, when combined with investment and other income in addition to the fund balance, is more than enough to service our general obligation debt.

Proprietary Funds. The CITY OF KIRKWOOD'S proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Proprietary funds at the end of the year increased by \$1,644. The total change in net position for the water fund was \$524, sanitation fund was \$522 and \$597 in the electric fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the CITY OF KIRKWOOD'S business-type activities.

General Fund Budgetary Highlights

Differences between the General Fund original budgeted expenditures and the final amended budgeted expenditures increased \$377.

Capital Asset and Debt Administration

Capital Assets. The CITY OF KIRKWOOD'S investment in capital assets for its governmental and business type activities as of MARCH 31, 2018, amounts to \$99,718 net of accumulated depreciation. This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the CITY OF KIRKWOOD'S investment in capital assets for the current fiscal year was \$5,119.

Additional information on the CITY OF KIRKWOOD'S capital assets can be found in note 4 on pages 51 through 54 of this report.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Long-Term Debt. At the end of the current fiscal year, the CITY OF KIRKWOOD had total debt outstanding of \$35,969. Of this amount, \$1,030 comprises debt backed by the full faith and credit of the government. The tax increment financing debt and public improvement notes for which the government is liable for the payment of collected incremental revenues for a period of seventeen years ended November 2017. The unpaid balance of \$602,000 of this debt was forgiven. The remainder of the CITY OF KIRKWOOD'S debt represents bonds secured solely by specified revenue sources (i.e., leasehold revenue bonds) and notes.

City of Kirkwood's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
General Obligation						
Bonds	\$1,515	\$ 1,030	\$ --	\$ --	\$ 1,515	\$ 1,030
Tax Increment	\$1,057	\$ --	\$ --	\$ --	\$ 1,057	\$ --
Certificates of Participation	\$1,160	\$23,880	\$10,630	\$ 9,985	\$11,790	\$33,865
Capital Leases	\$ --	\$ 806	\$ 533	\$ 268	\$ 533	\$ 1,074

The CITY OF KIRKWOOD'S total debt increased by \$21,074 during the current fiscal year. The City issued \$24,599 in debt in the fiscal year ending March 31, 2018.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the CITY OF KIRKWOOD is \$81,694, which is significantly in excess of the CITY OF KIRKWOOD'S outstanding general obligation debt.

Additional information on the CITY OF KIRKWOOD'S long-term debt can be found in note 6 on pages 61 through 67 of this report.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Economic Factors and Next Year's Budgets and Rates

- While the Electric Fund is healthy our plan is to increase our profit margin by purchasing the lowest cost electric power possible to supplement our long term purchasing contract with Prairie State.
- Our sanitation fund is back on solid financial footing. However, the City will no longer provide single stream recycling because there aren't any firms to take the recycling. This will increase our landfill costs significantly and we expect another increase in the rate soon.
- The City will begin construction of the performing arts center in 2018. We believe the performing arts center will be in operation in the spring of 2019.

All of these factors were considered in preparing the CITY OF KIRKWOOD'S budget for the 2018/2019 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the CITY OF KIRKWOOD'S finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Kirkwood, Director of Finance, 139 S. Kirkwood Road Kirkwood, Missouri 63122-4303. Budget and Comprehensive Annual Financial Report documents are available online at - <http://www.ci.kirkwood.mo.us/finance/finance.htm>.

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF NET POSITION
MARCH 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
ASSETS:				
Cash and short-term investments.....	\$ 49,029,879	\$ 17,104,627	\$ 66,134,506	\$ 88,483
Receivables:				
Taxes - net of uncollectible amount of \$14,876.....	3,260,114	-	3,260,114	-
Services - net of uncollectible amounts of \$66,182 and \$50,988.....	375,031	2,480,932	2,855,963	-
Interest.....	38,145	26,382	64,527	142
Other.....	125,195	238,403	363,598	-
Internal balances.....	(3,400,000)	3,400,000	-	-
Inventories.....	58,700	588,167	646,867	-
Prepaid items.....	9,038	-	9,038	-
Capital assets:				
Nondepreciable.....	8,532,613	3,608,777	12,141,390	-
Depreciable.....	54,890,063	32,686,326	87,576,389	-
TOTAL ASSETS.....	\$ 112,918,778	\$ 60,133,614	\$ 173,052,392	\$ 88,625
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding.....	\$ 43,654	\$ 105,634	\$ 149,288	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES..	\$ 43,654	\$ 105,634	\$ 149,288	\$ -
LIABILITIES:				
Accounts payable.....	\$ 1,154,767	\$ 1,156,905	\$ 2,311,672	\$ -
Accrued interest.....	230,833	36,266	267,099	-
Other accrued liabilities.....	339,441	69,602	409,043	-
Claims payable.....	1,006,847	-	1,006,847	-
Unearned revenues.....	409,404	-	409,404	-
Deposits and escrow funds.....	1,009,535	216,697	1,226,232	-
Long-Term Liabilities:				
Due within one year.....	1,663,446	990,874	2,654,320	-
Due in more than one year.....	25,330,938	9,411,556	34,742,494	-
TOTAL LIABILITIES.....	31,145,211	11,881,900	43,027,111	-
NET POSITION:				
Net investment in capital assets.....	61,751,027	26,081,706	87,832,733	-
Restricted for:				
Capital projects.....	6,625,824	-	6,625,824	-
Debt service.....	1,170,774	681,019	1,851,793	-
Law enforcement.....	132,504	-	132,504	-
Park operations.....	1,600,709	-	1,600,709	-
Police and fire pension.....	948,799	-	948,799	-
Sewer lateral.....	537,998	-	537,998	-
Special Business district.....	228,118	-	228,118	-
Unrestricted.....	8,821,468	21,594,623	30,416,091	88,625
TOTAL NET POSITION.....	\$ 81,817,221	\$ 48,357,348	\$ 130,174,569	\$ 88,625

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General government and finance.....	\$ 5,314,163	\$ 1,828,344	\$ 6,611	\$ 12,000	\$ (3,467,208)	\$ -	\$ (3,467,208)	(Industrial Development Authority)
Engineering.....	1,013,395	1,50,475	10,000	-	(852,920)	-	(852,920)	
Building maintenance.....	505,663	-	-	-	(505,663)	-	(505,663)	
Building commissioner.....	672,847	924,622	-	-	251,775	-	251,775	
Police.....	8,929,012	524,758	123,072	10,910	(8,270,272)	-	(8,270,272)	
Fire.....	7,015,376	936,849	-	-	(6,078,527)	-	(6,078,527)	
Streets.....	3,630,913	-	-	52,823	(3,578,090)	-	(3,578,090)	
Parks.....	1,982,446	62,091	-	18,805	(1,901,550)	-	(1,901,550)	
Recreation.....	2,812,414	1,881,769	41,126	622,066	(267,453)	-	(267,453)	
Interest and fiscal agent fees on long-term debt.....	744,785	-	-	-	(744,785)	-	(744,785)	
Total Governmental Activities.....	32,621,014	6,308,908	180,809	716,604	(25,414,693)	-	(25,414,693)	(198,681)
Business-Type Activities:								
Electric.....	25,152,997	27,104,935	-	132,421	-	2,084,359	2,084,359	
Water.....	5,292,264	6,432,978	-	84,683	-	1,225,397	1,225,397	
Sanitation.....	2,395,299	2,892,236	-	-	-	496,937	496,937	
Total Business-Type Activities.....	32,840,560	36,430,149	-	217,104	-	3,806,693	3,806,693	
TOTAL PRIMARY GOVERNMENT.....	\$ 65,461,574	\$ 42,739,057	\$ 180,809	\$ 933,708	\$ (25,414,693)	\$ 3,806,693	\$ (21,608,000)	\$ (198,681)
General Revenues:								
Property taxes levied for:								
General purposes.....								
Park.....					\$ 2,269,849	\$ -	\$ 2,269,849	\$ -
P&F Property Tax Pension.....					990,928	-	990,928	-
Special business district.....					960,861	-	960,861	-
Debt service.....					134,483	-	134,483	-
Sales tax levied for:					642,843	-	642,843	-
General purposes.....								
Capital improvement purposes.....					6,347,760	-	6,347,760	-
Park and stormwater purposes.....					2,177,578	-	2,177,578	-
Gasoline/motor vehicle sales tax.....					2,561,856	-	2,561,856	-
Utility gross receipts.....					1,112,658	-	1,112,658	-
Cigarette taxes.....					4,549,042	-	4,549,042	-
Highway, road and bridge.....					64,672	-	64,672	-
County public safety.....					788,138	-	788,138	-
Franchise taxes.....					700,539	-	700,539	-
Earnings on investments.....					430,968	-	430,968	-
Gain on sale of capital assets.....					125,418	319,074	444,492	1,907
Other revenues.....					550,272	37,961	588,233	85,000
Special item - forgiveness of debt.....					602,000	-	602,000	-
Transfers in (out).....					2,519,560	(2,519,560)	-	-
TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS.....					27,529,425	(2,162,525)	25,366,900	86,907
CHANGE IN NET POSITION.....					2,114,732	1,644,168	3,758,900	(111,774)
NET POSITION BEGINNING OF YEAR.....					79,702,489	46,713,180	126,415,669	200,399
NET POSITION END OF YEAR.....					\$ 81,817,221	\$ 48,357,348	\$ 130,174,569	\$ 88,625

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2018

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Public Park Board	P&F Property Tax Pension	Capital Improvement	Park & Storm Water Improvement	Other Governmental Funds
ASSETS:						
Cash and investments (including cash equivalents):						
Held by trustees.....	\$ -	\$ -	\$ -	\$ 947,346	\$ 24,032,081	\$ -
Restricted.....	998,688	25,000	-	26,754	427,344	-
Unrestricted.....	8,623,966	1,490,031	847,639	2,118,688	4,993,499	1,339,988
Receivables, net of allowances where applicable:						
Taxes.....	2,172,749	134,141	130,172	302,315	355,665	165,072
Interest.....	15,490	2,424	1,364	3,432	8,021	2,162
Ambulance.....	375,031	-	-	-	-	-
Other.....	77,826	75	-	29,208	-	14,518
Inventory.....	55,308	-	-	-	-	-
Prepaid items.....	9,038	-	-	-	-	-
TOTAL ASSETS.....	\$ 12,328,096	\$ 1,651,671	\$ 979,175	\$ 3,427,763	\$ 29,816,610	\$ 1,521,740
LIABILITIES:						
Accounts payable.....	\$ 339,715	\$ 21,804	\$ 26,014	\$ 130,251	\$ 571,528	\$ 39,935
Accrued wages and vacation payable.....	307,516	15,141	4,297	-	-	3,259
Advance to other funds.....	2,890,000	-	-	-	510,000	-
Deposits payable.....	998,688	25	65	-	-	10,757
Unearned revenue.....	337,337	13,992	-	-	-	58,075
Total Liabilities.....	4,873,256	50,962	30,376	130,251	1,081,528	112,026
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue-taxes.....	670,351	41,088	39,872	137,146	161,347	44,742
Unavailable revenue-special assessment.....	-	-	-	24,047	-	-
Total Deferred Inflows of Resources.....	670,351	41,088	39,872	161,193	161,347	44,742
FUND BALANCES:						
Nonspendable:						
Inventories.....	55,308	-	-	-	-	-
Prepaid items.....	9,038	-	-	-	-	-
Restricted for:						
Capital projects.....	-	-	-	2,188,973	28,146,391	-
Debt service.....	-	-	-	947,346	427,344	484,512
Law enforcement.....	-	-	-	-	-	132,504
Park operations.....	-	1,559,621	908,927	-	-	-
Police and fire pension.....	-	-	-	-	-	-
Sewer lateral.....	-	-	-	-	-	537,998
Special business district.....	-	-	-	-	-	209,958
Assigned to:						
Projected use of reserves.....	1,570,813	-	-	-	-	-
Unassigned:	5,149,330	-	-	-	-	-
Total Fund Balances.....	6,784,489	1,559,621	908,927	3,136,319	28,573,735	1,364,972
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 12,328,096	\$ 1,651,671	\$ 979,175	\$ 3,427,763	\$ 29,816,610	\$ 1,521,740
						\$ 49,725,055

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2018

Total fund balance - governmental funds..... \$ 42,328,063

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 funds. The cost of the assets is \$115,471,716
and the accumulated depreciation is \$52,049,040..... 63,422,676

Property taxes and special assessments assessed by the City, but not collected within
60 days of year end, are deferred within the fund financial statements. However, revenue
for this amount is recognized in the government-wide statements..... 1,118,593

The internal service funds are used by the City to charge the cost of medical
and worker's compensation insurance and city-wide vehicle and equipment
maintenance and repair costs to individual funds. The assets and liabilities
of the internal service fund are included in governmental activities in the
statement of net position..... 2,111,246

Long-term liabilities applicable to the City's governmental activities are not
due and payable in the current period and, accordingly, are not reported as
liabilities within the fund financial statements. Interest on long-term debt
is not accrued in governmental funds, but rather is recognized as an
expenditure when due. All liabilities - both current and long-term - are
reported on the government-wide statement of net position. Discounts,
premiums, and deferred amount on refunding are reported in the
governmental fund financial statements when the debt was issued whereas
these amounts are deferred and amortized over the life of the debt as an
adjustment to interest expense on the government-wide financial
statements.

Balances as of March 31, 2018 are:

Accrued compensated absences, vacation.....	(513,784)	
Accrued interest on outstanding debts.....	(230,833)	
Bonds and notes payable.....	(25,715,927)	
Deferred amount on refunding.....	43,654	
Unamortized bond premium.....	(746,467)	
		<u>(27,163,357)</u>

Total net position - governmental activities..... \$ 81,817,221

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Public Park Board	P&F Property Tax Pension	Capital Improvement	Park & Storm Water Improvement	Other Governmental Funds	
REVENUES:							
Taxes, including interest and penalties.....	\$ 15,935,454	\$ 983,968	\$ 954,833	\$ 2,169,726	\$ 2,552,618	\$ 919,869	\$ 23,516,468
Intergovernmental.....	587,740	-	-	-	97,066	-	684,806
Licenses, permits, fines and fees.....	2,163,550	80,896	-	-	-	529,013	2,773,459
Investment income.....	53,773	3,996	3,611	13,876	31,161	6,003	112,420
Charges for services.....	2,802,124	-	-	-	-	-	2,802,124
Grants.....	71,627	-	-	40,075	525,000	-	636,702
Other.....	771,171	783	-	36,321	-	31,184	839,459
Total Revenues.....	<u>22,385,439</u>	<u>1,069,643</u>	<u>958,444</u>	<u>2,259,998</u>	<u>3,205,845</u>	<u>1,486,069</u>	<u>31,365,438</u>
EXPENDITURES:							
Current:							
General government and finance.....	3,861,671	-	-	-	8,176	717,381	4,587,228
Engineering.....	983,417	-	-	-	-	-	983,417
Building maintenance.....	492,328	-	-	-	-	-	492,328
Building commissioner.....	668,472	-	-	-	-	-	668,472
Police.....	7,734,248	-	751,620	-	-	12,088	8,497,956
Fire.....	5,782,591	-	700,921	-	-	-	6,483,512
Streets.....	1,510,369	-	-	-	-	-	1,510,369
Recreation.....	2,160,188	-	-	-	-	-	2,160,188
Parks.....	-	1,409,202	-	-	-	-	1,409,202
Capital outlay.....	90,171	233,887	-	3,630,495	1,725,402	218,605	5,898,560
Debt Service:							
Principal retirement.....	-	-	-	277,795	795,000	940,000	2,012,795
Interest and fiscal charges.....	90,000	-	-	11,093	31,541	138,613	271,247
Issuance costs.....	-	-	-	-	253,371	-	253,371
Total Expenditures.....	<u>23,373,455</u>	<u>1,643,089</u>	<u>1,452,541</u>	<u>3,919,383</u>	<u>2,813,490</u>	<u>2,026,687</u>	<u>35,228,645</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	<u>(988,016)</u>	<u>(573,446)</u>	<u>(494,097)</u>	<u>(1,659,385)</u>	<u>392,355</u>	<u>(540,618)</u>	<u>(3,863,207)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in.....	1,176,000	570,842	-	1,549,560	3,000,000	-	6,296,402
Transfers out.....	(3,067,842)	-	-	-	(691,000)	(18,000)	(3,776,842)
Proceeds from sale of capital assets.....	2,368	60,585	-	58,027	-	-	120,980
Insurance recoveries.....	851	23,611	-	-	-	-	24,462
Proceeds from captial leases.....	-	-	-	1,083,722	-	-	1,083,722
Proceeds from certificates of participation issued.....	-	-	-	-	23,515,000	-	23,515,000
Premiums from certificates of participation issued.....	-	-	-	-	743,771	-	743,771
Total Other Financing Sources (Uses).....	<u>(1,888,623)</u>	<u>655,038</u>	<u>-</u>	<u>2,691,309</u>	<u>26,567,771</u>	<u>(18,000)</u>	<u>28,007,495</u>
NET CHANGE IN FUND BALANCES.....	<u>(2,876,639)</u>	<u>81,592</u>	<u>(494,097)</u>	<u>1,031,924</u>	<u>26,960,126</u>	<u>(558,618)</u>	<u>24,144,288</u>
FUND BALANCES, BEGINNING OF YEAR.....	<u>9,661,128</u>	<u>1,478,029</u>	<u>1,403,024</u>	<u>2,104,395</u>	<u>1,613,609</u>	<u>1,923,590</u>	<u>18,183,775</u>
FUND BALANCES, END OF YEAR.....	<u>\$ 6,784,489</u>	<u>\$ 1,559,621</u>	<u>\$ 908,927</u>	<u>\$ 3,136,319</u>	<u>\$ 28,573,735</u>	<u>\$ 1,364,972</u>	<u>\$ 42,328,063</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, 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 MARCH 31, 2018

Net change in fund balances - total governmental funds.....		\$ 24,144,288
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000, for general and infrastructure, are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Donated assets are not recorded in the governmental funds but are recognized as revenue in the statement of activities. This is the amount by which depreciation exceeded capital outlays and donated capital assets in the current period.		
Capital outlays.....	4,534,746	
Depreciation expense.....	<u>(3,364,244)</u>	1,170,502
In the statement of activities, the gain (loss) on the disposition of capital assets is reported. The fund financial statements recognize only the proceeds from the sale of those assets.....		(296,685)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This is the net effect of these differences in the treatment of long-term debt.		
Debt issued during the current year:		
Certificates of participation.....	(23,515,000)	
Certificates of participation premium.....	(743,771)	
Capital leases.....	(1,083,722)	
Repayment during the current year:		
Bond principal.....	1,735,000	
Capital leases.....	277,795	
Forgiveness of debt.....	602,000	
Amortization of premiums on debt issuance.....	15,537	
Amortization of deferred charge on refunding.....	<u>(56,436)</u>	(22,768,597)
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 interest on bonds.....	(179,268)	
Compensated absences.....	<u>(54,274)</u>	(233,542)
The internal service funds are used by management to charge the costs of the risk management and fleet services activities to individual funds. The adjustments for the internal service fund "close" the fund by charging additional amounts to participating activities to completely cover the internal service fund's costs for the year.		
Total net decrease for the internal service fund.....		(100,388)
Property tax revenues, sales tax revenues and special assessment revenue received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred revenues increased this year.....		<u>199,154</u>
Change in net position of governmental activities.....		\$ 2,114,732

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
MARCH 31, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water	Sanitation	Total	
ASSETS:					
Current Assets:					
Cash and investments:					
Restricted.....	\$ 190,274	\$ 23,608	\$ -	\$ 213,882	\$ -
Held by trustees.....	-	681,078	-	681,078	712
Unrestricted.....	8,398,022	6,598,337	1,213,308	16,209,667	3,158,143
Receivables, net of allowances:					
Services.....	1,694,561	533,512	252,859	2,480,932	-
Interest.....	13,771	10,659	1,952	26,382	5,232
Other.....	145,922	43	92,438	238,403	3,568
Inventory.....	459,981	88,961	39,225	588,167	3,392
Advance to other funds.....	3,145,000	255,000	-	3,400,000	-
Total Current Assets.....	14,047,531	8,191,198	1,599,782	23,838,511	3,171,047
Noncurrent Assets:					
Capital Assets:					
Land and construction in progress.....	3,443,446	31,274	134,057	3,608,777	-
Buildings and system.....	12,503,384	25,020,716	423,314	37,947,414	-
Machinery and equipment.....	3,362,963	1,460,220	3,272,401	8,095,584	-
Less: Accumulated depreciation.....	(5,515,012)	(5,976,985)	(1,864,675)	(13,356,672)	-
Total Noncurrent Assets.....	13,794,781	20,535,225	1,965,097	36,295,103	-
Total Assets.....	27,842,312	28,726,423	3,564,879	60,133,614	3,171,047
DEFERRED OUTFLOW OF RESOURCES:					
Deferred charge on refunding.....	-	105,634	-	105,634	-
Total Deferred Outflow of Resources.....	-	105,634	-	105,634	-
LIABILITIES:					
Current Liabilities:					
Accounts payable.....	477,285	639,092	40,528	1,156,905	25,520
Accrued wages and vacation.....	71,467	35,497	30,608	137,572	24,066
Accrued interest payable.....	-	34,046	2,220	36,266	-
Deposits payable from restricted assets.....	192,741	23,956	-	216,697	-
Claims payable.....	-	-	-	-	1,006,847
Capital lease payable - current.....	-	-	267,904	267,904	-
Bonds payable - current.....	-	655,000	-	655,000	-
Total Current Liabilities.....	741,493	1,387,591	341,260	2,470,344	1,056,433
Noncurrent Liabilities:					
Compensated absences.....	8,221	3,451	3,757	15,429	3,368
Bonds payable.....	-	9,396,127	-	9,396,127	-
Total Noncurrent Liabilities.....	8,221	9,399,578	3,757	9,411,556	3,368
Total Liabilities.....	749,714	10,787,169	345,017	11,881,900	1,059,801
NET POSITION:					
Net investment in capital assets.....	13,794,781	10,589,732	1,697,193	26,081,706	-
Restricted for debt service.....	-	681,019	-	681,019	-
Unrestricted.....	13,297,817	6,774,137	1,522,669	21,594,623	2,111,246
TOTAL NET POSITION.....	\$ 27,092,598	\$ 18,044,888	\$ 3,219,862	\$ 48,357,348	\$ 2,111,246

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Electric</u>	<u>Water</u>	<u>Sanitation</u>	<u>Total</u>	
OPERATING REVENUES:					
Electric sales.....	\$22,272,879	\$ -	\$ -	\$22,272,879	\$ -
Electric wholesale sales.....	4,564,236	-	-	4,564,236	-
Water sales.....	-	5,633,963	-	5,633,963	-
Sanitation fees.....	-	-	2,748,117	2,748,117	-
Charges for services.....	-	-	-	-	5,095,398
Other.....	267,820	799,015	144,119	1,210,954	36,599
Total Operating Revenues.....	27,104,935	6,432,978	2,892,236	36,430,149	5,131,997
OPERATING EXPENSES:					
Administrative and general.....	1,238,340	534,235	1,067,202	2,839,777	1,289,436
Customer accounting.....	196,418	178,473	121,516	496,407	-
Purchased power.....	20,641,242	-	-	20,641,242	-
Purchased water.....	-	1,189,240	-	1,189,240	-
Distribution maintenance.....	2,254,352	1,743,318	-	3,997,670	-
Maintenance and supplies.....	510,566	481,083	3,497	995,146	-
Pickup, hauling and disposal.....	-	-	944,131	944,131	-
Claims and insurance premiums.....	-	-	-	-	3,955,947
Depreciation.....	312,079	688,503	255,261	1,255,843	-
Total Operating Expenses.....	25,152,997	4,814,852	2,391,607	32,359,456	5,245,383
OPERATING INCOME (LOSS).....	1,951,938	1,618,126	500,629	4,070,693	(113,386)
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	263,626	52,424	3,024	319,074	12,998
Grants.....	132,421	-	-	132,421	-
Interest expense.....	-	(425,387)	(3,692)	(429,079)	-
Gain (loss) on sales of property, plant and equipment.....	14,246	(52,025)	22,469	(15,310)	-
Insurance recoveries.....	-	1,246	-	1,246	-
Total Nonoperating Revenues (Expenses).....	410,293	(423,742)	21,801	8,352	12,998
INCOME (LOSS) BEFORE TRANSFERS.....	2,362,231	1,194,384	522,430	4,079,045	(100,388)
Capital contributions-Federal subsidy.....	-	84,683	-	84,683	-
Transfers in (out).....	(1,764,780)	(754,780)	-	(2,519,560)	-
CHANGE IN NET POSITION.....	597,451	524,287	522,430	1,644,168	(100,388)
NET POSITION, BEGINNING OF YEAR.....	26,495,147	17,520,601	2,697,432	46,713,180	2,211,634
NET POSITION, END OF YEAR.....	<u>\$ 27,092,598</u>	<u>\$ 18,044,888</u>	<u>\$ 3,219,862</u>	<u>\$ 48,357,348</u>	<u>\$ 2,111,246</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Electric</u>	<u>Water</u>	<u>Sanitation</u>	<u>Total</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers.....	26,200,557	6,204,559	\$ 2,711,609	\$ 35,116,725	\$ -
Receipts from interfund services provided.....	753,381	43,547	31,669	828,597	5,095,398
Other receipts (payments).....	75,381	162,969	122,926	361,276	33,031
Payments to suppliers.....	(23,681,373)	(2,467,039)	(979,025)	(27,127,437)	(4,342,907)
Payments to employees.....	(2,025,592)	(1,068,543)	(745,163)	(3,839,298)	(496,048)
Payments for interfund services.....	(233,087)	(284,940)	(429,125)	(947,152)	(23,381)
Net Cash Provided By (Used In)					
Operating Activities.....	<u>1,089,267</u>	<u>2,590,553</u>	<u>712,891</u>	<u>4,392,711</u>	<u>266,093</u>
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES:					
Transfers out.....	(1,764,780)	(754,780)	-	(2,519,560)	-
Receipt (payment) of interfund borrowing.....	(2,805,000)	85,000	-	(2,720,000)	-
Net Cash Provided By (Used In)					
Noncapital Financing Activities.....	<u>(4,569,780)</u>	<u>(669,780)</u>	<u>-</u>	<u>(5,239,560)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND					
RELATED FINANCING ACTIVITIES:					
Acquisition and construction of					
capital assets.....	(3,695,220)	(1,908,713)	-	(5,603,933)	-
Proceeds from sale of property,					
plant and equipment.....	44,879	19,911	22,469	87,259	-
Capital grants.....	132,421	-	-	132,421	-
Insurance Recoveries.....	-	1,246	-	1,246	-
Capital contribution-Federal subsidy.....	-	84,683	-	84,683	-
Principal paid on bonds and capital leases.....	-	(645,000)	(264,975)	(909,975)	-
Interest paid on bonds and capital leases.....	-	(424,738)	(5,888)	(430,626)	-
Net Cash Provided By (Used In) Capital					
and Related Financing Activities.....	<u>(3,517,920)</u>	<u>(2,872,611)</u>	<u>(248,394)</u>	<u>(6,638,925)</u>	<u>-</u>
CASH FLOWS PROVIDED BY INVESTING					
ACTIVITIES:					
Interest received on investments.....	<u>276,483</u>	<u>54,463</u>	<u>2,378</u>	<u>333,324</u>	<u>12,159</u>
NET INCREASE (DECREASE) IN CASH					
AND CASH EQUIVALENTS.....	(6,721,950)	(897,375)	466,875	(7,152,450)	278,252
CASH AND CASH EQUIVALENTS AT					
BEGINNING OF YEAR.....	<u>15,310,246</u>	<u>8,200,398</u>	<u>746,433</u>	<u>24,257,077</u>	<u>2,880,603</u>
CASH AND CASH EQUIVALENTS AT					
END OF YEAR.....	<u>\$ 8,588,296</u>	<u>\$ 7,303,023</u>	<u>\$ 1,213,308</u>	<u>\$ 17,104,627</u>	<u>\$ 3,158,855</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

RECONCILIATION OF OPERATING INCOME

(LOSS) TO NET CASH PROVIDED BY

(USED IN) OPERATING ACTIVITIES:

Operating income (loss).....	\$ 1,951,938	\$ 1,618,126	\$ 500,629	\$ 4,070,693	\$ (113,386)
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Adjustments to reconcile operating income

(loss) to net cash provided by (used in)

operating activities:

Depreciation expense	312,079	688,503	255,261	1,255,843	-
(Increase) decrease in assets:					
Service receivable.....	(83,177)	(20,548)	(4,839)	(108,564)	-
Miscellaneous receivables.....	32,488	795	(21,193)	12,090	(3,568)
Inventory.....	(61,338)	2,750	(29,035)	(87,623)	(506)
Increase (decrease) in liabilities:					
Accounts payable.....	(1,049,964)	302,928	14,506	(732,530)	(28,739)
Accrued wages and vacation.....	12,168	149	(2,438)	9,879	(2,728)
Deposits held for others.....	(24,927)	(2,150)	-	(27,077)	-
Claims Payable.....	-	-	-	-	415,020
Total adjustments.....	<u>(862,671)</u>	<u>972,427</u>	<u>212,262</u>	<u>322,018</u>	<u>379,479</u>

NET CASH PROVIDED BY (USED IN)

OPERATING ACTIVITIES.....	<u>\$ 1,089,267</u>	<u>\$ 2,590,553</u>	<u>\$ 712,891</u>	<u>\$ 4,392,711</u>	<u>\$ 266,093</u>
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Noncash Investing, Capital and Financing Activities:

The Electric Fund traded in equipment of \$157,420 and accumulated depreciation of \$141,678.

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUND TYPES - TRUST AND AGENCY FUNDS
MARCH 31, 2018

	Pension Trust	Agency
ASSETS:		
Cash and investments:		
Held by trustees:		
Short-term reserves.....	\$ 6,027,119	\$ -
Bond funds.....	3,862,176	-
Balanced funds.....	19,587,667	-
Domestic stock funds.....	26,132,616	-
International stock funds.....	5,049,214	-
Money market funds.....	1,017,466	-
Specialty stock fund.....	223,145	-
TIAA brokerage option fund.....	933,545	-
TIAA brokerage option fund.....	1,130,250	-
Restricted.....	301	10,200
Receivables, net of allowances:		
Interest.....	2,361	-
Contribution receivable.....	128,431	-
Prepaid expenses.....	11,024	-
	<u>64,105,315</u>	<u>10,200</u>
Total Assets.....		
	<u>64,105,315</u>	<u>10,200</u>
LIABILITIES:		
Accounts payable.....	28,584	-
Deposits payable.....	-	10,200
	<u>28,584</u>	<u>10,200</u>
Total Liabilities.....		
	<u>28,584</u>	<u>10,200</u>
NET POSITION:		
Net position restricted for pensions.....	<u>\$ 64,076,731</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer.....	\$ 1,562,648
Employee, net of refunds.....	573,617
Rollover Contributions.....	5,574
Total Contributions.....	2,141,839
Investment income:	
Interest and dividends.....	1,908,280
Net appreciation in the fair value of plan investments.....	3,393,217
Total investment income.....	5,301,497
Less: investment expenses.....	28,036
Net investment income.....	5,273,461
Total Additions.....	7,415,300
DEDUCTIONS:	
Benefit payments.....	3,307,932
Administrative and general expenses:	
Insurance, taxes and other premiums.....	158,746
Professional fees.....	100,459
Total administrative and general expenses.....	259,205
Total Deductions.....	3,567,137
CHANGE IN NET POSITION.....	3,848,163
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR.....	60,228,568
END OF YEAR.....	\$ 64,076,731

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kirkwood, Missouri (the “City”) was formally established as the Town of Kirkwood in 1853. In 1865, the citizens requested and received a charter from the Missouri State Legislature. As a result of being incorporated, Kirkwood became a village governed by a Board of Trustees elected by the voters. The City now operates under a charter form of government adopted in 1983 in accordance with the provisions of the Missouri Constitution. The governing body is comprised of a mayor and six council members who appoint a chief administrative officer who is responsible for the day-to-day operations of the City. The City provides the following services: public safety (police and fire), engineering, streets, vehicle, building maintenance, electric, water, sanitation, parks and recreation and general administrative services.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant accounting policies:

Reporting Entity

The City’s financial reporting entity has been determined in accordance with governmental standards for defining the financial reporting entity and identifying entities to be included in its basic financial statements. These standards identify the City’s financial accountability for potential component units as the primary, but not only, criteria for inclusion. The City’s financial reporting entity consists of the City of Kirkwood (the primary government) and its component units. The component units discussed below are included in the City’s financial reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The following component units are legally separate from the City; however, the activities are so intertwined with the City as the primary government that they are, in substance, the same as the primary government. As such, the balances and transactions of the component units are blended into the accompanying basic financial statements and reported in a manner similar to the balances and transactions of the City itself.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

City of Kirkwood, Missouri Public Facilities Authority (PFA)

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. Board members are appointed by the Mayor of the City and must be approved by Council. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Kirkwood, Missouri. Funding of such capital improvements and facilities is provided through the issuance of leasehold revenue bonds. The PFA is accounted for as if it were part of the City's operations because it was established to provide services exclusively to the City. The activities and accounts of the PFA have been blended into the City's Park & Storm Water Improvement fund.

Downtown Special Business District (SBD)

The SBD was created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. The SBD is reported as a blended component unit because the City Council retains governance over the SBD and appoints the members to the Downtown Kirkwood Special Business District Advisory Commission. In addition, the City Council retains operational responsibility in approving and amending the SBD's budget, levies the SBD property taxes, and is responsible for fiscal management. The resources of this fund are utilized for the enhancement of the SBD; promote retail trade, and development within the SBD, for the substantial benefit of maintaining and/or increasing the economic activity taxes (EATs) which are used by the City in providing governmental services.

Discretely Presented Component Unit

The discretely presented component unit column in the government-wide financial statements includes the financial data of the City's other component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Industrial Development Authority of the City of Kirkwood, Missouri (IDA)

The IDA is a not-for-profit corporation established by an Ordinance of the City Council and formed under RSMo. Chapter 349, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. The IDA Board of Directors are appointed by the Mayor with consent of the City Council. The City provides the IDA financial and administrative support. Separate financial statements are not prepared for the IDA. Schedules for the IDA are included in the "Other Supplementary Information" section.

Related Organizations

The City's officials are also responsible for appointing members to the boards of other organizations, but the City's accountability for these organizations does not extend beyond making such appointments. The Mayor or the City Council appoints a majority of the governing members of the Municipal Library District of Kirkwood and the Kirkwood Housing Authority. These related organizations are not included as component units within the City's financial reporting entity.

The Public Park Board is an agency of the City with its Board members appointed by the Mayor and the City Council. The Park Board has the authority to adopt and amend its own budget only. The City sets and levies the Park Board's property taxes and holds all corporate powers. The Public Park Board is therefore not a legal entity and is accounted for as a separate special revenue fund.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. However, interfund services provided and used are not eliminated in the process of consolidation. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 for goods and/or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items that are not generated by programs are reported instead as general revenues.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements (continued)

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements. The City has three enterprise (business-type activity) funds which are all considered major funds. Additionally, the City has internal service funds which are reported in a separate column on the proprietary fund financial statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's governmental major funds:

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

Public Park Board - Used to account for property tax proceeds restricted specifically for park operations.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds (continued)

P&F Property Tax Pension - Used to account for property tax proceeds restricted specifically for police officers and firefighters pension.

Capital Improvements - This fund is used to account for financial resources designated for the acquisition or construction of major capital facilities or improvements.

Park & Storm Water Improvements - This fund is used to account for financial resources designated for the construction of the City's recreation/facilities complex.

The other governmental funds of the City are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, the capital project funds which account for financial resources to be used for acquisition or construction of major capital facilities and the debt service fund which is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income, changes in net assets (or cost recovery), financial position, and cash flows.

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 operations.

The following are the City's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has three enterprise funds which are all considered major funds as follows:

Electric - The electric fund is used to account for the billing and collection of charges for electric services for customers of the electric utility system. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds (continued)

Water - The water fund is used to account for the billing and collection of charges for water services for customers of the waterworks system. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Sanitation - The sanitation fund is used to account for the provision of solid waste collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. Three internal service funds have been established to account for the payment of medical insurance, workers' compensation and city-wide vehicle and equipment maintenance and repair costs.

Fiduciary Fund Type - Trust and Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the City's Police Officers' and Firefighters' Pension Plan and the Employees' Pension Plan. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency fund accounts for municipal court collections for bail bonds.

Measurement Focus

Measurement focus refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Position.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds used the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-Exchange Transactions (continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals. For the City, available for these revenue sources means expected to be received within 30 days of year end.

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

Cash and Investments

The City maintains a cash and investment pool available to all City funds. For financial reporting purposes, investments are allocated in proportion to each fund's cash balance to the total cash balance.

Investments are shown at fair value. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond March 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Certain park program fees received before eligibility requirements are met are reported as unearned revenues in the government-wide financial statements as well as the governmental fund statements.

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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for Uncollectible Accounts

The City provides an allowance for uncollectible accounts equal to the estimated collection losses that will be incurred in collection of its ambulance, court fines, property tax and enterprise fund services receivable. The estimated losses 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.

Inventory

Inventory recorded in the general fund is valued at average cost, using the first-in, first-out (FIFO) method and consist of expendable supplies held for consumption. The cost of inventory is recorded as expenditures as the individual inventory items are utilized. The reserve for inventory is equal to the inventory capitalized to indicate that a portion of the fund balance is not available for appropriation.

Inventory recorded in the enterprise funds are valued at average cost using a first-in, first-out method, and consist of materials and supplies held for consumption and construction of distribution systems.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, including infrastructure, are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 - 40 years
Building improvements	5 - 30 years
Distribution system	20 - 75 years
Machinery and equipment	3 - 15 years
Automotive equipment	3 - 10 years
Streets, bridges and sidewalks	20 - 75 years

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Liabilities

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums or discounts, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using the straight-line method and the effective interest method. Bonds payable are reported adjusted by the applicable bond premium or discount.

In the fund financial statements, governmental funds 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accumulated Unpaid Vacation, Compensatory Time, and Sick Leave

City employees earn vacation based upon their years of continuous service on a calendar year basis. Accrued vacation time is payable to employees upon termination. Based on the policy of the City, all of the accrued vacation is due within one year and is recorded in the government-wide and proprietary fund financial statements as a short-term liability. A liability is recorded in the governmental fund financial statements when payment is due.

City employees may earn compensatory time in lieu of overtime pay at the discretion of the Department Head. Accrued compensatory time is payable to employees upon termination. Based on the policy of the City, no employee shall be permitted to accrue more than forty (40) hours of compensatory time with the exception of law enforcement and fire protection personnel who shall not be permitted to accrue more than one hundred twenty (120) hours of compensatory time. A liability is recorded in the governmental fund financial statements when payment is due.

Sick leave accrues each month of continuous service, subject to a maximum of 130 days, and is payable during periods of illness. The City does not accrue nor is obligated for payment of accumulated sick days.

Capital Contributions

Capital contributions in the enterprise funds represent government grants, contributions and other aid to fund capital projects. In accordance with GASB 33, capital contributions are recognized as revenue when the expenditure is made and amounts became subject to claim for reimbursement.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Transfers

Legally required transfers are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services provided and used because they would be treated as revenue and expenditures or expenses if they involved organizations external to the city.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

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

Net Position

In the government-wide and proprietary fund financial statements, net position are displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of assets that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Balances

In the governmental fund financial statements the following classifications are used to define the governmental fund balances.

Nonspendable – This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact.

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Committed – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council, the City's highest level of decision-making authority.

Assigned – This consists of the governmental fund balances that are intended to be used for specific purposes. The City Council has by resolution authorized the Chief Administrative Officer or their designee to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned – Amounts that are available for any purpose and do not meet the definition of "nonspendable," "restricted," "committed," or "assigned; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the least restricted dollars before the restricted dollars in the following order: Unassigned, Assigned, Committed, Restricted, and then Nonspendable.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of Cash Flows

The proprietary funds considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Estimates and Assumptions

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS

The City is governed by the deposit and investment limitations of state law. It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The City's policy and state law authorize the following types of investments:

- a. United States Treasury Securities for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- b. United States Agency Securities, including:
 - U.S. Government Agency Coupon and Zero Coupon Securities with no embedded options.
 - U.S. Government Agency Discount Notes purchased at a discount with maximum maturities of one (1) year.
 - U.S. Government Agency Callable Securities restricted to securities callable at par only with final maturities of five (5) years.
 - U.S. Government Agency Step-Up Securities where the coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of five (5) years.
 - U.S. Government Agency Floating Rate Securities where the coupon rate floats off one index. Restricted to coupons with no interim caps that reset at least quarterly.
 - U.S. Government Mortgage Backed Securities restricted to securities with final maturities of five (5) years.
- c. Repurchase agreements with commercial banks or government securities dealers. The purchaser in a repurchase agreement enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices.
- d. Collateralized public deposits (Certificates of Deposits) issued by financial institutions which state that specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by state statute.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS (continued)

- e. Bankers' Acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
- f. Commercial Paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars.

The deposits and investments held at March 31, 2018, and reported at fair value, are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 7,722,552
Cash on hand	3,815
Non-negotiable Certificates of Deposit	<u>2,000,000</u>
	<u>9,726,367</u>
Pooled Investments:	
Money Market Mutual Funds	26,087,849
Negotiable Certificates of Deposit	23,279,988
Federal Farm Credit	982,235
Federal Home Loan Mortgage Corporation	2,259,751
Federal Home Loan Banks	2,732,020
Federal National Mortgage Association	<u>1,165,151</u>
	<u>56,506,994</u>
Pension Trust Cash and Investments:	
Restricted deposit	129
Mutual funds:	
Short-Term reserves	6,027,119
TIAA brokerage	1,130,250
TIAA traditional annuity option	933,545
International stock funds	5,049,214
Balanced funds	19,587,667
Bond funds	3,862,176
Money market funds	1,017,466
Specialty stock fund	223,145
Domestic stock funds	<u>26,132,616</u>
	<u>63,963,327</u>
Total Deposits and Investments	<u>\$130,196,688</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS (continued)

<u>Type</u>	<u>Carrying Value</u>
Reconciliation to the Financial Statements:	
Statement of Net Assets:	
Cash and Investments:	
Governmental Activities	\$ 49,029,879
Business-Type Activities	17,104,627
Component Unit.....	88,483
Statement of Fiduciary Net Assets:	
Cash and Investments:	
Held by trustees – Pension Trust Funds.....	63,963,198
Restricted:	
Pension Trust Funds.....	301
Agency Fund.....	<u>10,200</u>
	<u>\$130,196,688</u>

Since the investment strategies and associated risks for the City Pension Investment portfolios are substantially different than those of the remainder of the City, the investment disclosures for the Pension Investment Portfolios are presented separately.

Custodial Credit Risk- Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City'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. As of March 31, 2018, the City's bank balance of \$9,726,367, including \$88,483 of the component unit, except for \$200,000, was fully insured by depository insurance and collateralized with securities held by the financial institution's trust department or agent in the City's name or letter of credit with the City as beneficiary. The \$200,000 was exposed to custodial credit risk because it was uninsured and not collateralized with securities held by the financial institution's trust department or agent in the City's name.

Custodial Credit Risk - Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. The City's policy to minimize credit risk is to pre-qualify the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business and diversify the portfolio so that potential losses on individual securities will be minimized. The City's investments were not exposed to custodial credit risk this year.

Investment Interest Rate Risk - The City's policy to limit investment interest rate risk is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Investments in bankers' acceptances and commercial paper shall mature and become payable not more than one hundred eighty days (180) from the date of purchase. All other investments shall mature and become payable not more than five (5) years from the date of purchase. Maturities of investments held at March 31, 2018 are as follows:

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS (continued)

Investment Type	Fair Value	Maturities				Credit Risk
		No Maturity	Less than 1	1 – 5	6 - 10	
Primary Government:						
Money Market Mutual Funds.....	\$26,087,849	\$26,087,849	\$ --	\$ --	\$ --	Not rated
Negotiable Certificates of Deposit..	23,279,988	--	7,472,268	15,807,720	--	Not rated
Federal Farm Credit.....	982,235	--	--	982,235	--	AAA
Federal Home Loan Mortgage Corp.	2,259,751	--	--	2,259,751	--	AAA
Federal Home Loan Banks.....	2,732,020	--	299,055	2,432,965	--	AAA
Federal National Mortgage Association.....	1,165,151	--	669,296	495,855	--	AAA
Total Primary Government Investments.....	56,506,994	26,087,849	8,440,619	21,978,526	--	
Pension Trust:						
Money market funds.....	1,017,466	1,017,466	--	--	--	Not rated
Short-term reserve mutual funds.....	6,027,119	6,027,119	--	--	--	Not rated
TIAA brokerage.....	1,130,250	1,130,250	--	--	--	Not rated
TIAA traditional annuity option.....	933,545	933,545	--	--	--	Not rated
International stock fund.....	5,049,214	5,049,214	--	--	--	Not rated
Balanced funds.....	19,587,667	19,587,667	--	--	--	Not rated
Specialty stock fund.....	223,145	223,145	--	--	--	Not rated
Domestic stock fund.....	26,132,616	26,132,616	--	--	--	Not rated
Bond funds						
Vanguard Total Bond Market Index.....	2,474,691	--	--	--	2,474,691	AA
Loomis Sayles Core Plus Bond Y...	1,387,485	--	--	--	1,387,485	BBB
Total Pension Trust Investments.....	63,963,327	60,101,022	--	--	3,862,176	
Total Investments.....	\$120,470,321	\$60,101,022	\$34,528,468	\$21,978,526	\$3,862,176	

Investment Credit Risk - The City's investment policy and state law limit its investment choices, as documented above.

Concentration of Investment Credit Risk - Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the US Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

It is the City's policy to diversify the portfolio so that potential losses on individual securities will be minimized. No more than 5% of the total fair value of the portfolio may be invested in bankers' acceptances issued by any one commercial bank and no more than 5% of the total fair value of the portfolio may be invested in commercial paper of any one issuer.

At March 31, 2018, the City did not have any investments that were more than 5% of the City's total investments.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS (continued)

Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs using a matrix pricing technique; Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

The City has the following recurring fair value measurements as of March 31, 2018.

	Total	Level 1	Level 2	Level 3
Primary Government				
Investments by fair value level:				
Government securities:				
Federal Home Loan Mortgage Corporation.....	\$2,259,751	2,259,751	--	--
Federal Home Loan Banks.....	2,732,020	2,732,020	--	--
Federal National Mortgage Association.....	1,165,151	1,165,151	--	--
Federal Farm Credit.....	982,235	982,235	--	--
Negotiable Certificates of Deposit.....	23,279,988	--	23,279,988	--
Total Investments by Fair Value Level	30,419,145	7,139,157	23,279,988	--
Investments not subject to fair value level classification:				
Money Market Mutual Funds.....	26,087,849			
Non-negotiable Certificates of Deposit.....	2,000,000			
Total Primary Government Investments	\$58,506,994			
Fiduciary Fund				
Mutual funds:				
Bond funds.....	\$ 3,862,176	3,862,176	--	--
Balanced funds.....	19,587,667	19,587,667	--	--
Domestic stock funds.....	26,132,616	26,132,616	--	--
International stock funds.....	5,049,214	5,049,214	--	--
Specialty stock fund.....	223,145	223,145	--	--
TIAA stable value.....	6,027,119	--	--	6,027,119
TIAA traditional annuity option.....	933,545	--	--	933,545
TIAA brokerage option funds.....	1,130,250	1,130,250	--	--
Total Investments by Fair Value Level	62,945,732	55,985,068	--	6,960,664
Investments not subject to fair value level classification:				
Restricted deposit.....	129			
Money market mutual funds.....	1,017,466			
Total Fiduciary Fund Investments	\$63,963,327			

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS (continued)

Pension Trust Investments

The Pension Trust Funds are governed by Articles I and II, Chapter 18 ½ of the Kirkwood Code of Ordinance and state law. The Pension Trust funds consist of the Police Officers' and Firefighters' Pension Plan and the Employees' Pension Plan.

The Police Officers' and Firefighters' Pension Plan is authorized to invest in the following types of investments:

- a. Stock funds, which are primarily invested in common stocks of publicly traded companies, as well as securities that can be converted into common stocks.
- b. Bond funds that typically include U.S. Treasury obligations, obligations of government sponsored entities, Federal Agency obligations, corporate notes, debentures, preferred stocks, mortgage backed securities, asset backed securities, commercial paper and commercial bank Certificates of Deposit.
- c. Balanced funds that typically invest in a combination of stocks and bonds.
- d. Stable Asset funds that typically include contracts (GICs) issued by banks and top-rated insurance companies as well as synthetic GICs backed by top rated banks and insurance companies.
- e. Money market funds that typically invest in short term cash alternatives.

The Employees' Pension Plan is authorized to invest in Equity Securities and Fixed Income securities.

Custodial Credit Risk - The plans do not have a specific policy addressing custodial credit risk. Neither the Pension Trust's bank balances nor its investments were subject to custodial credit risk this year.

Investment Interest Rate Risk – The plans require active managers to manage the effective duration of their portfolio type comparable to their peers and relative to specific indices outlined in the Plan's policies. As of March 31, 2018, the Pension Trust investments of \$60,101,022 were in money market and mutual funds which have no maturity date. In addition, the Pension Trust held the following bond funds, Vanguard Total Bond Market Index Fund (\$2,474,691) and Loomis Sayles Core Plus Bond Y (\$1,387,485) with an average maturity of 8.4 to 8.69 years, respectively.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

2. CASH AND INVESTMENTS (continued)

Pension Trust Investments

Investment Credit Risk - The plans investment policies limit its investment choices, as documented above. As of March 31, 2018, the Pension Trust investments of \$60,101,022 were in money market and mutual funds which are not rated. In addition, the Pension Trust held the following bond funds, Vanguard Total Bond Market Index Fund (\$2,474,691) and Loomis Sayles Core Plus Bond Y (\$1,387,485) with average credit rating of AA and BBB, respectively.

Concentration of Investment Credit Risk - Participation accounts are self-directed by the participants. Investments used to fund future uplift benefits for the two retirement plans are limited as follows:

Police Officers' and Firefighters' Retirement Plan

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Equity Total:	55%	65%	75%
Mid Cap Equity	0%	10%	20%
Small Cap Equity	0%	10%	20%
International Equity	0%	15%	20%
Fixed Income:			
Including GICs	25%	35%	45%

Civilian Employees' Retirement Plan

<u>Asset Class</u>	<u>Pension Fund Guidelines</u>	<u>Range</u>
Equity Investments	70%	60-80%
Fixed Income Investments	30%	20-40%

Concentration of credit risk is not required to be disclosed for investments in mutual funds.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

3. PROPERTY TAX

The City's property tax is levied annually on or before October 1 based on the assessed valuation of all real and personal property located in the City as of the previous January 1. Assessed valuations are established by the St. Louis County Assessor. Kirkwood citizen's approved a 34 cent property tax to be used for General Government Services. Council certified 29.7 cents of this 34 cent authorization to generate approximately two million dollars in property tax revenues to be used for General Government services. The City's tax rate per \$100 of assessed valuation is levied as follows:

	<u>Real Estate</u>		<u>Personal Property</u>
	<u>Residential</u>	<u>Commercial</u>	
General government services	\$.277	\$.280	\$.263
Maintenance and operation of parks124	.125	.119
Police Officers' and Fire Fighters' Retirement Fund111	.132	.172
Debt service	<u>.080</u>	<u>.080</u>	<u>.080</u>
	<u>\$.592</u>	<u>\$.617</u>	<u>\$.634</u>

Additionally, the SBD levies an additional tax of \$0.398 per \$100 assessed valuation for businesses in the SBD.

Taxes are billed October 1, are due and collectible on December 31, and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected, and remitted to the City by the St. Louis County Collector.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2018:

	Balance April 1, 2017	Additions And Transfers	Disposals And Transfers	Balance March 31, 2018
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	\$ 7,075,996	\$ -	\$ -	\$ 7,075,996
Construction in Progress.....	1,087,798	1,218,866	850,047	1,456,617
Total Capital Assets, Not Being Depreciated.....	8,163,794	1,218,866	850,047	8,532,613
Capital Assets, Being Depreciated:				
Buildings.....	28,628,470	-	-	28,628,470
Building improvements.....	16,348,854	1,186,737	69,765	17,465,826
Machinery and equipment.....	7,178,325	611,465	212,876	7,576,914
Automotive equipment.....	6,508,831	235,973	145,113	6,599,691
Infrastructure.....	45,061,780	2,106,506	500,084	46,668,202
Total Capital Assets, Being Depreciated.....	103,726,260	4,140,681	927,838	106,939,103
Less – Accumulated Depreciation For:				
Buildings.....	15,327,815	887,064	-	16,214,879
Building improvement.....	4,333,035	606,116	61,003	4,878,148
Machinery and equipment.....	4,900,003	401,705	179,402	5,122,306
Automotive equipment.....	4,237,307	522,102	115,005	4,644,404
Infrastructure.....	20,543,035	947,257	300,989	21,189,303
Total Accumulated Depreciation.....	49,341,195	3,364,244	656,399	52,049,040
Total Capital Assets Being Depreciated, Net	54,385,065	776,437	271,439	54,890,063
Governmental Activities, Capital Assets, Net.....	\$ 62,548,859	\$1,995,303	\$1,121,486	\$63,422,676

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

4. CAPITAL ASSETS (continued)

	Balance April 1, 2017	Additions And Transfers	Disposals And Transfers	Balance March 31, 2018
Business-Type Activities:				
Electric:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	\$ 185,466	\$ -	\$ 30,472	\$ 154,994
Construction in Progress.....	4,453,084	412,304	1,576,936	3,288,452
Total Capital Assets, Not Being Depreciated.....	4,638,550	412,304	1,607,408	3,443,446
Capital Assets, Being Depreciated:				
Buildings.....	297,891	-	-	297,891
Distribution system.....	7,935,278	4,270,215	-	12,205,493
Machinery and equipment.....	1,809,965	187,440	32,836	1,964,569
Automotive equipment.....	1,120,400	417,939	157,420	1,380,919
Traffic Lights/Street Lights.....	17,475	-	-	17,475
Total Capital Assets, Being Depreciated.....	11,181,009	4,875,594	190,256	15,866,347
Less – Accumulated Depreciation For:				
Buildings.....	223,292	3,000	-	226,292
Distribution system.....	2,971,830	182,288	-	3,154,118
Machinery and equipment.....	1,619,064	44,042	32,675	1,630,431
Automotive equipment.....	556,110	82,050	141,678	496,482
Traffic Lights/Street Lights.....	6,990	699	-	7,689
Total Accumulated Depreciation.....	5,377,286	312,079	174,353	5,515,012
Total Capital Assets Being Depreciated, Net	5,803,723	4,563,515	15,903	10,351,335
Electric:				
Capital Assets, Net.....	10,442,273	4,975,819	1,623,311	13,794,781
Water:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	31,274	-	-	31,274
Construction in Progress.....	7,800	-	7,800	-
Total Capital Assets, Not Being Depreciation.....	39,074	-	7,800	31,274
Capital Assets, Being Depreciated:				
Buildings.....	530,737	14,696	-	545,433
Distribution system.....	22,664,108	1,750,263	185,846	24,228,525
Improvements other than buildings.....	261,454	-	14,696	246,758
Machinery and equipment.....	626,974	81,275	10,931	697,318
Automotive equipment.....	728,983	84,975	51,056	762,902
Total Capital Assets, Being Depreciated.....	24,812,256	1,931,209	262,529	26,480,936

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

4. CAPITAL ASSETS (continued)

	Balance April 1, 2017	Additions And Transfers	Disposals And Transfers	Balance March 31, 2018
Business-Type Activities (continued):				
Water (continued):				
Less – Accumulated Depreciation For:				
Buildings.....	83,447	15,098	1,469	97,076
Distribution system.....	4,522,357	563,259	119,017	4,966,599
Improvements other than buildings.....	140,075	10,203	(1,469)	151,747
Machinery and equipment.....	235,801	56,289	10,930	281,160
Automotive equipment	482,699	43,654	45,950	480,403
Total Accumulated Depreciation.....	5,464,379	688,503	175,897	5,976,985
Total Capital Assets Being Depreciated, Net	19,347,877	1,228,010	71,936	20,503,951
Water:				
Capital Assets, Net.....	19,386,951	1,228,010	79,736	20,535,225
Sanitation:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	134,057	-	-	134,057
Total Capital Assets, Not Being Depreciated.....	134,057	-	-	134,057
Capital Assets, Being Depreciated:				
Buildings.....	423,314	-	-	423,314
Machinery and equipment.....	655,145	-	-	655,145
Automotive equipment.....	2,617,256	-	-	2,617,256
Total Capital Assets, Being Depreciated.....	3,695,715	-	-	3,695,715
Less – Accumulated Depreciation For:				
Buildings.....	113,966	13,376	-	127,342
Machinery and equipment.....	357,757	33,166	-	390,923
Automotive equipment.....	1,137,691	208,719	-	1,346,410
Total Accumulated Depreciation.....	1,609,414	255,261	-	1,864,675
Total Capital Assets Being Depreciated, Net	2,086,301	(255,261)	-	1,831,040
Sanitation:				
Capital Assets, Net.....	2,220,358	(255,261)	-	1,965,097
Business-Type Activities, Capital Assets, Net.....	\$ 32,049,582	\$5,948,568	\$1,703,047	\$ 36,295,103

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

4. CAPITAL ASSETS (continued)

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

Government Activities:

General government.....	\$ 370,435
Building maintenance.....	9,644
Building commissioner.....	5,075
Engineering.....	26,387
Police.....	208,380
Fire.....	461,265
Streets.....	1,203,222
Recreation.....	518,548
Parks.....	<u>561,288</u>

Total depreciation expense – governmental-type activities.....	<u>\$ 3,364,244</u>
--	---------------------

Business-Type Activities

Electric.....	\$ 312,079
Water.....	688,503
Sanitation.....	<u>255,261</u>

Total depreciation expense – business-type activities.....	<u>\$ 1,255,843</u>
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CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

5. EMPLOYEES' RETIREMENT SYSTEMS

Civilian

Effective April 1, 1987, the City enacted Ordinance No. 7627 which established the Employees' Pension Plan (PLAN). The PLAN is a defined contribution multiple employer plan which covers all non-uniformed employees of the City of Kirkwood, the Kirkwood Public Library, and the Kirkwood Housing Authority. Benefit and contribution provisions are established and amended by the City Council. Employees are eligible for participation upon completing 500 hours of service in a consecutive six month period. At March 31, 2018, there were 192 active Plan members, 43 retired members, and 2 disabled members.

The PLAN receives contributions from the City, in accordance with City ordinances, in an amount equal to 6.5% of each participating employee's gross wages. Vesting of employer contributions occurs after five years of service.

Nonvested participant accounts are forfeited to the PLAN upon termination of employment. The forfeited amounts reduce the City's required contribution in the year of termination. In the current year, the amount of forfeitures used for contributions was \$264,188.

Retirement benefits are paid either as a lump-sum, series of substantially equal installments, or an annuity with optional surviving spouse benefits. The PLAN purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not reflected in the assets of the PLAN. The PLAN also provides for disability and life insurance.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of open-end mutual funds: Short-term reserves, bond funds, balanced funds (stocks and bonds), domestic stock funds and international stock funds.

A summary of contributions and percentage of covered plan payroll of the City is presented below for fiscal year 2018:

Contributions required	\$ 695,706
Less: Forfeitures used	264,188
Contributions made	<u>\$ 431,518</u>
Contribution required as a percent of covered payroll - City	6.5%

The PLAN issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood Road, Kirkwood, Missouri 63122.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Civilian Plan for Retirees of Previous Plan

Effective April 1, 1987, the City terminated its Civilian Employees Defined Benefit Retirement Plan (former plan) and established the defined contribution plan as described above. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the terminated former plan. For active participants, initial contributions were made to the new defined contribution plan equaling the amount determined to be actuarially equivalent to the accrued benefits of the former plan. The remaining assets of the former plan were segregated in a separate fund and may be used for the following:

- Disability insurance premiums
- Group life insurance premiums
- Discretionary uplift benefits to retirees
- Certain administrative expenses of the plan

Effective April 1, 1988, the City enacted Ordinance No. 7788 which provides supplemental pension benefits to those retirees and terminated vested participants who had received annuity payments under the terminated former plan. The effects of this Ordinance were to increase monthly benefits to retirees who were receiving benefits prior to January 1, 1987 to 2% times the number of years retired (or portion thereof) at April 1, 1988. Ordinance No. 8160 subsequently provided a 7% increase in benefits to a retiree effective January 1, 1992.

Annuities were purchased for all retired and terminated vested participants to provide uplift benefits.

Effective January 1, 1996, the City enacted Ordinance No. 8474 which provides an additional monthly benefit increase by an amount equal to 5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1995 for those retirees receiving benefits on or about April 1, 1987. Ordinance 8474 also provides a lump-sum retroactive payment equivalent to such monthly increase for the period from July 1, 1995 to December 31, 1995.

Annuities were purchased for all retired participants to provide uplift benefits.

Effective July 1, 1997, the City enacted Ordinance No. 8661 which provides an additional monthly benefit increase, in an amount equal to 5.5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1997, for those retirees receiving benefits on or about April 1, 1987.

Annuities were purchased for all retired participants to provide uplift benefits.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Civilian Plan for Retirees of Previous Plan (continued)

During 2013, the City engaged a consulting actuary to perform a calculation as to the future benefit obligations of the segregated fund based upon the assumptions that current disability and group life insurance premiums and certain administrative expenses would continue for 50 or 100 years. The calculated reserve is as follows:

	<u>50 Years</u>	<u>100 Years</u>
Future benefit obligation	<u>\$2,376,043</u>	<u>\$2,711,538</u>

Actuarial assumptions used in the calculation are as follows:

Interest rate on invested assets:	7.0% per annum
Inflation rate:	2.5% per annum
Mortality rates:	1983 GAM
LTD benefit changes:	It was assumed that the annual maximum benefit will be increased by 3.0% per annum
Benefit payout period:	50 or 100 years
Discount rate:	7.0% per annum

At March 31, 2018, the fair value of assets available to fund future uplift payments and other benefits was \$3,743,613 and are included in the accompanying fiduciary fund financial statements.

In August 2014, the City passed a resolution which authorizes the allocation of assets in excess of \$3.4 million from Trust II, the remaining assets of the former defined benefit pension plan, to current and certain former PLAN participants. During 2016, Trust II distribution in the amount of \$1,830,288 was made to eligible participants.

Police Officers' and Firefighters' Pension Plan For Active Participants

Effective April 1, 1987, the City enacted Ordinance No. 7627 which established the Policemen's and Firemen's Pension Plan (PLAN). The PLAN is a defined contribution single employer plan which covers all City commissioned police officers and salaried fire fighters. Benefit and contribution provisions are established and amended by the City Council. Participation in the PLAN occurs upon completion of 500 hours of service in a consecutive six-month period. At March 31, 2018, there were 112 active Plan members, 36 retired members, and 2 disabled.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Active Participants (continued)

The PLAN is funded in accordance with City ordinances from taxes levied for such purpose and employee contributions. City contributions to participant accounts are established at an amount equal to the current social security rate for civilian employees, in addition to 6.5% of employee participant gross wages. Employee contributions are established at an amount equal to the current social security withholding percentages.

Vesting of employee contributions and initial account balances occurs immediately. Vesting of employer contributions occurs after five years of service. Retirement benefits are paid either as a lump-sum, a series of substantially equal installments, or as an annuity with optional surviving spouse benefits. The PLAN purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not included in the assets of the PLAN. The PLAN also provides for disability and life insurance.

Non-vested participant accounts are forfeited to the Plan upon termination of employment. The forfeited amounts reduce the City's required contributions in the year of termination. In the current year, the amount of forfeitures used for contributions was \$49,248.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of open end mutual funds: Equity bonds, bond funds, balanced funds, stable asset funds and money market funds.

A summary of contributions and percentage of covered Plan payroll of the City is presented below for fiscal year 2018:

Contributions made and required:	
City contribution required	\$ 1,180,378
Less: Forfeitures used	49,248
City contributions made	<u>\$ 1,131,130</u>
Employees' contribution made and required	\$ 573,617
Contribution required as a percent of covered payroll:	
City	12.7%
Employees	6.2%

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood Road, Kirkwood, Missouri 63122.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan

Effective April 1, 1987, the City terminated its Policemen and Firemen Defined Benefit Retirement Plan (former plan) and established the defined contribution plan as described above. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the terminated former plan. For active participants, initial contributions were made to the new defined contribution plan equaling an amount determined to be actuarially equivalent to the accrued benefits of the former plan. The remaining assets of the former plan were segregated in a separate fund and may be used for the following:

- Disability insurance premiums
- Group life insurance premiums
- Discretionary uplift benefits to retirees
- Certain administrative expenses of the plan

Effective April 1, 1988, the City enacted Ordinance No. 7788 which provides supplemental pension benefits to those retirees and terminated vested participants who had received annuity payments under the terminated former plan. Ordinance No. 8096 provided a 6% increase in benefits to a retiree effective October 1, 1991. The effects of these Ordinances were as follows:

1. Increased monthly benefits to retirees who were receiving benefits prior to December 31, 1977 to one-half the salary of a Kirkwood police officer at March 31, 1987.
2. Increased monthly benefits to retirees and terminated vested participants who retired under the former plan enacted in 1978 to reflect an additional rank accrual monthly benefit of \$38.50.

Effective June 30, 1995, the City enacted Ordinance No. 8431 which provides an additional monthly benefit increase in an amount equal to 6% of the amount of the monthly benefit being paid to such retirees as of June 30, 1995 for those retirees receiving benefits on or before April 1, 1987.

Effective July 1, 1997, the City enacted Ordinance No. 8661 which provides an additional monthly benefit increase, in an amount equal to 5.5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1997, for those retirees receiving benefits on or before April 1, 1987.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan (continued)

Annuities were purchased for all retired and terminated vested participants to provide uplift benefits.

During 2013, the City engaged a consulting actuary to perform a calculation as to the future benefit obligations of the assumption that current disability and group life insurance premiums and certain administrative expenses would continue for 50 or 100 years. The calculated reserve was as follows:

	<u>50 Years</u>	<u>100 Years</u>
Future benefit obligation	<u>\$2,633,548</u>	<u>\$3,000,988</u>

Actuarial assumptions used in the calculation are as follows:

Interest rate on invested assets:	7.0% per annum
Inflation rate:	2.5% per annum
Mortality rates:	1983 GAM
LTD benefit changes:	It was assumed that the annual maximum benefit will be increased by 3.0% per annum
Benefit payout period:	50 or 100 years
Discount rate:	7.0% per annum

At March 31, 2018, the fair value of plan assets available to fund future uplift payments and other benefits was \$3,713,773 and are included in the accompanying fiduciary fund financial statements.

In August 2014, the City passed a resolution which authorizes the allocation of assets in excess of \$3.5 million from Trust II, the remaining assets of the former defined benefit pension plan, to current and certain former PLAN participants. During 2016, Trust II distribution in the amount of \$2,065,750 was made to eligible participants.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the year ended March 31, 2018:

	Original Issuance Amounts	Balance April 1, 2017	Additions	Retirements	Balance March 31, 2018	Current Portion
Governmental Activities						
General Obligation Bonds:						
Series 2009 Refunding	\$ 4,185,000	\$ 1,515,000	\$ -	\$ (485,000)	\$ 1,030,000	\$ 505,000
Certificate of Participation:						
Series 2012 Refunding	5,000,000	1,160,000	-	(795,000)	365,000	365,000
Series 2017	23,515,000	-	23,515,000	-	23,515,000	-
Tax Increment Revenue Notes:						
Series 1998	4,000,000	1,057,000	-	(1,057,000)	-	-
Capital Leases	1,083,722	-	1,083,722	(277,795)	805,927	359,874
Accrued compensated absences	-	482,307	1,274,398	(1,224,715)	531,990	433,572
	<u>\$37,783,722</u>	<u>4,214,307</u>	<u>25,873,120</u>	<u>(3,839,510)</u>	<u>26,247,917</u>	<u>\$1,663,446</u>
Add: Unamortized premium, net		<u>18,233</u>	<u>743,771</u>	<u>(15,537)</u>	<u>746,467</u>	
Total Governmental Activities		<u>\$4,232,540</u>	<u>\$26,616,891</u>	<u>\$(3,855,047)</u>	<u>\$ 26,994,384</u>	

Tax increment revenue notes series 1998 retirements of \$1,057,000 includes \$602,000 for forgiveness of debt.

For compensated absences, the general fund historically liquidates 93.0 percent, and the Park and Special Business District funds historically liquidate 4.5 percent and 2.0 percent respectively. The remaining 0.5 percent is liquidated in the Sewer Lateral, and internal service funds.

Business-Type Activities						
Certificate of Participation						
Series 2009	\$ 6,450,000	\$ 4,740,000	\$ -	\$ (270,000)	\$ 4,470,000	\$ 275,000
Series 2012 Refunding	3,520,000	2,680,000	-	(170,000)	2,510,000	170,000
Series 2014	3,605,000	3,210,000	-	(205,000)	3,005,000	210,000
Capital Leases	1,736,975	532,879	-	(264,975)	267,904	267,904
Accrued compensated absences	-	84,348	272,044	(272,993)	83,399	67,970
	<u>\$15,311,975</u>	<u>11,247,227</u>	<u>272,044</u>	<u>(1,182,968)</u>	<u>10,336,303</u>	<u>\$ 990,874</u>
Add: Unamortized premium, net		<u>71,911</u>	<u>-</u>	<u>(5,784)</u>	<u>66,127</u>	
Total Business-Type Activities		<u>\$11,319,138</u>	<u>\$ 272,044</u>	<u>\$ (1,188,752)</u>	<u>\$10,402,430</u>	

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES (continued)

General Obligation Bonds

General obligation bonds are obligations of the City, and the full faith credit, and resources of the City have been pledged to the payment of principal of and interest on the bonds and payable are comprised of the following issues:

On December 1, 2009, the City issued \$4,185,000 in General Obligation Refunding Bonds, Series 2009 with interest rates ranging between 1.00% and 3.35%. The City issued the bonds to advance refund \$4,140,000 of the outstanding principal on the General Obligation Bonds, Series 2001, maturing on March 1, 2014 and thereafter.

Public Facilities Authority (PFA) Leasehold Revenue Bonds Payable

On May 22, 1992, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Kirkwood, Missouri. Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. The leasehold revenue bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the leasehold revenue bonds does not obligate the City to levy any form of taxation therefore or to make any appropriation for their payment in any fiscal year. The PFA has no taxing power. The activities and accounts of the PFA have been blended into the City's Park & Storm Water Improvement fund.

In June 2012, the City issued \$5,000,000 in Certificates of Participation Refunding Series 2012 ("COPS") for the purpose of providing funds to redeem in full the City's outstanding principal amount of \$5,310,000 on its 2004 PFA Leasehold Revenue Bonds. The COPS mature on September 1, 2018 and bear interest at varying rates from 1.4% to 2%.

Certificates of Participation, Governmental Activities

In December 2017, the City issued \$23,515,000 in Certificates of Participation Series 2017 ("COPS") for the purpose of providing funds to acquire, construct, furnish and equip a new performing arts center and improvements to facilities in Kirkwood Park including the renovation of the City's community center. The COPS mature on December 1, 2047 and bear interest at varying rates from 2% to 4%.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES (continued)

Principal and Interest Requirements on Long-Term Debt

The annual principal and interest requirements to maturity on long-term debt outstanding (other than tax increment financing bonds) as of March 31, 2018 are as follows:

Governmental Activities

<u>Year ending March 31,</u>	<u>General Obligation Bonds Payable/ Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 870,000	\$ 811,988	\$ 1,681,988
2020	1,005,000	855,894	1,860,894
2021	490,000	828,706	1,318,706
2022	505,000	814,006	1,319,006
2023	520,000	798,856	1,318,856
2024 - 2028	2,900,000	3,693,482	6,593,482
2029 - 2033	3,530,000	3,064,881	6,594,881
2034 - 2038	4,175,000	2,424,206	6,599,206
2039 - 2043	4,945,000	1,650,925	6,595,925
2044 - 2048	<u>5,970,000</u>	<u>625,238</u>	<u>6,595,238</u>
Total	<u>\$ 24,910,000</u>	<u>\$ 15,568,182</u>	<u>\$ 40,478,182</u>

Tax Increment Financing (TIF) Notes Payable

All tax increment financing notes payable are payable from payments in lieu of taxes and economic activity taxes collected by the TIF District special revenue funds and are comprised of the following individual issue:

On September 1, 1998, the City issued \$4,000,000 in Public Improvement Revenue Notes. These notes represent special, limited obligations of the City, payable solely from the incremental sales taxes generated by the Kirkwood Commons redevelopment project. The notes bear interest at 8.5% with final maturity on November 30, 2017. The annual debt service repayments of the notes are contingent upon the amounts of payments in lieu of taxes collected by the special revenue fund. If funds are not available to pay all of the interest that is due, the amount unpaid is added to the principal balance. As of November 30, 2017, the forgiveness of debt was \$602,000.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES (continued)

Certificates of Participation, Business-type Activities

In June 2012, the City issued \$3,520,000 in Certificates of Participation Refunding Series 2012 ("COPS") for the purpose of providing funds to redeem in full the City's outstanding principal amount of \$3,410,000 on its Series 2005 COPS. The COPS mature on September 1, 2030 and bear interest at varying rates from 1.25% to 3.25%.

The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable obligations known as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt obligations and to elect to receive a subsidy payment on each payment date, from the United States Treasury equal to 35% of the amount of each interest payment on the Build America Bonds. The City made an irrevocable election to issue the Certificates as Build America Bonds. The US Treasury Interest Subsidy will be paid directly to the City. The City intends to apply, but has not pledged, the US Treasury Interest Subsidy to payment of the Certificates. Additionally, no holder of any Build America Bonds issued by the City will be entitled to any federal income tax credits associated with the Build America Bonds.

On September 1, 2009, Taxable Certificates of Participation ("COPS"), Series 2009, in the amount of \$6,450,000 were issued evidencing proportionate ownership interests in the right to receive basic rent to be paid by the City pursuant to an annually renewable Taxable Lease/Purchase Agreement.

The purpose of the Series 2009 Certificates is to finance the cost of constructing a water tower and all appurtenances thereto, the construction of water mains and the costs of delivery of the Series 2009 Certificates. The Series 2009 Certificates are taxable, bear interest rates ranging from 1.5% to 6.05% and mature September 1, 2030.

In conjunction with the issuance of these Certificates, the City entered into a base lease agreement to lease to UMB Bank, N.A. (the "Trustee") the real estate on which the water tower will be located. The Trustee has subleased the real estate and all improvements thereon back to the City pursuant to the Lease/Purchase Agreement. The base lease provides for, among other things, rental income equal to the COPS proceeds and a term that ends September 1, 2050 or after the City has paid either the option price or all the basic and supplemental rent payments. Terms of the Lease/Purchase Agreement include, among other things, rental payments equal to the principal and interest amounts of the COPS issuance including supplemental rental payments to cover trustee fees, taxes, repair and maintenance costs, insurance, and amounts needed to meet applicable reserve requirements. The Lease/Purchase Agreement also provides for an initial rental term ending March 31, 2010 with annual renewal options not to extend beyond September 1, 2030.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES (continued)

Certificates of Participation, Business-type Activities (continued)

On September 2014, the City issued \$3,605,000 in Certificates of Participation Series 2014 ("COPS") to finance an automated water meter reading system. The Series 2014 COPS mature on September 1, 2029 and bear interest rates varying from 2% to 3%.

In conjunction with the issuance of these Certificates, the City entered into a lease purchase agreement to lease from U.S. Bank N. A. (the "Trustee") the automated water meter reading system. The Trustee hereby demises, leases and lets to the City, and the City rents, leases and hires from the trustee, the equipment in accordance with the lease. The lease purchase agreement provides for, among other things, rental income equal to the 2014 COPS proceeds and a term that end September 1, 2029. The terms of the Lease/Purchase agreement include, among other things, rental payments equal to the principal and interest amounts of the COPS issuance. The Lease/Purchase Agreement also provides for an initial rental term ending March 31, 2018 with annual renewal options not to extend beyond September 1, 2029.

The Certificates of Participation mature through 2031 as follows:

Business-Type Activities

Year <u>Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019.....	\$ 655,000	\$ 397,811	\$ 1,052,811
2020.....	680,000	375,423	1,055,423
2021.....	695,000	351,281	1,046,281
2022.....	715,000	325,615	1,040,615
2023.....	740,000	298,328	1,038,328
2024 – 2028.....	4,050,000	1,012,645	5,062,645
2029 – 2031.....	<u>2,450,000</u>	<u>162,212</u>	<u>2,612,212</u>
Total.....	<u>\$ 9,985,000</u>	<u>\$ 2,923,315</u>	<u>\$12,908,315</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES (continued)

Capital Leases

In July 2013 the City of Kirkwood, Missouri entered into a capital lease for sanitation trucks. The City will be lease financing five Labrie Sanitation trucks. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

In May 2017 the City of Kirkwood, Missouri entered into a capital lease for fire rescue pumper and an ambulance. The City will be lease financing one fire rescue pumper and one ambulance. The lease agreements qualify as capital lease for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. As of March 31, 2018, the City has not received the fire rescue pumper or ambulance.

In May 2017 the City of Kirkwood, Missouri entered into a capital lease for power loaders and stretchers to be installed in ambulances. The City will be lease financing three Stryker power load systems with stretchers. The lease agreement qualifies as a capital lease for accounting purposes and, there, have been recorded at the present value of their future minimum lease payments as of the inception date. There is no interest charged on this lease.

The assets acquired through the capital leases are as follows:

	March 31, 2018	
	Governmental Activities	Business Activities
Equipment.....	\$ 136,376	\$ -
Vehicles.....	-	1,310,555
Less – Accumulated depreciation.....	3,521	567,907
Net Book Value.....	<u>\$ 132,855</u>	<u>\$ 742,648</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

6. LONG-TERM LIABILITIES (continued)

A schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of March 31, 2018 are as follows:

<u>For the Years Ended March 31</u>	<u>Governmental Activities Amount</u>	<u>Business Activities Amount</u>
2019	\$ 370,031	\$ 270,863
2020	370,031	-
2021	81,143	-
Subtotal	821,205	270,863
Less – Amount representing interest	15,278	2,959
Present Value of Minimum Lease Payments	<u>\$ 805,927</u>	<u>\$ 267,904</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>\$819,409,046</u>
Debt limit - 10% of assessed valuation	\$ 81,940,905
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	1,030,000
Less: Amount available in debt service fund	<u>(484,512)</u>
Bonded indebtedness applicable to debt limit	<u>545,488</u>
Legal Debt Margin	<u>\$ 81,395,417</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

7. RESTRICTED CASH AND INVESTMENTS

(A) The following trustee held account has been established in accordance with the Indenture related to the Certificates of Participation Series 2009 ("COPS"):

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. As of March 31, 2018, cash and investments in the COPS Series 2009 revenue fund total \$48.

Reserve Fund

The Indenture required that a Reserve Fund be established in the original amount of \$438,697. The amounts to be held in the reserve is determined thereafter on a yearly basis in accordance with the formula in the Indenture. At March 31, 2018, cash and investments in the COPS reserve fund was \$440,819.

Project Fund

The Project Fund will be used for the purpose of providing monies to pay project costs. Proceeds received from the sale of the bonds, after deposit into the Revenue Fund of the accrued interest, if any, and deposit into the Debt Service Reserve Fund of the amount requirement pursuant to the bond indenture, shall be deposited into the Project Fund. As of March 31, 2018, there were no cash and investments in the COPS Series 2009 project fund.

(B) The following trustee held account has been established in accordance with the Indenture related to the Refunding Certificates of Participation Series 2012 ("COPS"):

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. As of March 31, 2018, cash and investments in the Refunding COPS Series 2012 revenue fund was \$8.

Reserve Fund

The Indenture required that a Reserve Fund be established in the original amount of \$663,636. The amounts to be held in the reserve is determined thereafter on a yearly basis in accordance with the formula in the Indenture. At March 31, 2018, cash and investments in the Refunding COPS Series 2012 reserve fund was \$667,544.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

7. RESTRICTED CASH AND INVESTMENTS (continued)

(C) The following trustee held account has been established in accordance with the Indenture related to the Refunding Certificates of Participation Series 2014 ("COPS"):

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. As of March 31, 2018, cash or investments in the Refunding COPS Series 2014 revenue fund was \$3.

Project Fund

The Project Fund will be used for the purpose of providing monies to pay project costs. Proceeds received from the sale of the bonds, after deposit into the Revenue Fund of the accrued interest, if any, shall be deposited into the Project Fund. As of March 31, 2018, were no cash and investments in the COPS Series 2014 project fund.

(D) The following trustee held account has been established in accordance with the Indenture related to the Certificates of Participation Series 2017 ("COPS"):

Project Fund

The Project Fund will be used for the purpose of providing monies to pay project costs. Proceeds received from the sale of the bonds, after deposit into the Revenue Fund of the accrued interest, if any, shall be deposited into the Project Fund. As of March 31, 2018, cash and investments in the COPS Series 2017 project fund was \$24,032,081.

(E) Certain assets are classified on the Balance Sheet – Governmental Funds as restricted because of their use is limited. Contractor deposits can only be expended if a deposit is forfeited for noncompliance per the terms of the issued permit. Capital donation received by the Park Fund and Capital Improvement Fund must be used only for approved capital improvements.

(F) The Electric and Water Fund, based on city ordinance, is required to collect a deposit from all commercial applicants and renters. The deposits can only be used in the event the consumer defaults on their accounts to pay outstanding balances. At March 31, 2018, utility deposits restricted total \$190,274 for the Electric Fund and total \$23,608 for the Water Fund.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

8. RECONCILIATION OF INTERFUND TRANSACTIONS

The following represents a reconciliation of transfers between individual funds for the year ended March 31, 2018.

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
Major Funds:			
General Fund.....	\$ (3,067,842)	\$ 1,176,000	\$ (1,891,842)
<i>Special Revenue:</i>			
Public Park Board.....	-	570,842	570,842
<i>Capital Improvement:</i>			
Capital Improvement.....	-	1,549,560	1,549,560
Park & Storm Water Improvement....	(691,000)	3,000,000	2,309,000
Non-Major Funds	(18,000)	-	(18,000)
Major Enterprise Funds			
Electric.....	(1,764,780)	-	(1,764,780)
Water.....	(754,780)	-	(754,780)
Total.....	<u>\$ (6,296,402)</u>	<u>\$6,296,402</u>	<u>\$ -</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them primarily for operating or capital purposes.

Individual fund interfund receivable and payable balances as of March 31, 2018, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds		
General Fund.....	\$ -	\$ 2,890,000
<i>Capital Projects</i>		
Park & Storm Water Improvement.....	-	510,000
Major Enterprise Funds		
Electric.....	3,145,000	-
Water.....	255,000	-
Total.....	<u>\$ 3,400,000</u>	<u>\$ 3,400,000</u>

The amounts due to or from individual funds represents interfund borrowings and arise in the normal course of business. Interfund borrowings are necessary due to the nature and timing of governmental receipts.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City, including its component units, use the Workers' Compensation Internal Service Fund to account for and finance risks for workers' compensation, general liability and property damage. For workers' compensation the City retains the risk for the first \$750,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$750,000.

The City, including its component units, uses the Medical Self Insurance Internal Service Fund to account for and finance medical health coverage for eligible employees. For medical health insurance, the City retains the risk for the first \$100,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$100,000.

The Workers' Compensation Internal Service Fund is funded by charges to the City's other funds and is based primarily upon the contributing funds' claims experience. The Medical Self Insurance Internal Service Fund is funded by premiums established by City Council based upon recommendations from the City's benefit consultants. The City obtains periodic funding valuations from the claims-servicing companies managing the self-insurance programs and adjusts the charges to the various funds as required to maintain the appropriate level of estimated claims liability.

Changes in the internal service fund claims liability for the past two years are as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>Medical Self</u> <u>Insurance</u>
Liability – March 31, 2017	\$ 175,648	\$ 152,486
Claims incurred	571,831	2,343,075
Claims payments	(302,991)	(2,436,773)
Changes to prior year estimates	<u>(54,511)</u>	<u>143,062</u>
Liability – March 31, 2018	389,977	201,850
Claims incurred	976,477	2,752,521
Claims payments	(399,703)	(2,885,983)
Changes to prior year estimates	<u>(313,853)</u>	<u>285,561</u>
Liability – March 31, 2018	<u>\$ 652,898</u>	<u>\$ 353,949</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

9. RISK MANAGEMENT (continued)

The City purchases commercial insurance policies for the following exposures including workers' compensation and medical health coverage:

Coverage Type	Coverage Limit	Deductible	Claim Settlements In Excess of Insurance Coverage For Past Three Years
Workers' Compensation.....	Statutory	\$ 750,000	\$ --
General Liability.....	7,000,000	100,000	--
Auto Liability.....	7,000,000	100,000	--
Auto Physical Damage.....	1,475,000	25,000	--
Public Officials Liability.....	7,000,000	50,000	--
Law Enforcement Liability.....	7,000,000	50,000	--
Employee Benefits.....	7,000,000	50,000	--
Pollution Liability.....	2,000,000	50,000	--
City Administrator Bond.....	500,000	--	--
Court Clerk Bond.....	50,000	--	--
Property.....	62,869,638	25,000	--
Fiduciary Liability.....	5,000,000	10,000	--
Crime – Employee Theft.....	500,000	25,000	--
Cyber Liability.....	1,000,000	5,000	--
Flood.....	48,400	5,000	--
Flood.....	150,000	1,250	--
Anthem Blue Cross/Blue Shield..	100,000	--	446,577

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

10. MUNICIPAL COURT TRAFFIC VIOLATIONS FINES AND COSTS

Missouri State statutes require municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. All fines and costs from traffic violations in excess of 20% of the City’s “annual general operating revenue” is required to be remitted to the director of the department of revenue for annual distribution to the schools of the county. “Annual general operating revenue of the City” is defined by the Missouri State Auditor as revenue that is not required by the enacting ordinance law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of the City. This includes, but is not limited to, general sales tax, general property tax, and fees from certain licenses and permits, interest, fines, and penalties. “General Operating Revenues” does not include, among other items, designated sales or use taxes, user fees, grant funds or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

Total court fines and costs (traffic cases).....	\$ 192,114
Total general operating revenue of the city.....	<u>15,719,395</u>
Court fines and costs as a percentage of total general operating revenue of the city.....	<u>1.22%</u>

11. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

Federal Grants

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

11. COMMITMENTS AND CONTINGENCIES (continued)

Major Supplier

The City has an agreement with a local utility company to be the City's sole provider of its water for resale. The agreement has fixed rates for each calendar year, with the contract expiring January 13, 2036. There are no minimum or maximum purchase commitments under the agreement.

The City obtains its capacity and energy requirements from various suppliers, including the Midwest Independent System Operator (MISO) and the Missouri Joint Municipal Electric Utility Commission (MJMEUC).

During the fiscal year, the City's average cost of power was \$75.00 per megawatt hour. The City obtained 84% of its energy from the Prairie State Energy Campus, 8% of its power from MISO and 8% from American Electric Power.

Joint Venture

The City has entered into a multi-governmental arrangement creating an organization that is owned, operated, and governed by two or more participants as a separate and specific activity subject to joint control, in which the City retains an ongoing financial responsibility.

The Missouri Joint Municipal Electric Utility Commission (MJMEUC) was formed under the laws of the state of Missouri for the purpose of procuring electric energy and capacity for the benefit of, and pursuant to the governance and direction of, MJMEUC's members. The governing body of each of the contracting municipalities appoints one MJMEUC Director and one alternate, who may be employees of the contracting municipality.

MJMEUC has acquired an undivided ownership interest in the Prairie State Energy Campus, a two-unit, coal-fueled, mine-mouth generating station with an anticipated net capacity of approximately 1600 megawatts, and associated coal reserves and coal-mining facilities ("PSEC"), which is under development in a partnership with Peabody Energy in Washington County, Illinois. The City's purchase percentage equates to 12.5 MW of unit power from each of the two PSEC units.

The first PSEC unit entered into commercial operation in June 2013 and the second unit began commercial operation in November 2013. Each unit is expected to have a useful service life of at least 40 years.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

11. COMMITMENTS AND CONTINGENCIES (continued)

Joint Venture (continued)

The City does not have any equity interests. The City will be responsible for its proportionate share of (a) the fixed and variable costs MJMEUC incurs in connections with its PSEC ownership, and (b) MJMEUC's administrative and other reasonable costs associated with its role as power supplier to the City.

The City paid approximately \$893,250 prior to commercial operation of the PSEC units. The City now pays approximately \$54.56/MWH for capacity and energy from the units prior to sales back into the grid and experiences a net price of \$33.42/MWH after excess sales back into the grid are included in the calculation.

Separate financial statements prepared for the MJMEUC can be furnished upon request.

Construction Commitments

The City has active construction projects as of March 31, 2018. The projects include city hall enhancements, park improvements, and automated water meter reading system. At year end the City's commitments with contractors are as follows:

<u>Project/Contractor</u>	<u>Total Spent As of March 31, 2018</u>	<u>Remaining Commitment</u>
Unnerstall Contracting Company.....	\$ 830,472	\$ 79,038
Excel Utility Contractors LLC.....	569,567	39,263
Traffic Signals/Crawford, Murphy & Tilly.....	837,622	856,443
Sidewalk.....	40,286	525
Owner's Representative Performing Arts Center....	65,559	113,476
Performing Arts Center Surveying/Design.....	641,042	1,379,074
Community Center Survey/Design.....	259,421	748,144
Greentree Park Improvements.....	47,117	69,831
Automated Meter Reading/Xtralight Mfg.....	598,399	403,508
Automated Meter Reading/Elster Solutions.....	938,812	52,170
Distribution System Upgrade/J.F. Electric, Inc.....	185,647	485,483
Distribution System Upgrade/Black & McDonald....	--	895,997
SCADA System/Survalent Technology.....	99,720	102,036
Fillmore Park/Planning Design Studio.....	24,303	3,772

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

11. COMMITMENTS AND CONTINGENCIES (continued)

Construction Commitments (continued)

<u>Project/Contractor</u>	<u>Total Spent As of March 31, 2018</u>	<u>Remaining Commitment</u>
Fillmore Park/Ideal Landscape Group, Inc.....	\$ 202,282	\$ 330,816
Community Center-PAC/BSI Constructor.....	--	88,000
Community Center-PAC/Jacobs Engineering Grp....	--	1,908,341
Signal Optimization/Payken Consulting.....	44,460	40,680
Total.....	<u>\$ 5,384,709</u>	<u>\$ 7,596,597</u>

12. SUBSEQUENT EVENT

In April 2018 the City of Kirkwood received and accepted possession of the 2018 Freightliner M2 Osage Ambulance associated with the U.S. Bancorp capital lease agreement. See Note 6, Capital Leases.

In June 2018 the City of Kirkwood received and accepted possession of the 2018 Pierce Dash Pumper associated with the U.S. Bancorp capital lease agreement . See Note 6, Capital Leases.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2018

13. RECENT 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 Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments

In May 2017, the GASB issued Statement No. 86, "Certain Debt Extinguishment Issues." The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves account and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

In June 2017, the GASB issued 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

In March 2018, the GASB issued 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

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

**Required Supplementary Information –
Budgetary Comparison Information**

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes, including interest and penalties:				
Gasoline/motor vehicle sales.....	\$ 1,067,000	\$ 1,067,000	\$ 1,112,717	\$ 45,717
Utility gross receipts.....	4,424,000	4,424,000	4,545,222	121,222
Property.....	2,214,000	2,214,000	2,188,518	(25,482)
Sales.....	6,120,000	6,120,000	6,130,838	10,838
Cigarette.....	72,000	72,000	68,103	(3,897)
Highway road and bridge.....	725,000	725,000	766,140	41,140
County public safety.....	-	-	482,217	482,217
Franchise.....	475,000	475,000	438,537	(36,463)
Total Taxes.....	15,097,000	15,097,000	15,732,292	635,292
Intergovernmental.....	585,024	586,959	663,703	76,744
Licenses, Permits, Fines and Fees:				
Motor vehicle licenses and fees.....	134,000	134,000	137,317	3,317
Business licenses.....	765,000	765,000	757,362	(7,638)
Alcoholic beverage licenses.....	26,500	26,500	30,745	4,245
Building and plumbing permits.....	770,500	770,500	791,358	20,858
Excavation and sign permits.....	37,428	37,428	40,682	3,254
Fines and court costs.....	330,000	330,000	227,704	(102,296)
Miscellaneous fees.....	119,000	119,000	184,775	65,775
Total Licenses, Permits, Fines and Fees.....	2,182,428	2,182,428	2,169,943	(12,485)
Investment income.....	140,000	140,000	54,365	(85,635)
Charges For Services:				
Skating rink.....	729,450	729,450	731,001	1,551
Aquatic facility.....	407,500	407,500	411,946	4,446
Ambulance fees.....	800,000	800,000	895,002	95,002
Program fees.....	756,000	756,000	760,114	4,114
Total Charges For Services.....	2,692,950	2,692,950	2,798,063	105,113
Other	700,334	700,334	771,918	71,584
Total Revenues.....	\$ 21,397,736	\$ 21,399,671	\$ 22,190,284	\$ 790,613

See accompanying independent auditor's report and notes to the budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES:				
Current:				
General Government and Finance:				
Personnel services.....	2,243,386	2,270,498	2,150,241	120,257
Contractual services.....	1,206,568	1,455,468	1,322,502	132,966
Commodities.....	304,060	131,272	93,258	38,014
Capital outlay.....	34,200	61,588	58,794	2,794
Interdepartmental charges, net.....	287,414	293,138	291,161	1,977
Debt service:				
Principal.....	-	110,000	-	110,000
Interest, and fiscal charges.....	90,000	90,000	90,000	-
Total General Government and Finance....	4,165,628	4,411,964	4,005,956	406,008
Engineering:				
Personnel services.....	570,533	576,066	548,370	27,696
Contractual services.....	552,132	545,691	420,903	124,788
Commodities.....	9,360	9,530	6,128	3,402
Capital outlay.....	2,500	2,500	172	2,328
Interdepartmental charges, net.....	7,819	7,834	6,023	1,811
Total Engineering.....	1,142,344	1,141,621	981,596	160,025
Building Maintenance:				
Personnel services.....	251,349	251,349	245,115	6,234
Contractual services.....	191,885	190,216	187,627	2,589
Commodities.....	46,050	54,229	52,834	1,395
Capital outlay.....	2,500	2,500	2,317	183
Interdepartmental charges, net.....	7,483	7,483	6,078	1,405
Total Building Maintenance.....	499,267	505,777	493,971	11,806
Building Commissioner:				
Personnel services.....	670,396	667,407	587,383	80,024
Contractual services.....	92,888	96,329	62,504	33,825
Commodities.....	11,935	11,935	8,021	3,914
Interdepartmental charges, net.....	8,879	8,896	8,896	-
Total Building Commissioner.....	784,098	784,567	666,804	117,763

See accompanying independent auditor's report and notes to the budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (CONTINUED)				
Current (continued):				
Police:				
Personnel services.....	6,821,871	6,934,063	6,585,593	348,470
Contractual services.....	662,541	673,109	627,412	45,697
Commodities.....	116,150	117,761	110,853	6,908
Capital outlay.....	5,000	9,550	9,430	120
Interdepartmental charges, net.....	386,273	380,681	371,550	9,131
Total Police.....	7,991,835	8,115,164	7,704,838	410,326
Fire:				
Personnel services.....	5,205,337	5,206,342	5,033,099	173,243
Contractual services.....	428,909	425,291	396,515	28,776
Commodities.....	133,055	133,315	122,141	11,174
Capital outlay.....	15,750	15,750	10,262	5,488
Interdepartmental charges, net.....	221,884	224,237	203,134	21,103
Total Fire.....	6,004,935	6,004,935	5,765,151	239,784
Streets:				
Personnel services.....	902,068	925,834	875,682	50,152
Contractual services.....	283,091	287,661	259,466	28,195
Commodities.....	261,597	233,217	137,627	95,590
Capital outlay.....	10,000	10,000	9,196	804
Interdepartmental charges, net.....	264,764	264,808	234,627	30,181
Total Streets.....	1,721,520	1,721,520	1,516,598	204,922
Recreation:				
Personnel services.....	1,125,015	1,109,737	1,080,695	29,042
Contractual services.....	692,834	721,620	699,823	21,797
Commodities.....	146,707	137,642	123,374	14,268
Interdepartmental charges, net.....	258,554	255,105	252,536	2,569
Total Recreation.....	2,223,110	2,224,104	2,156,428	67,676
Total Expenditures.....	24,532,737	24,909,652	23,291,342	1,618,310

See accompanying independent auditor's report and notes to the budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES.....	(3,135,001)	(3,509,981)	(1,101,058)	(2,408,923)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	1,300,000	1,300,000	1,176,000	(124,000)
Transfers out.....	(19,330)	(3,153,435)	(3,067,842)	85,593
Proceeds from sale of capital assets.....	-	-	2,368	2,368
Insurance recoveries.....	-	-	851	851
Total Other Financing Sources (Uses).....	1,280,670	(1,853,435)	(1,888,623)	(35,188)
NET CHANGE IN FUND BALANCE.....	<u>\$ (1,854,331)</u>	<u>\$ (5,363,416)</u>	<u>(2,989,681)</u>	<u>\$ (2,373,735)</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments.....			195,155	
Expenditure accrual adjustments.....			(82,113)	
Total Adjustments To Reconcile to GAAP Basis.....			<u>113,042</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS.....			(2,876,639)	
FUND BALANCE, BEGINNING OF YEAR.....			<u>9,661,128</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 6,784,489</u>	

See accompanying independent auditor's report and notes to the budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - PUBLIC PARK BOARD FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes, including interest				
and penalties.....	\$ 950,000	\$ 950,000	\$ 954,265	\$ 4,265
Intergovernmental.....	-	-	-	-
Licenses, permits, fines and fees.....	69,050	69,050	80,821	11,771
Investment income.....	16,500	16,500	4,059	(12,441)
Other.....	-	-	783	783
Total Revenues.....	<u>1,035,550</u>	<u>1,035,550</u>	<u>1,039,928</u>	<u>4,378</u>
EXPENDITURES:				
Current:				
Parks.....	1,476,652	1,483,984	1,405,345	78,639
Capital outlay.....	<u>303,200</u>	<u>343,378</u>	<u>233,887</u>	<u>109,491</u>
Total Expenditures.....	<u>1,779,852</u>	<u>1,827,362</u>	<u>1,639,232</u>	<u>188,130</u>
EXCESS REVENUES UNDER				
EXPENDITURES.....	<u>(744,302)</u>	<u>(791,812)</u>	<u>(599,304)</u>	<u>(192,508)</u>
OTHER FINANCING SOURCES:				
Transfers in.....	571,300	571,300	570,842	(458)
Proceeds from sale of capital assets.....	16,000	50,260	60,585	10,325
Insurance recoveries.....	-	25,000	23,611	(1,389)
Total Other Financing Sources.....	<u>587,300</u>	<u>646,560</u>	<u>655,038</u>	<u>8,478</u>
NET CHANGE IN FUND BALANCES.....	<u><u>\$ (157,002)</u></u>	<u><u>\$ (145,252)</u></u>	<u>55,734</u>	<u><u>\$ (200,986)</u></u>
ADJUSTMENTS TO RECONCILE TO				
GAAP BASIS				
Revenue accrual adjustments.....			29,715	
Expenditure accrual adjustments.....			(3,857)	
Total Adjustments To Reconcile				
to GAAP Basis.....			<u>25,858</u>	
NET CHANGE IN FUND BALANCE -				
GAAP BASIS.....			81,592	
FUND BALANCE,				
BEGINNING OF YEAR.....			<u>1,478,029</u>	
FUND BALANCE, END OF YEAR.....			<u><u>\$ 1,559,621</u></u>	

See accompanying independent auditor's report and notes to the budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - P&F PROPERTY TAX PENSION FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes, including interest				
and penalties.....	\$ 938,460	\$ 938,460	\$ 925,549	\$ (12,911)
Investment income.....	10,236	10,236	4,571	(5,665)
Total Revenues.....	948,696	948,696	930,120	(18,576)
EXPENDITURES:				
Police.....	878,364	878,364	747,903	130,461
Fire.....	810,798	810,798	697,489	113,309
Total Expenditures.....	1,689,162	1,689,162	1,445,392	243,770
EXCESS REVENUES OVER				
(UNDER) EXPENDITURES.....	<u>\$ (740,466)</u>	<u>\$ (740,466)</u>	<u>(515,272)</u>	<u>\$ (225,194)</u>
ADJUSTMENTS TO RECONCILE TO				
GAAP BASIS				
Revenue accrual adjustments.....			28,324	
Expenditure accrual adjustments.....			(7,149)	
Total Adjustments To Reconcile				
to GAAP Basis.....			<u>21,175</u>	
NET CHANGE IN FUND BALANCE-				
GAAP BASIS.....			(494,097)	
FUND BALANCE,				
BEGINNING OF YEAR.....			<u>1,403,024</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 908,927</u>	

See accompanying independent auditor's report and notes to the budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

NOTES TO BUDGETARY COMPARISON INFORMATION FOR THE FISCAL YEAR ENDED MARCH 31, 2018

1. BUDGETARY DATA

Missouri state law and City ordinances require annual budgets to be prepared and legally adopted for the general fund; Public Park Board, P&F Property Tax Pension, Downtown Special Business District, Equitable Sharing and Sewer Lateral special revenue funds; debt service fund and capital projects funds. Budgets are prepared by the Chief Administrative Officer on the modified accrual basis according to the City of Kirkwood, Missouri Charter Article VI, Section 6.3. The budgets are reviewed by a Citizens' Finance Committee, and are discussed in public hearings prior to their legal adoption by April 1 each year. The City Council may revise the approved budget provided that the total authorized expenditures do not exceed the estimated revenues plus unreserved fund balance at the beginning of the year. The budget is legally enacted by ordinance following public hearings on the proposed budget. The Public Park Board is the only City agency that adopts its own budget.

Following adoption of the budget, the Chief Administrative Officer may transfer appropriations between departments provided that total appropriations do not exceed the authorized amount established by ordinance. City policy requires all budget amendments or transfers of \$10,000 or more to be approved by ordinance. All appropriations lapse at year end.

Due to the management controls adopted, which provide for the budget to be controlled at a detail level greater than the statutory level of control, the legal level of budgetary control for all governmental funds except the Public Park Board is established at the sub object level. Compliance with the legal level of budgetary control is demonstrated through the issuance of a separate report, which is available for inspection at the Finance Department. Budgetary comparisons presented herein are on the modified accrual basis in compliance with the City's Charter.

2. LEGAL COMPLIANCE – BUDGETS

The following is a list of expenditures at the legal level control which exceeded budget appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
CAPITAL IMPROVEMENT FUND:			
Machinery & Equipment (Fire).....	\$ 191,166	\$ 324,831	\$ 133,665

The over expenditure was financed by other financing sources, proceeds from capital leases.

Other Supplementary Information

CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

MARCH 31, 2018

	Combined Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS:			
Cash and investments - unrestricted.....	\$ 915,764	\$ 424,224	1,339,988
Receivables, net of allowances:			
Taxes.....	78,290	86,782	165,072
Interest.....	1,479	683	2,162
Other.....	14,518	-	14,518
TOTAL ASSETS.....	<u>\$ 1,010,051</u>	<u>\$ 511,689</u>	<u>\$ 1,521,740</u>
LIABILITIES:			
Accounts payable.....	\$ 39,340	\$ 595	\$ 39,935
Accrued wages and vacation.....	3,259	-	3,259
Deposits payable.....	10,757	-	10,757
Unearned revenue.....	58,075	-	58,075
Total Liabilities.....	<u>111,431</u>	<u>595</u>	<u>112,026</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue-taxes.....	<u>18,160</u>	<u>26,582</u>	<u>44,742</u>
Total Deferred Inflows of Resources.....	<u>18,160</u>	<u>26,582</u>	<u>44,742</u>
FUND BALANCES:			
Restricted for:			
Debt service.....	-	484,512	484,512
Law enforcement.....	132,504	-	132,504
Sewer lateral.....	537,998	-	537,998
Special business district.....	209,958	-	209,958
Total Fund Balances.....	<u>880,460</u>	<u>484,512</u>	<u>1,364,972</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES.....	<u>\$ 1,010,051</u>	<u>\$ 511,689</u>	<u>\$ 1,521,740</u>

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Combined Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:			
Taxes, including interest and penalties.....	\$ 284,311	\$ 635,558	\$ 919,869
Licenses, permits, fines and fees.....	529,013	-	529,013
Investment income.....	4,143	1,860	6,003
Other.....	31,184	-	31,184
	<u>848,651</u>	<u>637,418</u>	<u>1,486,069</u>
Total Revenues.....			
EXPENDITURES:			
General government and finance.....	717,381	-	717,381
Police.....	12,088	-	12,088
Capital outlay.....	218,605	-	218,605
Debt service:			
Principal retirement.....	455,000	485,000	940,000
Interest and fiscal charges.....	89,286	49,327	138,613
	<u>1,492,360</u>	<u>534,327</u>	<u>2,026,687</u>
Total Expenditures.....			
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	(643,709)	103,091	(540,618)
OTHER FINANCING USES:			
Transfers out.....	(18,000)	-	(18,000)
	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>
Total Other Financing Uses.....			
NET CHANGE IN FUND BALANCES.....	(661,709)	103,091	(558,618)
FUND BALANCES, BEGINNING OF YEAR.....	1,542,169	381,421	1,923,590
	<u>1,542,169</u>	<u>381,421</u>	<u>1,923,590</u>
FUND BALANCES, END OF YEAR.....	\$ 880,460	\$ 484,512	\$ 1,364,972
	<u>\$ 880,460</u>	<u>\$ 484,512</u>	<u>\$ 1,364,972</u>

See accompanying independent auditor's report

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NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Downtown Special Business District - Used to account for property taxes and business license fees set aside for the economic development of the special business district.

Equitable Sharing - Used to account for proceeds from the City's portion of seized assets as required by the United States Attorney General's Guidelines on Seized and Forfeited Property.

Sewer Lateral - Used to account for the sewer lateral insurance fees restricted specifically for repairs of broken single-family and condominium residential sewer laterals.

Kirkwood Commons TIF – Used to account for activities of the City's Kirkwood Commons public improvement revenue notes series 1998 related to the former Kirkwood Commons tax increment financing district.

CITY OF KIRKWOOD, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
MARCH 31, 2018**

	Downtown Special Business District	Equitable Sharing	Sewer Lateral	Kirkwood Commons TIF	Total
ASSETS:					
Cash and investments - unrestricted.....	\$ 210,131	\$ 162,729	\$ 542,904	\$ -	\$ 915,764
Receivables, net of allowances:					
Taxes.....	78,290	-	-	-	78,290
Interest.....	343	262	874	-	1,479
Other.....	4,152	-	10,366	-	14,518
TOTAL ASSETS.....	\$ 292,916	\$ 162,991	\$ 554,144	\$ -	\$ 1,010,051
LIABILITIES:					
Accounts payable.....	\$ 3,785	\$ 30,487	\$ 5,068	\$ -	\$ 39,340
Accrued wages and vacation.....	2,241	-	1,018	-	3,259
Deposits payable.....	697	-	10,060	-	10,757
Unearned revenue.....	58,075	-	-	-	58,075
Total Liabilities.....	64,798	30,487	16,146	-	111,431
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-taxes.....	18,160	-	-	-	18,160
Total Deferred Inflows of Resources.....	18,160	-	-	-	18,160
FUND BALANCES:					
Restricted for:					
Law enforcement.....	-	132,504	-	-	132,504
Sewer lateral.....	-	-	537,998	-	537,998
Special business district.....	209,958	-	-	-	209,958
Total Fund Balances.....	209,958	132,504	537,998	-	880,460
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 292,916	\$ 162,991	\$ 554,144	\$ -	\$ 1,010,051

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Downtown Special Business District	Equitable Sharing	Sewer Lateral	Kirkwood Commons TIF	Total
REVENUES:					
Taxes, including interest and penalties.....	\$ 124,170	\$ -	\$ -	\$ 160,141	\$ 284,311
Licenses, permits, fines and fees.....	187,197	67,269	273,957	590	529,013
Investment income.....	813	1,019	2,204	107	4,143
Miscellaneous.....	31,184	-	-	-	31,184
Total Revenues.....	343,364	68,288	276,161	160,838	848,651
EXPENDITURES:					
General government and finance.....	306,018	-	411,363	-	717,381
Police.....	-	12,088	-	-	12,088
Capital outlay.....	12,499	206,106	-	-	218,605
Debt service:					
Principal retirement.....	-	-	-	455,000	455,000
Interest and fiscal charges.....	-	-	-	89,286	89,286
Total Expenditures.....	318,517	218,194	411,363	544,286	1,492,360
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	24,847	(149,906)	(135,202)	(383,448)	(643,709)
OTHER FINANCING USES:					
Transfers out.....	(18,000)	-	-	-	(18,000)
Total Other Financing Uses.....	(18,000)	-	-	-	(18,000)
NET CHANGE IN FUND BALANCES.....	6,847	(149,906)	(135,202)	(383,448)	(661,709)
FUND BALANCES, BEGINNING OF YEAR.....	203,111	282,410	673,200	383,448	1,542,169
FUND BALANCES, END OF YEAR.....	\$ 209,958	\$ 132,504	\$ 537,998	\$ -	\$ 880,460

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DOWNTOWN SPECIAL BUSINESS DISTRICT FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes, including interest				
and penalties.....	\$ 142,000	\$ 142,000	\$ 92,335	\$ (49,665)
Licenses, permits, fines and fees.....	171,570	171,570	185,095	13,525
Investment income.....	2,000	2,000	879	(1,121)
Miscellaneous.....	68,300	23,300	31,185	7,885
Total Revenues.....	383,870	338,870	309,494	(29,376)
EXPENDITURES:				
General government and finance.....	315,771	327,231	305,583	21,648
Capital outlay.....	51,000	79,928	12,499	67,429
Total Expenditures.....	366,771	407,159	318,082	89,077
EXCESS REVENUES OVER				
(UNDER) EXPENDITURES.....	17,099	(68,289)	(8,588)	59,701
OTHER FINANCING USES:				
Transfers out.....	(18,000)	(18,000)	(18,000)	-
Total Other Financing Uses.....	(18,000)	(18,000)	(18,000)	-
NET CHANGE IN FUND BALANCES.....	<u>\$ (901)</u>	<u>\$ (86,289)</u>	<u>(26,588)</u>	<u>\$ 59,701</u>
ADJUSTMENTS TO RECONCILE TO				
GAAP BASIS				
Revenue accrual adjustments.....			33,870	
Expenditure accrual adjustments.....			(435)	
Total Adjustments To Reconcile				
to GAAP Basis.....			<u>33,435</u>	
NET CHANGE IN FUND BALANCE-				
GAAP BASIS.....			6,847	
FUND BALANCE,				
BEGINNING OF YEAR.....			<u>203,111</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 209,958</u>	

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - EQUITABLE SHARING FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Licenses, permits, fines and fees.....	\$ -	\$ -	\$ 67,269	\$ 67,269
Investment income.....	-	-	1,309	1,309
Total Revenues.....	-	-	68,578	68,578
EXPENDITURES:				
Police.....	-	24,420	12,088	12,332
Capital Outlay.....	-	222,252	206,106	16,146
Total Expenditures.....	-	246,672	218,194	28,478
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	\$ -	\$ (246,672)	(149,616)	\$ (97,056)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments.....			(290)	
Expenditure accrual adjustments.....			-	
Total Adjustments To Reconcile to GAAP Basis.....			(290)	
NET CHANGE IN FUND BALANCE- GAAP BASIS.....			(149,906)	
FUND BALANCE, BEGINNING OF YEAR.....			282,410	
FUND BALANCE, END OF YEAR.....			\$ 132,504	

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Licenses, permits, fines and fees.....	\$ 274,000	\$ 274,000	\$ 269,032	\$ (4,968)
Investment income.....	4,000	4,000	2,503	(1,497)
Total Revenues.....	278,000	278,000	271,535	(6,465)
EXPENDITURES:				
General government and finance.....	403,620	453,620	411,161	42,459
Total Expenditures.....	403,620	453,620	411,161	42,459
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES.....	<u>\$ (125,620)</u>	<u>\$ (175,620)</u>	<u>(139,626)</u>	<u>\$ (35,994)</u>
ADJUSTMENTS TO RECONCILE TO				
GAAP BASIS				
Revenue accrual adjustments.....			4,626	
Expenditure accrual adjustments.....			(202)	
Total Adjustments To Reconcile				
to GAAP Basis.....			<u>4,424</u>	
NET CHANGE IN FUND BALANCE-				
GAAP BASIS.....			(135,202)	
FUND BALANCE,				
BEGINNING OF YEAR.....			<u>673,200</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 537,998</u>	

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes, including interest				
and penalties.....	\$ 602,730	\$ 602,730	\$ 605,652	\$ 2,922
Investment income.....	6,500	6,500	1,763	(4,737)
Total Revenues.....	<u>609,230</u>	<u>609,230</u>	<u>607,415</u>	<u>(1,815)</u>
EXPENDITURES:				
Debt Service:				
Principal retirement.....	485,000	485,000	485,000	-
Interest and fiscal charges.....	<u>50,278</u>	<u>50,278</u>	<u>49,327</u>	<u>951</u>
Total Expenditures.....	<u>535,278</u>	<u>535,278</u>	<u>534,327</u>	<u>951</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES.....	<u>\$ 73,952</u>	<u>\$ 73,952</u>	<u>73,088</u>	<u>\$ 864</u>
ADJUSTMENTS TO RECONCILE TO				
GAAP BASIS				
Revenue accrual adjustments.....			30,003	
Expenditure accrual adjustments.....			-	
Total Adjustments To Reconcile				
to GAAP Basis.....			<u>30,003</u>	
NET CHANGE IN FUND BALANCE-				
GAAP BASIS.....			103,091	
FUND BALANCE,				
BEGINNING OF YEAR.....			<u>381,421</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 484,512</u>	

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes, including interest				
and penalties.....	\$ 2,239,158	\$ 2,239,158	\$ 2,172,304	\$ (66,854)
Grants.....	440,256	440,256	40,074	(400,182)
Investment income.....	10,100	10,100	14,138	4,038
Other.....	-	-	36,321	36,321
Total Revenues.....	<u>2,689,514</u>	<u>2,689,514</u>	<u>2,262,837</u>	<u>(426,677)</u>
EXPENDITURES:				
Capital outlay.....	<u>4,616,419</u>	<u>4,938,951</u>	<u>3,919,383</u>	<u>1,019,568</u>
Total Expenditures.....	<u>4,616,419</u>	<u>4,938,951</u>	<u>3,919,383</u>	<u>1,019,568</u>
EXCESS REVENUES OVER				
(UNDER) EXPENDITURES.....	<u>(1,926,905)</u>	<u>(2,249,437)</u>	<u>(1,656,546)</u>	<u>(592,891)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in.....	1,420,000	1,549,560	1,549,560	-
Proceeds from sale of capital assets.....	35,000	35,000	58,027	23,027
Proceeds from capital leases.....	-	947,346	1,083,722	136,376
Total Other Financing Sources (Uses).....	<u>1,455,000</u>	<u>2,531,906</u>	<u>2,691,309</u>	<u>159,403</u>
NET CHANGE IN FUND BALANCES.....	<u>\$ (471,905)</u>	<u>\$ 282,469</u>	<u>1,034,763</u>	<u>\$ (752,294)</u>
ADJUSTMENTS TO RECONCILE TO				
GAAP BASIS				
Revenue accrual adjustments.....			(2,839)	
Expenditure accrual adjustments.....			-	
Total Adjustments To Reconcile				
to GAAP Basis.....			<u>(2,839)</u>	
NET CHANGE IN FUND BALANCE-				
GAAP BASIS.....			1,031,924	
FUND BALANCE,				
BEGINNING OF YEAR.....			<u>2,104,395</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 3,136,319</u>	

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - PARK & STORM WATER IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes, including interest and penalties.....	\$ 2,613,000	\$ 2,613,000	\$ 2,555,651	\$ (57,349)
Intergovernmental.....	58,841	58,841	97,066	38,225
Investment income.....	25,000	25,000	26,521	1,521
Grants.....	-	-	525,000	525,000
Total Revenues.....	2,696,841	2,696,841	3,204,238	507,397
EXPENDITURES:				
General government and finance.....	8,250	8,250	8,176	74
Capital outlay.....	334,000	4,275,147	1,725,402	2,549,745
Debt Service:				
Principal retirement.....	960,000	972,524	795,000	177,524
Interest and fiscal charges.....	761,679	701,355	31,541	669,814
Issuance cost on certificates of participation.....	-	258,771	253,371	5,400
Total Expenditures.....	2,063,929	6,216,047	2,813,490	3,402,557
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	632,912	(3,519,206)	390,748	(3,909,954)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	3,000,000	3,000,000	-
Transfers out.....	(875,000)	(773,557)	(691,000)	82,557
Proceeds from sale of capital assets.....	1,000	1,000	-	(1,000)
Certificates of participation issued.....	-	23,515,000	23,515,000	-
Premium from certificates of participation issued.....	-	743,771	743,771	-
Total Other Financing Sources (Uses).....	(874,000)	26,486,214	26,567,771	81,557
NET CHANGE IN FUND BALANCES.....	\$ (241,088)	\$ 22,967,008	26,958,519	\$ (3,991,511)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments.....			1,607	
Expenditure accrual adjustments.....			-	
Total Adjustments To Reconcile to GAAP Basis.....			1,607	
NET CHANGE IN FUND BALANCE- GAAP BASIS.....			26,960,126	
FUND BALANCE, BEGINNING OF YEAR.....			1,613,609	
FUND BALANCE, END OF YEAR.....			\$ 28,573,735	

See accompanying independent auditor's report

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INTERNAL SERVICE FUNDS

Medical Self Insurance - This fund is used to account for financial resources to be used for medical insurance premiums and claims expenditures.

Fleet Services - This fund is used to account for citywide vehicle and equipment maintenance and repair costs.

Workers' Compensation - This fund is used to account for financial resources to be used for medical and disability claims expenditures relating to workers' compensation.

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
MARCH 31, 2018

	<u>Medical</u>	<u>Fleet</u>	<u>Workers'</u>	
	<u>Self Insurance</u>	<u>Services</u>	<u>Compensation</u>	<u>Total</u>
			<u>Self Insurance</u>	
ASSETS:				
Cash and investments:				
Held by trustees.....	\$ -	\$ -	\$ 712	\$ 712
Unrestricted.....	1,850,403	234,710	1,073,030	3,158,143
Interest receivable.....	3,129	377	1,726	5,232
Other receivable.....	-	3,568	-	3,568
Inventory.....	-	3,392	-	3,392
	<u>1,853,532</u>	<u>242,047</u>	<u>1,075,468</u>	<u>3,171,047</u>
Total Assets.....				
LIABILITIES:				
Current Liabilities:				
Accounts payable.....	2,940	21,036	1,544	25,520
Accrued wages and vacation.....	-	20,633	3,433	24,066
Claims payable.....	353,949	-	652,898	1,006,847
	<u>356,889</u>	<u>41,669</u>	<u>657,875</u>	<u>1,056,433</u>
Total Current Liabilities.....				
Noncurrent Liabilities:				
Compensated absences.....	-	2,901	467	3,368
	<u>-</u>	<u>2,901</u>	<u>467</u>	<u>3,368</u>
Total Noncurrent Liabilities.....				
Total Liabilities.....	<u>356,889</u>	<u>44,570</u>	<u>658,342</u>	<u>1,059,801</u>
NET POSITION				
Unrestricted.....	1,496,643	197,477	417,126	2,111,246
TOTAL NET POSITION.....	<u>\$ 1,496,643</u>	<u>\$ 197,477</u>	<u>\$ 417,126</u>	<u>\$ 2,111,246</u>

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Medical Self Insurance	Fleet Services	Workers' Compensation Self Insurance	Total
OPERATING REVENUES:				
Charges for services.....	\$ 3,172,184	\$ 1,009,645	\$ 913,569	\$ 5,095,398
Other.....	-	36,599	-	36,599
Total Operating Revenues.....	3,172,184	1,046,244	913,569	5,131,997
OPERATING EXPENSES:				
Administrative and general.....	51,171	971,362	266,903	1,289,436
Claims and insurance premiums.....	2,974,914	-	981,033	3,955,947
Total Operating Expenses.....	3,026,085	971,362	1,247,936	5,245,383
OPERATING INCOME (LOSS).....	146,099	74,882	(334,367)	(113,386)
NONOPERATING REVENUES:				
Investment income.....	7,695	796	4,507	12,998
Total Nonoperating Revenues.....	7,695	796	4,507	12,998
CHANGE IN NET POSITION.....	153,794	75,678	(329,860)	(100,388)
NET POSITION, BEGINNING OF YEAR.....	1,342,849	121,799	746,986	2,211,634
NET POSITION, END OF YEAR.....	\$ 1,496,643	\$ 197,477	\$ 417,126	\$ 2,111,246

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Medical Self Insurance	Fleet Services	Workers' Compensation Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from interfund services provided.....	\$ 3,172,184	\$ 1,009,645	\$ 913,569	\$ 5,095,398
Other receipts.....	-	33,031	-	33,031
Payments to suppliers.....	(2,872,937)	(544,766)	(925,204)	(4,342,907)
Payments to employees.....	-	(421,125)	(74,923)	(496,048)
Payments for interfund services.....	-	(13,385)	(9,996)	(23,381)
Net Cash Provided By (Used In) Operating Activities.....	299,247	63,400	(96,554)	266,093
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:				
Interest received on investments.....	6,694	724	4,741	12,159
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	305,941	64,124	(91,813)	278,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	1,544,462	170,586	1,165,555	2,880,603
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 1,850,403</u>	<u>\$ 234,710</u>	<u>\$ 1,073,742</u>	<u>\$ 3,158,855</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ 146,099	\$ 74,882	\$ (334,367)	\$ (113,386)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in assets:				
Miscellaneous receivables.....	-	(3,568)	-	(3,568)
Inventory.....	-	(506)	-	(506)
Increase (decrease) in liabilities:				
Accounts payable.....	1,049	(5,782)	(24,006)	(28,739)
Accrued wages and vacation.....	-	(1,626)	(1,102)	(2,728)
Claims payable.....	152,099	-	262,921	415,020
Total adjustments.....	153,148	(11,482)	237,813	379,479
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ 299,247</u>	<u>\$ 63,400</u>	<u>\$ (96,554)</u>	<u>\$ 266,093</u>

See accompanying independent auditor's report

FIDUCIARY FUND TYPES

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds.

Trust and Agency Funds

Trust and agency funds include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. Agency funds are accounted for and reported similar to governmental funds. The trust and agency funds maintained by the City are as follows:

Pension Trust Funds – Used to account for the receipt, investment, and distribution of retirement contributions for civilian, police and fire employees.

Agency Funds – Used to account for municipal court collections for bail bonds.

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF NET POSITION - PENSION TRUST FUNDS
MARCH 31, 2018

	Police Officers' and Fire Retirement	Civilian Employees Retirement	Total
<hr/>			
ASSETS:			
Cash and investments:			
Held by trustees:			
Short-Term reserves.....	\$ 4,203,023	\$ 1,824,096	\$ 6,027,119
Bond funds.....	2,478,867	1,383,309	3,862,176
Balanced funds.....	10,466,919	9,120,748	19,587,667
Domestic stock funds.....	20,432,234	5,700,382	26,132,616
International stock funds.....	3,672,936	1,376,278	5,049,214
Money market funds.....	886,905	130,561	1,017,466
Specialty stock funds.....	-	223,145	223,145
TIAA traditional annuity option.....	933,545	-	933,545
TIAA brokerage option fund.....	1,130,250	-	1,130,250
Restricted.....	129	172	301
Receivables, net of allowances:			
Interest.....	1,261	1,100	2,361
Contributions receivable.....	91,643	36,788	128,431
Prepaid expenses.....	5,475	5,549	11,024
	<hr/>	<hr/>	<hr/>
Total Assets.....	44,303,187	19,802,128	64,105,315
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Accounts payable.....	14,455	14,129	28,584
	<hr/>	<hr/>	<hr/>
Total Liabilities.....	14,455	14,129	28,584
	<hr/>	<hr/>	<hr/>
NET POSITION:			
Net Position Restricted for Pensions.....	<u>\$ 44,288,732</u>	<u>\$ 19,787,999</u>	<u>\$ 64,076,731</u>

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CHANGES IN NET POSITION -
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Police Officers' and Fire Retirement	Civilian Employees Retirement	Total
ADDITIONS:			
Contributions:			
Employer.....	\$ 1,131,130	\$ 431,518	\$ 1,562,648
Employee, net of refunds.....	573,617	-	573,617
Rollover contributions.....	5,574	-	5,574
Total Contributions.....	<u>1,710,321</u>	<u>431,518</u>	<u>2,141,839</u>
Investment income:			
Interest and dividends.....	1,395,455	512,825	1,908,280
Net appreciation in the fair value of plan investments.....	<u>2,223,652</u>	<u>1,169,565</u>	<u>3,393,217</u>
Total Investment Income.....	3,619,107	1,682,390	5,301,497
Less: investment expenses.....	<u>27,921</u>	<u>115</u>	<u>28,036</u>
Net investment income.....	<u>3,591,186</u>	<u>1,682,275</u>	<u>5,273,461</u>
TOTAL ADDITIONS.....	<u>5,301,507</u>	<u>2,113,793</u>	<u>7,415,300</u>
DEDUCTIONS:			
Benefit payments.....	<u>2,938,078</u>	<u>369,854</u>	<u>3,307,932</u>
Administrative and general expenses:			
Insurance, taxes and other premiums.....	80,147	78,599	158,746
Professional and administrative fees.....	<u>48,162</u>	<u>52,297</u>	<u>100,459</u>
Total Administrative and General Expenses.....	<u>128,309</u>	<u>130,896</u>	<u>259,205</u>
TOTAL DEDUCTIONS.....	<u>3,066,387</u>	<u>500,750</u>	<u>3,567,137</u>
CHANGE IN NET POSITION.....	2,235,120	1,613,043	3,848,163
NET POSITION RESTRICTED FOR PENSIONS, BEGINNING OF YEAR.....	<u>42,053,612</u>	<u>18,174,956</u>	<u>60,228,568</u>
END OF YEAR.....	<u>\$ 44,288,732</u>	<u>\$ 19,787,999</u>	<u>\$ 64,076,731</u>

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - AGENCY FUND
MARCH 31, 2018

	<u>Appearance Bond Deposits</u>
ASSETS:	
Cash and investments:	
Restricted.....	<u>\$ 10,200</u>
TOTAL ASSETS.....	<u><u>\$ 10,200</u></u>
 LIABILITIES:	
Deposits payable.....	<u>\$ 10,200</u>
TOTAL LIABILITIES.....	<u><u>\$ 10,200</u></u>

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	Balance April 1, 2017	Additions	Deletions	Balance March 31, 2018
Appearance Bond Deposits				
ASSETS:				
Cash and investments - restricted.....	\$ 7,900	\$ 21,677	\$ 19,377	\$ 10,200
Total Assets.....	<u>\$ 7,900</u>	<u>\$ 21,677</u>	<u>\$ 19,377</u>	<u>\$ 10,200</u>
LIABILITIES:				
Deposits payable.....	\$ 7,900	\$ 21,677	\$ 19,377	\$ 10,200
Total Liabilities.....	<u>\$ 7,900</u>	<u>\$ 21,677</u>	<u>\$ 19,377</u>	<u>\$ 10,200</u>

See accompanying independent auditor's report

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DISCRETELY PRESENTED COMPONENT UNIT

Industrial Development Authority of the City of Kirkwood, Missouri (IDA)

The IDA is a not-for-profit corporation established by an Ordinance of the City Council and formed under RSMo. Chapter 39, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. Separate financial statements are not prepared for the IDA.

CITY OF KIRKWOOD, MISSOURI

BALANCE SHEET - INDUSTRIAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT)
MARCH 31, 2018

	<u>Total</u>
ASSETS:	
Cash and investments:	
Unrestricted.....	\$ 88,483
Interest receivable.....	<u>142</u>
Total Assets.....	<u>88,625</u>
LIABILITIES:	
Accounts payable.....	<u>-</u>
Total Current Liabilities.....	<u>-</u>
NET POSITION	
Unrestricted.....	<u>88,625</u>
TOTAL NET POSITION.....	<u><u>\$ 88,625</u></u>

See accompanying independent auditor's report

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INDUSTRIAL DEVELOPMENT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT)
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

	<u>Total</u>
REVENUES:	
Investment income.....	\$ 1,907
Other.....	<u>85,000</u>
Total Revenues.....	<u>86,907</u>
EXPENDITURES:	
Administrative and general.....	<u>198,681</u>
Total Expenditures.....	<u>198,681</u>
CHANGE IN NET POSITION.....	(111,774)
NET POSITION, BEGINNING OF YEAR.....	<u>200,399</u>
NET POSITION, END OF YEAR.....	<u><u>\$ 88,625</u></u>

See accompanying independent auditor's report

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City of

Statistical Section

Kirkwood

CITY OF KIRKWOOD, MISSOURI

Statistical Section

This part of the City of Kirkwood'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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These pages contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	104
Revenue Capacity	
These pages contain information to help the reader assess the City's most significant local revenue sources.	111
Debt Capacity	
These pages 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.	119
Demographic and Economic Information	
These pages offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	124
Operating Information	
These pages 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.	128

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

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CITY OF KIRKWOOD, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2009 ^a	2010 ^b	2011	2012	2013	2014	2015	2016 ^c	2017	2018
Governmental Activities:										
Net investment in capital assets.....	\$ 35,972,457	\$ 40,389,161	\$ 46,153,655	\$ 50,144,786	\$ 52,963,465	\$ 54,136,854	\$ 55,385,115	\$ 56,933,992	\$ 59,955,716	\$ 61,751,027
Restricted for:										
Capital projects.....	6,817,462	5,217,404	2,465,998	2,415,994	2,331,658	3,056,534	4,003,381	5,047,521	3,612,663	6,625,824
Debt service.....	2,030,332	2,134,897	2,289,210	1,941,607	1,454,116	1,272,840	1,153,844	1,102,928	1,193,771	1,170,774
Law enforcement.....	258,582	130,511	104,620	236,162	100,630	146,367	146,261	189,954	282,410	132,504
Park operations.....	-	1,164,982	1,244,613	1,384,988	1,433,102	1,544,679	1,534,683	1,486,942	1,512,157	1,600,709
Police and fire pension.....	3,458,067	3,479,833	3,279,934	3,118,751	2,973,222	2,779,281	2,395,294	1,977,258	1,436,867	948,799
Sewer lateral.....	-	463,476	596,602	771,756	867,327	918,456	898,909	795,862	673,200	537,998
Special business district.....	-	179,197	204,396	191,749	179,592	139,165	149,432	154,691	210,958	228,118
TIF bonds and notes.....	815,238	-	-	-	-	-	-	-	-	-
Unrestricted.....	6,669,276	6,585,255	7,335,848	6,748,336	8,674,045	8,989,005	9,084,425	10,017,247	10,824,747	8,821,468
Total Governmental Activities Net Position.....	\$ 56,021,414	\$ 59,744,716	\$ 63,674,876	\$ 66,954,129	\$ 70,977,157	\$ 72,983,381	\$ 74,751,344	\$ 77,706,395	\$ 79,702,489	\$ 81,817,221
Business-Type Activities:										
Invested in capital assets, net of related debt.....	\$ 8,086,717	\$ 8,194,874	\$ 10,249,193	\$ 11,424,626	\$ 11,023,698	\$ 11,856,557	\$ 13,084,426	\$ 14,369,570	\$ 20,933,441	\$ 26,081,706
Restricted for Debt Service.....	266,246	704,360	704,368	704,381	675,039	675,097	787,160	832,892	676,278	681,019
Unrestricted.....	32,881,540	25,521,922	19,966,392	24,884,483	29,086,263	29,229,073	29,051,984	29,390,702	25,103,461	21,594,623
Total Business-Type Activities Net Position.....	\$ 41,234,503	\$ 34,421,156	\$ 30,919,953	\$ 37,013,490	\$ 40,785,000	\$ 41,760,727	\$ 42,923,570	\$ 44,593,164	\$ 46,713,180	\$ 48,357,348
Primary Government:										
Net investment in capital assets.....	\$ 44,059,174	\$ 48,584,035	\$ 56,402,848	\$ 61,569,412	\$ 63,987,163	\$ 65,993,411	\$ 68,469,541	\$ 71,303,562	\$ 80,889,157	\$ 87,832,733
Restricted for:										
Capital projects.....	6,817,462	5,217,404	2,465,998	2,415,994	2,331,658	3,056,534	4,003,381	5,047,521	3,612,663	6,625,824
Debt service.....	2,296,578	2,839,257	2,993,578	2,645,988	2,129,155	1,947,937	1,941,004	1,933,820	1,870,049	1,851,793
Law enforcement.....	258,582	130,511	104,620	236,162	100,630	146,367	146,261	189,954	282,410	132,504
Park operations.....	-	1,164,982	1,244,613	1,384,988	1,433,102	1,544,679	1,534,683	1,486,942	1,512,157	1,600,709
Police and fire pension.....	3,458,067	3,479,833	3,279,934	3,118,751	2,973,222	2,779,281	2,395,294	1,977,258	1,436,867	948,799
Sewer lateral.....	-	463,476	596,602	771,756	867,327	918,456	898,909	795,862	673,200	537,998
Special business district.....	-	179,197	204,396	191,749	179,592	139,165	149,432	154,691	210,958	228,118
Unrestricted.....	39,550,816	32,107,177	27,302,240	31,632,819	37,760,308	38,218,078	38,136,409	39,407,949	35,928,208	30,416,091
Total Primary Government Net Position.....	\$ 97,255,917	\$ 94,165,872	\$ 94,594,829	\$ 103,967,619	\$ 111,762,157	\$ 114,744,108	\$ 117,674,914	\$ 122,299,559	\$ 126,415,669	\$ 130,174,569

^aThe following prior period adjustment were made in Fiscal Year 2009:

Governmental Activities

 Restricted for: Police and Fire Pension was added in the amount of \$3,321,732. The pension levy portion has been separated and is reported as a special revenue fund, P&F Pension Property Tax Fund.

^bThe following prior period adjustment was made in Fiscal Year 2010:

Governmental Activities

 Unrestricted was increased by \$556,645 to record sales tax revenue from modified accrual to full accrual.

^cThe following prior period adjustment was made in Fiscal Year 2016:

Business-Type Activities

 Net investment in capital assets was decreased by \$343,604 to expense amounts recorded as Construction in Progress.

CITY OF KIRKWOOD, MISSOURI
CHANGES IN NET POSITIONS
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental Activities:										
General government.....	\$ 3,669,761	\$ 3,491,882	\$ 3,021,818	\$ 3,822,665	\$ 3,257,778	\$ 4,943,107	\$ 4,228,990	\$ 4,762,594	\$ 5,054,280	\$ 5,314,163
Purchasing(a).....	323,155	348,064	355,320	370,231	384,978	377,683	386,031	535,097	684,392	1,013,395
Engineering.....	299,729	381,851	344,617	331,728	347,880	477,318	479,287	463,526	538,735	505,663
Building maintenance.....	618,245	392,938	419,619	464,338	477,318	619,165	655,724	661,117	748,850	672,847
Building commissioner.....	408,245	642,225	633,227	587,664	588,061	7,662,023	7,906,959	8,020,277	8,290,366	8,929,012
Police.....	6,365,135	6,540,285	6,994,710	7,324,109	7,363,086	5,989,740	6,316,710	6,469,721	7,012,980	7,015,376
Fire.....	5,479,307	5,769,209	5,788,620	5,852,373	5,814,394	2,536,437	2,564,618	2,749,944	2,906,468	3,630,913
Streets.....	2,338,867	2,348,174	2,472,040	2,502,988	2,455,034	1,807,512	1,962,345	1,900,996	1,991,578	1,982,446
Parks.....	1,269,285	1,446,396	1,559,311	1,608,918	1,777,302	2,670,425	2,623,291	2,885,760	2,774,489	2,812,414
Recreation.....	2,490,541	2,478,971	2,580,364	2,573,528	2,619,015	415,651	366,537	309,657	251,586	744,785
Interest on long-term debt.....	973,108	1,021,841	733,959	607,851	549,588	27,535,277	27,400,492	28,758,689	30,253,724	32,621,014
Total Governmental Activities Expenses.....	24,245,712	24,861,856	24,903,605	26,059,373	23,621,454	21,157,397	21,183,366	19,064,132	20,624,925	25,152,997
Business-Type Activities Expenses:										
Electric.....	15,092,793	21,826,992	22,983,408	15,766,443	17,682,247	4,492,087	4,432,946	4,178,436	4,377,695	5,292,264
Water.....	3,267,137	3,606,859	4,056,703	4,011,031	4,214,911	2,683,206	2,724,726	2,702,667	2,784,666	2,395,290
Sanitation.....	2,469,613	2,595,032	2,929,443	2,531,020	2,613,619	28,332,690	28,341,038	25,945,235	27,787,286	32,840,560
Total Business-Type Activities Expenses.....	20,829,543	27,828,883	29,969,554	22,308,494	24,510,777	55,857,967	55,831,530	54,703,924	58,041,010	65,461,574
Total Primary Government Expenses.....	\$ 45,075,255	\$ 52,690,739	\$ 54,873,159	\$ 48,367,867	\$ 50,132,231	\$ 77,015,364	\$ 77,014,896	\$ 74,768,813	\$ 78,665,935	\$ 90,614,571
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General government.....	\$ 2,044,514	\$ 2,063,903	\$ 2,137,260	\$ 2,240,380	\$ 2,215,846	\$ 2,173,825	\$ 2,081,215	\$ 1,934,072	\$ 1,944,020	\$ 1,828,344
Building commissioner.....	668,134	582,796	823,535	750,809	626,011	716,253	867,478	897,572	971,198	924,622
Police.....	258,459	302,081	300,813	281,192	285,732	357,256	484,432	463,601	470,818	524,758
Fire.....	690,494	567,230	674,579	725,835	787,223	831,292	797,923	820,457	1,009,220	936,849
Recreation.....	1,566,561	1,679,237	1,659,948	1,669,546	1,745,590	1,721,692	1,734,579	1,850,523	1,941,066	1,881,769
Other activities.....	114,080	116,915	155,442	133,241	181,099	174,204	249,904	164,545	183,518	212,566
Operating grants and contributions.....	231,323	151,388	183,938	397,780	186,525	194,135	225,084	300,332	342,557	180,809
Capital grants and contributions.....	135,842	512,625	203,389	1,143,090	518,559	103,384	101,787	489,443	180,201	716,604
Total Governmental Activities Program Revenues.....	5,709,407	5,976,175	6,138,504	7,341,873	6,346,585	6,272,041	6,342,402	6,919,545	7,042,898	7,206,321
Business-Type Activities:										
Charges for Services:										
Electric.....	14,221,834	14,278,400	19,989,393	20,632,374	21,373,776	22,403,293	21,785,886	21,125,937	22,301,051	27,104,935
Water.....	4,117,968	4,513,334	4,710,065	5,257,765	5,709,160	5,296,369	5,161,698	5,942,006	6,139,679	6,432,978
Sanitation.....	2,658,607	2,493,754	2,556,415	2,668,890	2,617,301	2,714,589	2,720,061	2,733,461	2,703,399	2,892,236
Operating grants and contributions.....	43,281	41,015	202,558	176,465	2,999	-	-	-	-	-
Capital grants and contributions.....	-	46,755	109,683	108,285	106,453	95,952	94,278	91,523	345,032	217,104
Total Business-Type Activities Program Revenues.....	21,041,690	21,373,258	27,568,114	28,843,779	29,809,689	30,510,203	29,761,923	29,892,927	31,489,161	36,647,253
Total Primary Government Program Revenues.....	\$ 26,751,097	\$ 27,349,433	\$ 33,707,018	\$ 36,185,652	\$ 36,356,274	\$ 36,782,244	\$ 36,304,325	\$ 36,812,472	\$ 38,532,059	\$ 43,853,574

CITY OF KIRKWOOD, MISSOURI
CHANGES IN NET POSITIONS (CONTINUED)
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue:										
Governmental activities.....	\$ (18,536,305)	\$ (18,885,681)	\$ (18,764,701)	\$ (18,717,500)	\$ (19,074,869)	\$ (21,253,236)	\$ (20,948,090)	\$ (21,839,144)	\$ (23,210,826)	\$ (25,414,693)
Business-type activities.....	212,147	(6,455,625)	(2,401,440)	6,535,285	5,298,912	2,177,513	1,420,885	3,947,692	3,701,875	3,806,693
Total Primary Government Net Expense.....	<u>\$ (18,324,158)</u>	<u>\$ (25,341,306)</u>	<u>\$ (21,166,141)</u>	<u>\$ (12,182,215)</u>	<u>\$ (13,775,957)</u>	<u>\$ (19,075,723)</u>	<u>\$ (19,527,205)</u>	<u>\$ (17,891,452)</u>	<u>\$ (19,508,951)</u>	<u>\$ (21,608,000)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes.....	\$ 5,441,110	\$ 4,863,382	\$ 4,860,932	\$ 4,301,948	\$ 4,562,003	\$ 4,568,455	\$ 4,545,472	\$ 4,471,266	\$ 4,739,916	\$ 4,998,964
Sales taxes.....	8,988,315	8,596,499	8,576,654	8,818,010	9,236,068	9,432,200	9,802,534	10,187,522	11,007,313	11,087,194
Other taxes.....	7,047,854	7,135,966	7,060,839	7,005,351	7,217,597	7,399,191	7,275,507	6,963,303	6,987,578	7,646,017
Investment earnings.....	683,612	328,843	149,812	369,438	125,888	38,727	121,404	324,298	92,619	125,418
Gain/(loss) on sale of capital assets.....	92,921	-	24,571	80,873	-	-	49,761	-	-	-
Other revenues.....	391,449	417,228	494,988	349,562	403,990	380,887	346,862	377,806	534,163	550,272
Special item - forgiveness of debt.....	-	-	-	-	-	-	-	-	-	-
Transfers.....	3,177,055	877,065	1,527,065	1,081,571	1,683,406	1,440,000	574,513	2,470,000	1,845,331	602,000
Total Government Activities.....	<u>25,822,316</u>	<u>22,608,983</u>	<u>22,694,861</u>	<u>21,996,753</u>	<u>23,228,952</u>	<u>23,259,460</u>	<u>22,716,053</u>	<u>24,794,195</u>	<u>25,206,920</u>	<u>27,529,425</u>
Business-Type Activities										
Investment earnings.....	1,128,570	519,343	267,698	531,897	300,843	190,339	299,696	534,012	256,432	319,074
Gain/(loss) on sale of capital assets.....	-	-	159,604	30,574	25,186	47,875	16,775	1,494	7,040	37,961
Transfers.....	(3,177,055)	(877,065)	(1,527,065)	(1,081,571)	(1,683,406)	(1,440,000)	(574,513)	(2,470,000)	(1,845,331)	(2,519,560)
Total Business-Type Activities.....	<u>(2,048,485)</u>	<u>(357,722)</u>	<u>(1,099,763)</u>	<u>(519,100)</u>	<u>(1,357,377)</u>	<u>(1,201,786)</u>	<u>(258,042)</u>	<u>(1,934,484)</u>	<u>(1,581,859)</u>	<u>(2,162,525)</u>
Total Primary Government.....	<u>\$ 23,773,831</u>	<u>\$ 22,251,261</u>	<u>\$ 21,595,098</u>	<u>\$ 21,477,653</u>	<u>\$ 21,871,575</u>	<u>\$ 22,057,674</u>	<u>\$ 22,458,011</u>	<u>\$ 22,859,701</u>	<u>\$ 23,625,061</u>	<u>\$ 25,366,900</u>
Change in Net Position:										
Governmental activities.....	\$ 7,286,011	\$ 3,723,302	\$ 3,930,160	\$ 3,279,253	\$ 4,154,083	\$ 2,006,224	\$ 1,767,963	\$ 2,955,051	\$ 1,996,094	\$ 2,114,732
Business-type activities.....	(1,836,338)	(6,813,347)	(3,501,203)	6,016,185	3,941,535	975,727	1,162,843	2,013,198	2,120,016	1,644,168
Total Primary Government.....	<u>\$ 5,449,673</u>	<u>\$ (3,090,045)</u>	<u>\$ 428,957</u>	<u>\$ 9,295,438</u>	<u>\$ 8,095,618</u>	<u>\$ 2,981,951</u>	<u>\$ 2,930,806</u>	<u>\$ 4,968,249</u>	<u>\$ 4,116,110</u>	<u>\$ 3,758,900</u>
Total Primary Government Net Position										
Governmental activities										
Net position, beginning.....	\$ 45,413,669	\$ 56,021,414	\$ 59,744,716	\$ 63,674,876	\$ 66,954,129	\$ 70,977,157	\$ 72,983,381	\$ 74,751,344	\$ 77,706,395	\$ 79,702,489
Prior period adjustment.....	3,321,734	-	-	-	(131,055)	-	-	-	-	-
Net position, beginning, as restated.....	<u>48,735,403</u>	<u>56,021,414</u>	<u>59,744,716</u>	<u>63,674,876</u>	<u>66,823,074</u>	<u>70,977,157</u>	<u>72,983,381</u>	<u>74,751,344</u>	<u>77,706,395</u>	<u>79,702,489</u>
Net position, ending.....	<u>56,021,414</u>	<u>59,744,716</u>	<u>63,674,876</u>	<u>66,954,129</u>	<u>70,977,157</u>	<u>72,983,381</u>	<u>74,751,344</u>	<u>77,706,395</u>	<u>79,702,489</u>	<u>81,817,221</u>
Business-type activities										
Net position, beginning.....	43,070,841	41,234,503	34,421,156	30,919,953	36,936,138	40,785,000	41,760,727	42,923,570	44,936,768	46,713,180
Prior period adjustment.....	-	-	-	-	(92,673)	-	-	-	(343,604)	-
Net position, beginning, as restated.....	<u>43,070,841</u>	<u>41,234,503</u>	<u>34,421,156</u>	<u>30,919,953</u>	<u>36,843,465</u>	<u>40,785,000</u>	<u>41,760,727</u>	<u>42,923,570</u>	<u>44,593,164</u>	<u>46,713,180</u>
Net position, ending.....	<u>41,234,503</u>	<u>34,421,156</u>	<u>30,919,953</u>	<u>36,936,138</u>	<u>40,785,000</u>	<u>41,760,727</u>	<u>42,923,570</u>	<u>44,936,768</u>	<u>46,713,180</u>	<u>48,357,348</u>
Total Primary Government.....	<u>\$ 97,255,917</u>	<u>\$ 94,165,872</u>	<u>\$ 94,594,829</u>	<u>\$ 103,890,267</u>	<u>\$ 111,762,157</u>	<u>\$ 114,744,108</u>	<u>\$ 117,674,914</u>	<u>\$ 122,643,163</u>	<u>\$ 126,415,669</u>	<u>\$ 130,174,569</u>

NOTES:
(a) Purchasing is now included in General government and finance. This change was made to be consistent in putting all administrative and service departments in this category.

CITY OF KIRKWOOD, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program:										
Governmental Activities:										
General government and finance..	\$ 2,103,319	\$ 2,123,036	\$ 2,165,451	\$ 2,244,379	\$ 2,237,845	\$ 2,184,835	\$ 2,101,817	\$ 1,967,800	\$ 1,995,537	\$ 1,846,955
Engineering.....	77,255	52,050	75,545	75,125	84,645	99,699	169,180	115,504	133,921	160,475
Building commissioner.....	668,134	582,796	823,535	750,809	626,011	716,253	867,478	897,572	971,198	924,622
Police.....	395,856	378,783	447,086	655,922	430,280	518,402	678,339	769,499	760,563	658,740
Fire.....	690,494	590,515	676,579	728,835	787,223	831,292	797,923	820,682	1,009,220	936,849
Streets.....	-	17,325	122,329	644,744	155,128	525	-	3,345	36,617	52,823
Parks.....	91,510	147,902	59,083	63,521	87,509	77,018	95,739	72,078	58,383	80,896
Recreation.....	1,682,839	2,083,768	1,769,296	2,178,538	2,137,944	1,844,017	1,831,926	2,273,065	2,077,459	2,544,961
Subtotal Governmental Activities.....	5,709,407	5,976,175	6,138,904	7,341,873	6,546,585	6,272,041	6,542,402	6,919,545	7,042,898	7,206,321
Business-Type Activities:										
Electric.....	14,221,834	14,278,400	19,989,393	20,632,374	21,373,776	22,403,293	21,785,886	21,125,937	22,557,748	27,237,356
Water.....	4,117,968	4,560,089	4,819,748	5,366,050	5,815,613	5,392,321	5,255,976	6,033,529	6,228,014	6,517,661
Sanitation.....	2,701,888	2,534,769	2,758,973	2,845,355	2,620,300	2,714,589	2,720,061	2,733,461	2,703,399	2,892,236
Subtotal Business-Type Activities.....	21,041,690	21,373,258	27,568,114	28,843,779	29,809,689	30,510,203	29,761,923	29,892,927	31,489,161	36,647,233
Total Primary Government.....	\$ 26,751,097	\$ 27,349,433	\$ 33,707,018	\$ 36,185,652	\$ 36,356,274	\$ 36,782,244	\$ 36,304,325	\$ 36,812,472	\$ 38,532,059	\$ 43,853,574

CITY OF KIRKWOOD, MISSOURI

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Nonspendable:										
Inventories.....	\$ -	\$ 71,342	\$ 75,303	\$ 76,868	\$ 73,950	\$ 75,070	\$ 75,332	\$ 74,276	\$ 61,245	\$ 55,308
Prepaid assets.....	-	6,062	8,072	3,897	13,391	8,718	14,469	10,610	9,169	9,038
Long-term interfund advance.....	-	-	-	-	-	-	-	10,000	-	-
Assigned to:										
Projected use of reserves.....	-	2,811,462	2,530,257	1,332,554	1,909,810	1,420,265	1,325,561	950,528	1,854,331	1,570,813
Unassigned:	-	5,841,312	6,213,145	6,378,603	6,732,252	7,276,151	7,360,130	8,175,236	7,736,383	5,149,330
Reserved:	81,193	-	-	-	-	-	-	-	-	-
Unreserved:	8,719,619	-	-	-	-	-	-	-	-	-
Total General Fund.....	\$ 8,800,812	\$ 8,730,178	\$ 8,826,777	\$ 7,791,922	\$ 8,729,403	\$ 8,780,204	\$ 8,775,492	\$ 9,220,650	\$ 9,661,128	\$ 6,784,489
All Other Governmental Funds:										
Restricted for:										
Capital projects.....	\$ -	\$ 5,217,404	\$ 2,465,998	\$ 2,415,994	\$ 2,331,658	\$ 3,056,534	\$ 3,645,968	\$ 4,753,801	\$ 3,290,660	\$ 30,335,364
Debt service.....	-	2,142,334	1,586,419	1,592,510	1,082,438	905,833	790,007	728,988	808,765	1,859,202
Law enforcement.....	-	130,511	104,620	236,162	100,630	146,567	146,261	189,954	282,410	132,504
Park operations.....	-	1,118,546	1,244,613	1,384,988	1,433,102	1,544,679	1,444,312	1,449,015	1,478,029	1,559,621
Police and fire pension.....	-	3,442,950	3,279,934	3,118,751	2,973,222	2,779,281	2,308,225	1,940,337	1,403,024	908,927
Sewer lateral.....	-	463,476	596,602	771,756	867,327	918,456	898,909	795,862	673,200	537,998
Special business district.....	-	164,190	204,396	191,749	179,592	139,165	118,412	145,771	203,111	209,958
TIF bonds and notes.....	-	669,766	680,217	354,091	371,996	364,204	382,225	390,803	383,448	-
Reserved.....	9,104,098	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds.....	6,129,017	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds.....	\$ 15,233,115	\$ 13,349,177	\$ 10,162,799	\$ 10,066,001	\$ 9,339,965	\$ 9,854,719	\$ 9,734,319	\$ 10,394,531	\$ 8,522,647	\$ 35,543,574

Note:

In February 2009 the Government Accounting Standards Board (GASB) issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. The City chose to present the fund balance information prospectively, although GASB encouraged retroactive application.

CITY OF KIRKWOOD, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes.....	\$ 21,417,215	\$ 20,427,387	\$ 20,489,250	\$ 20,231,294	\$ 20,939,301	\$ 21,140,400	\$ 21,475,444	\$ 21,964,593	\$ 22,685,471	\$ 23,516,468
Intergovernmental.....	436,572	461,501	522,915	479,014	425,188	484,153	606,148	593,983	606,650	684,806
Licenses, permits, fines and fees.....	2,734,141	2,527,056	2,890,393	3,159,029	2,794,934	2,857,464	3,000,167	2,914,121	2,982,152	2,773,459
Interest on investments.....	659,439	310,834	139,449	341,129	112,395	35,659	108,286	286,323	82,685	112,420
Charges for services.....	2,229,822	2,234,267	2,312,891	2,376,950	2,513,499	2,534,545	2,508,851	2,653,757	2,934,253	2,802,124
Grants and contributions.....	-	452,828	116,893	1,044,132	516,163	101,391	98,869	397,922	130,868	636,702
Other.....	698,802	715,179	692,495	654,804	648,060	630,191	689,589	693,110	878,124	839,459
Total Revenues.....	28,175,991	27,129,052	27,164,286	28,286,352	27,949,540	27,783,803	28,487,354	29,503,809	30,300,203	31,363,438
Expenditures:										
General government.....	3,343,109	3,243,396	3,337,487	3,475,859	3,504,637	4,048,516	4,066,910	4,353,129	4,359,967	4,587,228
Purchasing (a).....	314,537	334,393	350,191	366,809	381,138	-	-	-	-	-
Engineering.....	292,086	375,395	337,229	332,089	331,305	363,980	380,904	525,630	656,624	983,417
Building maintenance.....	343,642	334,676	379,951	393,925	428,068	451,232	453,158	451,573	474,864	492,328
Building commissioner.....	610,481	636,016	635,226	579,708	580,761	612,942	646,783	655,718	737,827	668,472
Police.....	6,275,642	6,445,351	6,896,387	7,147,973	7,164,412	7,445,505	7,667,135	7,783,412	8,032,816	8,497,956
Fire.....	5,087,210	5,229,074	5,313,435	5,362,889	5,372,685	5,513,560	5,680,975	5,913,338	6,464,492	6,483,512
Streets.....	1,486,801	1,445,518	1,462,292	1,518,372	1,441,724	1,481,168	1,470,530	1,478,553	1,682,050	1,510,369
Recreation.....	1,880,742	1,912,785	1,987,716	2,027,186	2,057,419	2,073,442	2,106,468	2,071,442	2,126,830	2,160,188
Parks.....	1,079,354	1,174,145	1,211,238	1,229,760	1,301,437	1,328,485	1,354,233	1,375,098	1,399,135	1,409,202
Capital outlay.....	3,708,496	5,640,735	7,018,006	6,005,542	4,628,866	3,533,070	3,774,329	4,615,055	5,744,123	5,898,560
Debt service:										
Issuance Costs.....	-	58,700	-	-	113,813	-	-	-	-	253,371
Interest.....	1,990,000	840,620	2,155,000	567,047	407,148	381,985	334,562	279,007	222,827	271,247
Principal.....	983,744	2,099,204	737,681	1,640,000	1,419,000	1,454,000	1,514,000	1,576,000	1,643,000	2,012,795
Payments to escrow agent.....	-	311,200	-	-	-	-	-	-	-	-
Total Expenditures.....	27,395,844	30,081,208	31,821,839	30,647,159	29,132,413	28,687,885	29,449,987	31,077,955	33,544,555	35,228,645
Excess of revenues over (under) expenditures.....	780,147	(2,952,156)	(4,657,553)	(2,360,807)	(1,182,873)	(904,082)	(962,633)	(1,574,146)	(3,244,352)	(3,863,207)
Other Financing Sources (Uses):										
Issuance of debt.....	-	4,185,000	-	-	5,000,000	-	-	-	-	23,515,000
Discount on debt.....	-	(27,202)	-	-	-	-	-	-	-	-
Premium on debt.....	-	-	-	-	63,818	-	-	-	-	743,771
Payments to escrow agent.....	-	(4,099,098)	-	-	(5,394,474)	-	-	-	-	-
Proceeds from sale of capital assets.....	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets.....	-	-	-	-	-	-	-	-	-	-
Insurance recoveries.....	137,484	61,819	40,709	147,382	41,568	29,636	58,546	155,119	70,492	1,083,722
Transfers in.....	2,003,159	1,860,288	2,132,530	3,424,009	2,517,630	2,754,105	198,975	54,397	202,454	24,462
Transfers out.....	(426,104)	(983,223)	(605,465)	(2,342,237)	(834,224)	(1,314,105)	1,487,693	3,652,473	2,391,675	6,296,402
Total Other Financing Sources (Uses).....	1,714,539	997,584	1,567,774	1,229,154	1,394,318	1,469,636	837,521	2,679,516	1,812,946	(3,776,842)
Net Change In Fund Balances.....	\$ 2,494,686	\$ (1,954,572)	\$ (3,089,779)	\$ (1,131,653)	\$ 211,445	\$ 565,554	\$ (125,112)	\$ 1,105,370	\$ (1,431,406)	\$ 24,144,288
Debt service as a percentage of noncapital expenditures.....	12.4%	11.9%	11.5%	8.8%	7.4%	7.2%	7.1%	6.8%	6.6%	7.5%

(a) Purchasing is now included in General government and finance. This change was made to be consistent in putting all administrative and service departments in this category.

CITY OF KIRKWOOD, MISSOURI

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Sales & Use	Property	Utility Gross Receipts	Gasoline/Motor Vehicle Sales	Highway Road and Bridge	County Public Safety	Franchise	Cigarette	Total
2009	\$ 8,988,314	\$ 5,381,046	\$ 4,853,797	\$ 1,032,608	\$ 786,380	\$ -	\$ 283,567	\$ 91,503	\$ 21,417,215
2010	8,429,854	4,861,566	4,966,983	1,017,004	741,313	-	333,332	77,335	20,427,387
2011	8,533,126	4,891,680	4,798,038	1,053,301	741,644	-	392,896	78,565	20,489,250
2012	8,889,445	4,331,358	4,786,762	1,022,331	721,122	-	403,980	76,296	20,231,294
2013	9,154,959	4,565,887	4,978,547	983,792	746,093	-	435,251	74,772	20,939,301
2014	9,186,519	4,561,918	5,123,579	1,008,285	747,752	-	439,097	73,250	21,140,400
2015	9,962,574	4,239,182	4,961,101	1,057,443	694,097	-	490,472	70,575	21,475,444
2016	10,242,203	4,760,010	4,521,274	1,083,459	778,061	-	497,158	82,428	21,964,593
2017	10,927,472	4,751,546	4,569,514	1,097,557	794,974	-	470,713	73,695	22,685,471
2018	11,032,362	4,936,507	4,549,042	1,113,344	788,138	599,999	430,968	66,108	23,516,468
Change									
2009-2018	22.7%	-8.3%	-6.3%	7.8%	0.2%	100.0%	52.0%	-27.8%	9.8%

CITY OF KIRKWOOD, MISSOURI

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Residential Real Estate Property	Commercial Real Estate Property	Regular Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2009	\$ 565,433,950	\$ 118,665,747	\$ 79,119,443	\$ 763,219,140	0.664	\$ 3,584,180,684	21.294%
2010	526,140,160	117,452,818	73,310,002	716,902,980	0.631	3,356,150,794	21.361
2011	529,101,680	117,221,517	66,185,197	712,508,394	0.624	3,349,638,373	21.271
2012	518,688,130	105,102,560	65,525,970	689,316,660	0.645	3,254,980,596	21.177
2013	535,251,010	105,038,340	71,502,050	711,791,400	0.636	3,359,882,994	21.185
2014	533,417,190	104,833,670	72,778,170	711,029,030	0.621	3,353,420,459	21.203
2015	535,967,140	111,423,282	77,050,535	724,440,957	0.661	3,400,252,163	21.306
2016	557,258,520	117,332,508	76,549,720	751,140,748	0.606	3,529,275,794	21.283
2017	557,019,130	117,477,577	77,572,845	752,069,552	0.618	3,531,538,869	21.296
2018	616,118,550	124,532,915	78,757,581	819,409,046	0.600	3,868,190,943	21.183

Source: Office of the St. Louis County Assessor

Note: St. Louis County assesses property at approximately 19 percent of actual value for residential, 32 percent for commercial, and 33-1/3 of value for personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Kirkwood Direct Rates:										
General Fund.....	0.276	0.280	0.274	0.293	0.295	0.295	0.333	0.286	0.293	0.276
Kirkwood Park Fund.....	0.130	0.132	0.127	0.138	0.139	0.133	0.134	0.128	0.131	0.124
Police and Firemen Retirement Fund....	0.138	0.129	0.133	0.136	0.137	0.128	0.129	0.125	0.127	0.120
Debt Service Fund.....	0.120	0.090	0.090	0.078	0.065	0.065	0.065	0.067	0.067	0.080
Total Direct Rate.....	0.664	0.631	0.624	0.645	0.636	0.621	0.661	0.606	0.618	0.600
Overlapping Rates:										
County and State.....	0.588	0.553	0.553	0.553	0.553	0.553	0.553	0.545	0.545	0.519
Kirkwood Public Library.....	0.286	0.302	0.302	0.302	0.302	0.302	0.302	0.303	3.070	0.286
Special Business District.....	0.448	0.456	0.456	0.456	0.454	0.458	0.460	0.405	0.424	0.398
School Districts.....	5.042	5.236	5.400	5.520	5.516	5.715	5.733	5.590	5.633	5.778
Sewer Districts.....	-	-	0.160	0.166	0.148	0.173	0.174	0.171	0.120	0.116
Other.....	0.303	0.323	0.334	0.351	0.352	0.369	0.370	0.366	0.368	0.353

Source: St. Louis County Department of Revenue

CITY OF KIRKWOOD, MISSOURI

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Tax Payer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Ashfield Active Living and Wellness.....	\$ 11,868,910	1	1.45%			
Kirkwood Commons LLC.....	5,993,910	2	0.73%	5,594,000	1	0.73%
Chaminade College Society.....	5,857,830	3	0.71%	4,191,650	5	0.55%
Mills Timberlake Apartments.....	5,451,000	4	0.67%	3,284,330	7	0.43%
1001 Kirkwood LLC.....	4,720,640	5	0.58%			
Kirkwood Station Plaza LLC.....	4,356,630	6	0.53%			
Pioneer Place LLC.....	4,119,130	7	0.50%	4,483,490	4	0.59%
RJC Partnership LLC.....	3,721,500	8	0.45%	2,640,670	10	0.35%
Dayton Hudson Corporate.....	3,534,750	9	0.43%	3,676,630	6	0.48%
Lowes Home Centers Inc.....	3,400,640	10	0.42%	3,232,000	8	0.42%
Novus Investment LLC.....	-	-	-	5,274,110	2	0.69%
Geneva Exchange Fund XXXIII LLC.....	-	-	-	4,990,110	3	0.65%
SSM Health Care St Louis.....	-	-	-	3,058,370	9	0.40%
Total.....	\$ 53,024,940		6.47%	\$ 40,425,360		5.29%

Source: Office of the St. Louis County Assessor

CITY OF KIRKWOOD, MISSOURI

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

Fiscal Year Ended March 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 4,950,386	\$ 4,439,169	89.67 %	\$ 462,711	\$ 4,901,880	99.02 %
2010	4,433,098	3,949,385	89.09	415,857	4,365,242	98.47
2011	4,405,908	3,973,019	90.17	359,446	4,332,465	98.33
2012	4,229,527	3,800,812	89.86	316,576	4,117,388	97.35
2013	4,467,045	3,961,521	88.68	354,081	4,315,602	96.61
2014	4,465,960	3,903,043	87.40	412,756	4,315,799	96.64
2015	4,499,609	3,955,765	87.91	388,786	4,344,551	96.55
2016	4,543,913	4,058,082	89.31	327,774	4,385,856	96.52
2017	4,644,369	4,142,513	89.19	349,634	4,492,147	96.72
2018	4,914,995	4,221,678	85.89	-	4,221,678	85.89

Source: Office of the St. Louis County Assessor

CITY OF KIRKWOOD, MISSOURI

**ELECTRICITY SOLD BY TYPE OF CUSTOMER (IN MEGAWATT HOURS)
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Type of Customer:										
Residential	97,988	96,092	114,458	101,132	102,392	101,411	98,250	96,631	98,164	98,327
Commercial by type										
Electric Primary	22,800	10,880	9,647	8,526	8,293	7,886	7,581	7,573	7,696	7,508
Small Commercial	43,365	42,292	45,693	40,244	38,694	39,122	37,833	45,992	37,153	36,891
Large User	58,713	55,501	64,492	62,225	66,003	66,106	64,778	52,067	64,478	63,496
Total	222,866	204,765	234,290	212,127	215,382	214,525	208,442	202,263	207,491	206,222
Total direct rate per megawatt hour.....	\$ 61.87	\$ 67.25	\$ 82.24	\$ 94.75	\$ 95.95	\$ 101.85	\$ 102.26	\$ 102.45	\$ 104.77	\$ 107.40

Source: City of Kirkwood Finance Department

CITY OF KIRKWOOD, MISSOURI

WATER SOLD BY TYPE OF CUSTOMER (IN HUNDRED CUBIC FEET)
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Type of Customer:										
Residential.....	904,757	884,399	953,661	965,730	1,078,098	963,864	917,012	848,767	860,371	931,273
Commercial.....	459,273	392,984	418,779	434,473	482,561	439,534	418,359	417,272	422,797	447,241
Total.....	<u>1,364,030</u>	<u>1,277,383</u>	<u>1,372,440</u>	<u>1,400,203</u>	<u>1,560,659</u>	<u>1,403,398</u>	<u>1,335,371</u>	<u>1,266,039</u>	<u>1,283,168</u>	<u>1,378,514</u>
Total direct rate per hundred cubic feet.....	\$ 2.74	\$ 3.17	\$ 3.12	\$ 3.38	\$ 3.34	\$ 3.43	\$ 3.50	\$ 3.46	\$ 3.63	\$ 3.56

Source: City of Kirkwood Finance Department

CITY OF KIRKWOOD, MISSOURI
SALES TAX REVENUES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Sales Tax Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Regular Sales (1.0%)..... ^a	\$ 3,087,002	\$ 2,899,775	\$ 3,000,714	\$ 3,130,827	\$ 3,158,939	\$ 3,238,937	\$ 3,534,540	\$ 3,421,397	\$ 3,343,609	\$ 3,376,574
Local Option (0.25%)..... ^a	935,098	837,875	842,044	884,730	883,427	920,605	968,474	964,481	950,892	1,026,695
Fire Protection (0.25%).....	-	-	-	-	-	-	-	514,497	1,266,907	1,275,039
Local Use Tax	279,409	196,872	247,572	271,770	330,356	333,506	359,611	344,324	394,164	500,609
Capital Improvement (0.50%)... ^b	2,004,175	1,954,106	1,921,405	1,999,992	2,068,301	2,050,842	2,216,989	2,177,662	2,157,604	2,169,726
Stormwater and Parks (0.50%)..	2,319,429	2,268,143	2,244,674	2,342,214	2,422,225	2,402,275	2,604,584	2,561,285	2,538,355	2,552,618
TIF EATs (All sources)..... ^c	363,201	273,083	276,717	259,912	291,711	240,354	278,376	258,557	275,941	131,101
Total.....	<u>\$ 8,988,314</u>	<u>\$ 8,429,854</u>	<u>\$ 8,533,126</u>	<u>\$ 8,889,445</u>	<u>\$ 9,154,959</u>	<u>\$ 9,186,519</u>	<u>\$ 9,962,574</u>	<u>\$ 10,242,203</u>	<u>\$ 10,927,472</u>	<u>\$ 11,032,362</u>

NOTES:

The sales tax rate in the City is 8.613%, which includes 4.225% for the State of Missouri, 1.888% for St. Louis County, and 2.5% as the City's direct rate.

All sales tax revenues are collected by the Missouri Department of Revenue for a 1% collection fee.

^aThe regular (1%) and the local option (0.25%) sales taxes are remitted to St. Louis County for redistribution to municipal taxing authorities. St. Louis County collects 1.8242083% annexation and incorporation adjustment. St. Louis County distributes the remaining taxes based on "Point of Sale" cities or "Pooled" cities. Kirkwood derives 89% of these two sales tax revenue sources from the "Point of Sale" area and 11% from the "Pooled" area. It is because of the complex tax distribution formula that actual tax receipts are not proportionate to the tax percentages presented.

^bCapital improvement sales tax in addition to the State's 1% collection fee, has 15% retained by the State in subaccount of the trust fund for reallocation per statute and 85% is remitted to the City.

^cIn FY2008 the Kirkwood Commons TIF bonds were retired in full and the TIF district was terminated; however, public improvement revenue notes remain and the city pledge the "bottom half" of the EATs from this district to service the principal and interest on these notes. The City's obligation for the public improvement revenue notes ended November 2017. In FY2012, the Pioneer Place TIF bonds were retired in full and the TIF district was terminated.

Source: Basic Financial Statements

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Kirkwood Direct Rates:										
General Corporate Sales Tax.....	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Local Option Use Tax.....	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Capital Improvement Sales Tax.....	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Fire Protection Sales Tax.....	-	-	-	-	-	-	-	0.25	0.25	0.25
Park and Stormwater Sales Tax.....	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Subtotal Direct Rate.....	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.50	2.50	2.50
Overlapping Rates:										
State.....	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
St. Louis County Transportation.....	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Mass Transit Tax/Metrolink.....	0.250	0.250	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
St. Louis County Regional Parks & Trails.....	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Children's Service Fund.....	-	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Emergency Communications.....	-	-	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Metro Parks/Arch.....	-	-	-	-	-	-	0.188	0.188	0.188	0.188
Subtotal Overlapping Rate.....	5.075	5.325	5.925	5.925	5.925	5.925	6.113	6.113	6.113	6.113
Total Sales Tax Rate.....	<u>7.325</u>	<u>7.575</u>	<u>8.175</u>	<u>8.175</u>	<u>8.175</u>	<u>8.175</u>	<u>8.363</u>	<u>8.613</u>	<u>8.613</u>	<u>8.613</u>

Source: St. Louis County Department of Revenue and Missouri Department of Revenue

NOTE: Kirkwood has a new development that council approved a 1% transportation development district tax. The development is a one block area in downtown Kirkwood.

CITY OF KIRKWOOD, MISSOURI

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Governmental Activities				Business-Type Activities				Percentage of Personal Income ^a	Total Primary Government	Per Capita ^a
	General Obligation Bonds	Leasehold Revenue Bonds	Certificates of Participation	Tax Increment Revenue Bonds and Notes	Capital Leases	Capital Leases	Certificates of Participation	Total Primary Government			
2009	\$ 6,065,416	\$ 7,095,313	\$ -	\$ 4,197,204	\$ -	\$ -	\$ 3,665,454	\$ 21,023,387	1.09%		769
2010	4,853,376	6,476,320	-	3,668,000	-	-	9,973,395	24,971,091	1.29%		907
2011	3,867,260	5,842,327	-	3,168,000	-	-	9,629,345	22,506,932	1.16%		817
2012	3,710,957	5,269,312	-	2,608,000	-	-	9,280,296	20,868,565	1.08%		758
2013	3,310,000	-	4,299,701	2,364,000	-	-	9,066,442	19,040,143	0.98%		691
2014	2,880,000	-	3,540,584	2,090,000	-	1,736,975	8,667,248	18,914,807	0.93%		687
2015	2,440,000	-	2,766,467	1,781,000	-	1,339,711	11,958,482	20,285,660	1.00%		737
2016	1,985,000	-	1,977,350	1,440,000	-	938,360	11,337,695	17,678,405	0.83%		642
2017	1,515,000	-	1,178,233	1,057,000	-	532,879	10,701,911	14,985,023	0.70%		544
2018	1,030,000	-	24,626,467	-	805,927	267,904	10,051,127	36,781,425	1.71%		1,336

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

^a See page 125 for personal income and population data.

CITY OF KIRKWOOD, MISSOURI

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Tax Value of		Per Capita ^b
				Property ^a		
2009	6,065,416	2,028,054	4,037,362	0.11%		148
2010	4,853,376	1,266,492	3,586,884	0.11%		130
2011	3,867,260	710,576	3,156,684	0.09%		115
2012	3,491,352	716,667	2,774,685	0.09%		101
2013	3,121,767	661,251	2,460,516	0.07%		89
2014	2,723,139	594,276	2,128,863	0.06%		77
2015	2,440,000	474,762	1,965,238	0.06%		71
2016	1,985,000	459,302	1,525,698	0.04%		55
2017	1,515,000	381,421	1,133,579	0.03%		41
2018	1,030,000	484,512	545,488	0.01%		20

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

^a Property value data can be found on page 112: Assessed Value and Actual Value of Taxable Property.

^b Population data can be found on page 125: Demographic and Economic Statistics.

CITY OF KIRKWOOD, MISSOURI

LEGAL DEBT MARGIN INFORMATION
(DOLLARS IN THOUSANDS)
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuation.....	\$763,219	\$716,903	\$712,508	\$689,317	\$711,791	\$711,029	\$724,441	\$751,141	\$752,070	\$819,409
Debt limit - 10% of assessed valuation.....	\$ 76,322	\$ 71,690	\$ 71,251	\$ 68,932	\$ 71,179	\$ 71,103	\$ 72,444	\$ 75,114	\$ 75,207	\$ 81,941
Amount of debt applicable to debt limit:										
Total general obligation bonded debt.....	6,065	4,853	3,867	3,491	3,122	2,723	2,440	1,985	1,515	1,030
Less: Amount available in debt service fund.....	(2,028)	(1,266)	(711)	(717)	(661)	(594)	(475)	(459)	(381)	(485)
Bonded indebtedness applicable to debt limit.....	4,037	3,587	3,156	2,774	2,461	2,129	1,965	1,526	1,134	545
Legal Debt Margin.....	\$ 72,285	\$ 68,103	\$ 68,095	\$ 66,158	\$ 68,718	\$ 68,974	\$ 70,479	\$ 73,588	\$ 74,073	\$ 81,396
Legal debt margin as a percentage of the debt limit.....	94.71%	95.00%	95.57%	95.98%	96.54%	97.01%	97.29%	97.97%	98.49%	99.33%

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

^aAmount available in debt service fund.

^bUnder the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation.

^cThe legal debt margin is the City's available borrowing authority under the statutes of the State of Missouri and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF MARCH 31, 2018

Governmental Unit	Debt Outstanding ^a	Estimated Percentage Applicable ^b	Estimated Share of Overlapping Debt ^c
St. Louis County.....	\$ 92,215,000	3.33%	\$ 3,070,760
Kirkwood School District			
General obligation bonds.....	35,330,000	57.89%	20,452,537
Leasehold revenue bonds.....	15,915,000	57.89%	9,213,194
Subtotal, Overlapping Debt.....			32,736,491
City of Kirkwood, Direct Debt			
General obligation bonds.....			1,030,000
Certificate of Participation.....			23,880,000
Subtotal, Direct Debt.....			24,910,000
Total Direct and Overlapping Debt.....			\$ 57,646,491

Source: Bond amounts were provided by the respective taxing districts or publicly available documents. Assessments were provided by the Office of the St. Louis County Collector.

^a Excludes overlapping taxing districts with assessed valuations applicable to the City that are less than 1%.

^b Estimated based on 2017 real and personal property.

^c Excludes lease obligations of overlapping taxing districts and taxing districts whose assessed valuation represents less than 1% of the City's total assessment.

CITY OF KIRKWOOD, MISSOURI

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Tax Increment Financing Bonds and Notes						
	Revenue Sources			Debt Service			
	Property Tax	Sales Tax	Business License Revenue	Total Available Revenue	Principal	Interest	Coverage
2009	\$ 404,165	\$ 418,445	\$ 183,805	\$ 1,006,415	\$ 490,000	\$ 386,690	1.15
2010	326,916	314,685	183,826	825,427	529,204	350,394	0.94
2011	350,119	344,600	177,368	872,087	500,000	290,605	1.10
2012	39,764	325,303	171,067	536,134	560,000	250,268	0.66
2013	-	318,398	165,348	483,746	244,000	216,530	1.05
2014	-	268,421	193,282	461,703	274,000	195,495	0.98
2015	-	306,723	192,311	499,034	309,000	170,638	1.04
2016	-	300,032	192,910	492,942	341,000	143,367	1.02
2017	-	304,635	184,664	489,299	383,000	112,285	0.99
2018	-	160,141	590	160,731	455,000	87,230	0.30

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

CITY OF KIRKWOOD, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Education Level							Unemployment Rate
	Population	Personal Income (thousand of dollars)	Per Capita Personal Income	Median Age ^a	High School Graduate (%)	Bachelor's Degree or Higher (%)	School Enrollment	
2008	27,324	\$ 1,936,944	\$ 70,888	41.0	94.2%	51.5%	5,026	5.9%
2009	27,324						5,000	7.5%
2010	27,540						5,083	8.7%
2011	27,540						5,132	5.1%
2012	27,540						5,554	6.3%
2013	27,540						5,608	4.7%
2014	27,540	\$ 2,031,075	\$ 73,750	44.5	96.0%	59.4%	5,595	5.6%
2015	27,540	\$ 2,132,147	\$ 77,420	42.8	94.2%	51.5%	5,681	2.6%
2016	27,540	\$ 2,136,388	\$ 77,574	42.8	96.7%	68.6%	5,702	4.2%
2017	27,540	\$ 2,145,834	\$ 77,917	42.7	96.7%	62.8%	5,760	2.9%

Source: U.S. Census Bureau of Labor Statistics, 2012-2016 American Community Survey, 5-Year Estimates and Kirkwood School District

^aMedian age was not available.

CITY OF KIRKWOOD, MISSOURI

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2018		2009	
	Product or Service	Employees	Rank	Employees
Kirkwood School District R-7.....	Education	714	1	611
The Lutheran Church-Missouri Synod.....	Church Headquarters	381	2	387
Junior College District of St. Louis, St. Louis County Missouri.....	Education	343	3	450
City of Kirkwood.....	City Government	321	4	257
Shop 'n Save Supermarket.....	Retail Grocer	185	5	205
Ashfield Active Living and Wellness(Aberdeen).....	Retirement Residence	143	6	
Lowes.....	Retail	117	7	104
Wal-Mart.....	Retail	113	8	219
St. Agnes Home.....	Long-Term Care	98	9	87
Arrow Box Company.....	Manufacturing	69	10	
AT&T (Formerly SBC Communications).....	Telephone			115
Target.....	Retail	*	-	126
Total.....		2,484		2,561

Source: Office of the Chief Administrative Officer

Note: Percentage of total city employment column has been omitted for both 2018 and 2009 because accurate information is unavailable.

* Target has historically ranked around the 5th to 7th major employer but has made it a policy decision not to disclose this information.

CITY OF KIRKWOOD, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
City clerk.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administration.....	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.0	4.0
MIS ^a	5.5	5.5	5.5	5.5	5.5	5.5	6.0	6.0	6.0	5.0
Personnel.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community development.....	-	-	-	-	-	-	-	-	-	-
Finance ^b	7.5	7.5	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.0
Municipal court.....	2.0	2.0	2.0	2.5	2.5	2.8	3.0	3.0	2.0	2.0
Special Business District.....	2.6	2.6	2.6	2.3	2.6	2.6	2.6	2.6	2.6	2.6
Purchasing.....	3.8	4.3	4.3	4.5	4.5	3.5	4.5	4.5	4.5	3.5
Engineering ^c	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.3	6.3
Building maintenance.....	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.5	3.5
Building commissioner.....	8.0	8.0	7.0	7.2	7.3	7.5	7.7	8.7	7.0	7.0
Police:										
Commissioned Officers.....	56.0	58.0	59.0	60.0	60.0	60.0	62.0	60.0	61.0	62.0
Civilians.....	14.0	11.8	13.3	13.0	13.0	13.7	14.0	15.1	20.5	19.5
Fire:										
Officers, firefighters, and EMS.....	45.0	46.0	46.0	46.0	46.0	44.0	46.0	54.0	52.0	53.0
Civilians.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets.....	14.0	13.0	13.0	12.0	12.0	13.0	12.0	12.0	13.0	14.0
Parks.....	10.8	12.7	12.3	12.3	12.5	13.0	13.0	13.4	16.0	15.0
Recreation.....	18.8	17.5	18.8	17.0	17.0	17.0	17.0	16.0	18.7	16.8
Electric.....	21.0	21.0	21.0	21.0	21.0	21.0	22.0	21.0	19.5	19.5
Water.....	15.0	16.0	18.0	17.0	18.0	17.0	18.0	19.0	18.3	17.8
Sanitation ^d	19.0	20.6	17.8	16.0	17.8	16.8	14.9	15.8	15.2	15.0
Workers compensation.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fleet services.....	6.8	7.3	7.3	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total.....	267.5	271.6	273.2	268.6	272.5	270.2	275.5	283.9	292.1	287.5

Source: City of Kirkwood Finance Department

^aGIS technician position included in MIS is funded by the Water Fund.

^bOffice manager, (2) utility billing clerks, and customer service representative included in Finance are funded equally by the Electric, Water, and Sanitation Funds.

^cDirector of Public Works included in Engineering is funded 40% by Sanitation.

^dCustomer service assistant included in Sanitation is funded 33-1/3% by Fleet Services until Fiscal Year 2012.

CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
Business/Liquor Licenses Issued.....	1,067	1,054	1,096	1,056	1,110	1,046	1,140	1,011	1,022	1,184
AP Checks Issued.....	5,455	4,875	4,754	4,838	4,466	3,994	3,332	3,715	3,941	3,212
Electronic Vendor Payments Processed.....	-	419	600	571	536	963	1,840	2,198	2,111	2,652
Payroll Checks Issued.....	147	128	122	125	42	28	12	32	11	14
Purchasing:										
Purchase Orders Issued.....	828	865	884	989	998	1,013	1,019	1,113	1,245	1,206
Invoices Processed.....	1,928	1,973	2,325	2,297	2,371	2,582	2,744	2,847	2,932	2,991
Formal Bids.....	54	93	100	187	197	212	218	185	267	217
Engineering:										
Concrete Street Replacement (Square Yds).....	7,293	13,226	13,570	16,499	20,385	17,978	12,516	29,676	22,065	12,164
Asphaltic Concrete Overlays (Tons).....	6,247	9,464	124,227	8,667	46,320	6,594	-	1,137	4,302	4,439
Planning & Zoning Applications including Performance Guarantee Administration.....	25	22	20	31	22	27	26	21	26	29
Excavation Deposits.....	84	141	148	162	200	225	296	274	271	141
Sewer Lateral Insurance Applications.....	144	94	140	120	141	174	165	173	191	175
Single Family Site Plan Reviews.....	30	25	19	28	41	52	66	54	65	79
Building Maintenance:										
Work Orders Completed.....	499	525	812	491	726	614	675	623	593	813
Building Commissioner:										
Cost Recovery Rate.....	109%	92%	143% ^a	130%	108%	116%	130%	127%	121%	140%
Permits Issued:										
Building.....	2,162	1,952	1,943	1,994	676	2,371	3,110	4,541	2,832	3,034
Occupancy.....	1,331	1,461	1,517	1,544	1,471	1,477	1,528	1,564	1,472	1,464
Inspections Performed:										
Construction.....	5,862	5,079	4,755	5,267	5,532	6,339	8,525	9,057	9,465	8,724
Re-Occupancy.....	2,429	2,856	3,026	3,049	2,746	2,490	2,586	2,809	2,554	2,343
Board of Adjustment Cases.....	24	14	19	25	27	33	44	29	43	30
Architectural Review Cases.....	68	43	57	49	204	216	247	272	252	238
Police:										
Number of Calls.....	20,712	18,442	18,451	20,893	22,929	22,730	24,223	24,009	24,738	25,383
Number of Code Violation Complaints.....	1,011	2,578	2,999	1,694	2,109	1,461	1,773	2,561	1,244	1,818

CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)

LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire:										
Number of Calls.....										
Fire.....	1,305	1,170	1,234	1,317	1,096	1,088	1,162	1,353	1,666	1,685
EMS.....	2,236	2,207	2,180	2,703	2,568	2,625	2,840	2,698	3,091	3,112
Percentage of "At Risk" Property Saved.....	97.55%	95.71%	93.24%	97.74%	98.98%	98.80%	98.46%	93.91%	93.47%	85.50%
Streets:										
Maintenance - Asphaltic Concrete (Tons).....	426	866	15,462	440	424	387	597	597	1,008	920
Maintenance - Crack Seal after FY2003 (Pounds)....	1,332	4,107	2,143	4,847	4,551	6,750	999	1,369	1,480	1,813
Ground/Forestry Maintenance (Hours).....	3,269	3,053	4,137	4,804	5,067	5,021	4,642	3,502	4,637	2,080 ^b
Snow Removal:										
Salt Used (Tons).....	1,548	1,920	3,413	919	1,206	3,008	1,120	819	453	456
Labor (Hours).....	1,490	1,163	1,809	469	1,173	2,031	993	660	479	478
Parks:										
Park Maintenance Cost per Acre.....	\$ 3,493	\$ 3,617	\$ 3,719	\$ 3,739	\$ 3,941	\$ 4,108	\$ 4,075	\$ 4,441	\$ 4,355	\$ 4,261
Recreation:										
Aquatic Facility Attendance.....	71,812	62,995	74,014	67,519	61,754	55,048	66,132	49,030	76,936	62,382
Ice Rink Facility Attendance.....	26,073	28,383	27,623	33,734	37,528	41,675	41,675	39,978	127,584	108,433
Cost Recovery Rate.....	86%	90%	85%	84%	87%	84%	84%	89%	91%	88%
Electric:										
Number of Customer Accounts:										
Residential.....	8,832	8,948	8,804	8,763	8,878	8,790	8,872	8,769	8,737	8,820
Commercial.....	1,317	1,405	1,349	1,259	1,276	1,263	1,268	1,261	1,256	1,267
Personnel Cost/Customer Accounts.....	\$ 167	\$ 174	\$ 185	\$ 188	\$ 196	\$ 200	\$ 209	\$ 202	\$ 201	\$ 201
Distribution Cost Per Circuit Line Mile.....	\$ 13,555	\$ 11,490	\$ 11,552	\$ 18,088	\$ 20,475	\$ 19,738	\$ 20,218	\$ 21,751	\$ 22,587	\$ 20,735
Water:										
Number of Customer Accounts:										
Residential.....	9,468	9,633	9,465	9,252	9,470	9,444	9,488	9,458	9,512	9,389
Commercial.....	828	836	831	801	832	820	830	833	821	823
Personnel Cost/Customer Accounts.....	\$ 120	\$ 124	\$ 137	\$ 144	\$ 135	\$ 132	\$ 139	\$ 141	\$ 140	\$ 137

CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sanitation:										
Number of Customer Accounts										
Residential.....	9,247	9,275	9,338	9,324	9,325	9,187	9,167	9,154	9,142	9,200
Commercial.....	145	144	150	144	150	167	223	216	224	- ^e
Personnel Cost/Customer Accounts.....	\$ 124	\$ 120	\$ 123	\$ 120	\$ 117	\$ 114	\$ 106	\$ 113	\$ 113	\$ 105
Material Collected:										
Recycling Material Collected (Tons).....	3,096	2,733	2,929	4,163	4,162	4,203	4,238	4,347	2,299	4,175
Waste Disposal (Tons).....	9,228	8,923	8,378	6,974	6,737	7,071	7,944	7,634	7,923	6,280
Landfill Diversion Rate (% Recycled/Total).....	25%	23%	26%	37%	38%	37%	41%	22%	48%	37%
Yard Waste (Cubic Yards).....	7,724	6,955	7,034	7,814	6,437	7,748	7,587	7,479	7,929	6,885
Workers Compensation:										
Number of Claims.....	52	31	21	15	43	38	30	30	31	29
Average Cost per Claim.....	\$ 15,936	\$ 24,580	\$ 12,459	\$ 5,511	\$9,648	\$12,190	\$6,166	\$5,215	\$14,977	\$20,849
Fleet Services:										
Average Age of Vehicles.....	9.7	8.4	6.2	6.2	6.1	6.3	6.7	6.9	6.3	6.3
Maintenance Cost per Vehicle.....	\$ 6,339	\$ 5,827	\$ 6,115	\$ 6,139	\$ 7,084	\$ 5,720	\$ 5,608	\$ 3,684	\$ 4,848	\$ 4,966

Source: Various city departments

^aIncludes permit for Aberdeen of \$282,456

^bBeginning FY18 additional forestry and ground maintenance is outsourced.

^cFY18 commercial sanitation was terminated.

CITY OF KIRKWOOD, MISSOURI

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
Vehicles.....	2	2	2	2	2	2	1	1	1	1
Purchasing:										
Vehicles.....	1	2	2	1	1	1	1	1	1	1
Warehouse										
Vehicles.....	-	-	-	-	-	-	0	1.5	0.5	0.5
Engineering:										
Vehicles.....	3	4	3	3	3	3	3	3	4	4
Building Maintenance:										
Vehicles.....	4	3	2	2	2	3	3	2.5	3.5	3.5
Building commissioner:										
Vehicles.....	4	4	4	4	4	4	4	4	4	5
Police:										
Stations.....	1	1	1	1	1	1	1	1	1	1
Vehicles.....	25	29	27	28	29	29	31	30	32	33
Fire:										
Stations.....	3	3	3	3	3	3	3	3	3	3
Vehicles.....										
Pumpers.....	4	4	4	3	3	4	4	4	4	4
Aerial Ladder.....	1	1	1	1	1	1	1	1	1	1
Ambulance.....	2	4	4	4	4	4	4	5	4	5
Hazmat/Rescue/Utility.....	2	2	2	2	2	5	5	3	3	3
Command Vehicles.....	4	4	4	4	4	4	3	3	4	3
Streets:										
Miles of Streets.....	109	109	109	221	221	221	221	221	221	248
Miles of Sidewalks.....	111	111	111	111	111	111	111	111	111	120
Vehicles.....	19	22	21	21	20	21	21	21	21	21
Parks and Recreation:										
Acres of Parks.....	325	325	326	330	330	330	330	324.5	324.5	330
Community Center.....	1	1	1	1	1	1	1	1	1	1

CITY OF KIRKWOOD, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Parks and Recreation (Continued):										
Outdoor Amphitheater.....	1	1	1	1	1	1	1	1	1	1
Aquatic Facility.....	1	1	1	1	1	1	1	1	1	1
Enclosed Ice Rink.....	1	1	1	1	1	1	1	1	1	1
Ball Diamonds.....	8	8	8	8	8	8	7	5	5	7
Tennis Courts.....	10	10	10	10	10	10	9	9	9	9
Handball Courts.....	2	2	2	2	2	2	2	2	2	2
Pickleball Courts.....	-	-	-	-	-	-	1	1	1	1
Vehicles.....	12	16	14	14	12	13	16	15	15	15
Electric:										
Substations.....	6	6	6	6	6	6	6	6	6	6
Miles of Line.....	132	132	132	132	132	132	132	132	132	132
Street Lights.....	2,316	2,316	2,316	2,316	2,316	2,316	2316	2316	2316	2316
Traffic Lights.....	121	121	121	121	121	121	121	121	121	121
Vehicles.....	12	12	14	14	16	16	16	17	16	16
Water:										
Pumping Stations.....	6	6	6	6	6	6	6	4	4	6
Inter Connect Valves.....	2	2	2	2	2	2	2	4	6	2
Miles of Water Line.....	135	135	135	135	135	135	135	135	135	135
Vehicles.....	14	17	15	15	15	14	16	16	17	17
Sanitation:										
Collection Trucks.....	8	8	8	8	8	12	10	14	14	14
Other Vehicles.....	4	6	4	4	4	6	5	3	2	3
Recycling Equipment.....	4	4	4	4	4	4	4	5	5	5
Fleet Services:										
Vehicles.....	4	2	5	4	4	3	3	3	3	3

Source: Various city departments