CITY OF FRONTENAC

Comprehensive Annual Financial Report

For The Year Ended June 30, 2019

CITY OF FRONTENAC, MISSOURI

CITY OF FRONTENAC, MISSOURI

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2019

Prepared by:
Finance Department
Lea Ann Bennett, CPA, Finance Officer

	Page
SECTION I - INTRODUCTORY SECTION	
Letter of Transmittal	i
City Officials	vii
Organizational Chart	viii
Certificate of Achievement for Excellence in Financial Reporting	ix
SECTION II - FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Net Position - Agency Fund	18
Notes to Financial Statements	19
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	37
Stormwater Fund	41
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	42
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	43
Schedule of Pension Contributions	44
Other Supplemental Information:	
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Capital Improvement Fund	46
Statement of Changes in Assets and Liabilities - Agency Fund	47
SECTION III - STATISTICAL SECTION	
Net Position by Component	49
Change in Net Position	50
Fund Balances of Governmental Funds	51
Changes in Fund Balances of Governmental Funds	52

	Page
SECTION III - STATISTICAL SECTION (Continued)	
Municipal Tax Revenue by Source	53
Assessed Value and Estimated Actual Value of Taxable Property	54
Property Tax Rates - Direct and Overlapping Governments	55
Principal Taxpayers	56
Property Tax Levies and Collections	57
Sales Tax Rates - Direct and Overlapping	58
Sales Tax Revenues	59
Ratios of Outstanding Debt by Type	60
Direct and Overlapping Governmental Activities Debt	61
Legal Debt Margin	62
Demographic and Economic Statistics	63
Property Value and Construction	64
Principal Employers	65
Full-time City Government Employees by Functions/Programs	66
Operating Indicators by Functions/Programs	67
Capital Asset Statistics by Functions/Programs	68
SECTION IV - INTERNAL CONTROL AND COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	69

SECTION I - INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF FRONTENAC

Kate Hatfield
Mayor

Jaysen Christensen
City Administrator

November 12, 2019

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

The Comprehensive Annual Financial Report of the City of Frontenac, Missouri (the City) for the fiscal year ended June 30, 2019 is hereby submitted for your review. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

Profile of the government

In 1947, the residents of Frontenac Estates, Jaccard Lane and Clayton Terrace petitioned the County Court to become the Village of Frontenac, an area of 217 acres. An annexation in May of 1948 added an additional 967 acres, including West End Park and the yet to be developed areas of Villa Duchesne School and the Retreat House of the Cenacle (now Ballantrae Subdivision). On November 6, 1950, Frontenac residents voted to become a City of the fourth class. The City of Frontenac has 3,483 residents, approximately 1,300 homes and comprises 1,944 acres (2.8 square miles).

The City of Frontenac is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation.

10555 Clayton Road ◆ Frontenac, MO 63131
(314) 994-3200 ◆ (314) 994-3203 Fax
www.cityoffrontenac.org

The City of Frontenac has operated under the Mayor-board of aldermen form of government since 1950. Policy-making and legislative authority are vested in the governing board (Board of Aldermen) consisting of the Mayor and six other members, all of whom are elected by the residents of their ward. Board members serve two-year terms, with three members elected every other year. The Mayor is elected for a two-year term. The Mayor, with board approval, appoints the City of Frontenac's administrator.

The City of Frontenac provides a full range of services, including police, fire and emergency medical services or EMS protection; leaf removal; snow removal on thoroughfares; traffic control; building inspections; licenses and permits; the construction and maintenance of City streets; bridges; storm water runoff projects and other infrastructure activities.

The Board is required to adopt an initial budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of Frontenac's financial planning and control. The budget is prepared by fund, function and department (e.g., police). Department heads may transfer resources within a department as they see fit. In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

Local economy

The City of Frontenac is a wealthy inner-ring suburb of St. Louis. The City of Frontenac's signature landmark is Plaza Frontenac, a high-end shopping mall featuring many prominent retailers such as Saks Fifth Avenue, Neiman Marcus and Tiffany & Co. as well as fine dining establishments such as Flemings, Bricktops and Brio's. The City is home to the Hilton St. Louis Frontenac Hotel and Conference Center, as well as private catholic educational facilities for K-6 and college preparatory. Major industries located in the City or in close proximity to the City include major hospitals, educational facilities, manufacturers, retail stores, the county seat and several financial institutions and insurance companies. A project by the DESCO group, which will be anchored by Lifetime Fitness, and a luxury villa community being built by McBride Homes will be added to the City's landscape in the near future.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. The City of Frontenac continues to experience unemployment rates consistently lower than national averages. During the past ten years, the unemployment rate has fallen from a decade high of 1.7% in 2009 to a record low of 0.7% in 2018. The City of Frontenac's unemployment rate as of June 2019 was 0.9% compared to 3.7% nationally. The department of labor forecasts the unemployment rate will remain in the 3-4% range through fiscal year 2020.

Median household incomes within the City of Frontenac are significantly higher than for the state as a whole. According to the year 2015 census estimates, the City's median family income was $127,500; St. Louis County's was $59,755; while the state's was $48,173. Despite the softening of the housing market nationwide, housing prices in the vicinity of the City of Frontenac continue to remain strong. At the end of the third quarter of 2019, the median sale price of a single family home in the vicinity of the City of Frontenac was $780,000 and median list price $1,369,000.

Due to its careful long-term 20-year financial planning model, the City received its AAA issuer credit rating assigned by Standard & Poor's in October 2009 with the City's bond issue for construction of the New City Hall project. This rating was reaffirmed in 2013.

During the past ten years, total revenues, excluding grants, increased on average 2.25% annually and were affected by revenue downturns due to the 2009 economic recession. The City shares a material percentage of sales tax revenue to the County "pool," as indicated on page 59. Sales tax revenues outperformed budget expectations and the prior year by 2.8% and 1.6%, respectively. Sales tax revenue growth, net of sharing, averaged 2.9% for the five-year period 2014 to 2018, and in 2019 decreased slightly to 2.6% average growth for the five-year period 2015 to 2019. City services are heavily dependent on revenue from sales tax generated by the City of Frontenac's retail businesses. Actual sales tax revenues were more than $123,000 over budget in 2019.

Like most cities, the City of Frontenac's services are heavily dependent on personnel. Police, fire, EMS, and administration personnel expenses make up 84.3% of the 2019-2020 General Fund budget. General and Capital Fund personnel expenses make up 69.4% of their combined 2019-2020 expense budgets. While it is necessary to continually review efficiencies in personnel, response time and service levels for police and fire have historically been important to our community's residents. Cost savings measures helped to buffer personnel expense increases which have increased on average 2.1% over the prior 9 years. The City conducted a market study of employee pay among neighboring municipalities, which resulted in adjusting all employee salaries effective July 1, 2019. Employee salaries below the 60th percentile of the market were increased to the 60th percentile in order to continue to attract and retain employees to the City. A total of $4,187,019 was budgeted for employee salaries in 2019-2020 compared to an estimated actual expenditure of $4,113,786 in 2018-2019. This represents an increase of 1.78% or $73,233.

Public Safety (police, fire, and EMS) is by far the City's largest expense. Public safety accounts for approximately 85.0% of personnel expenses. Administrative staff, the Board of Aldermen, and the Ways and Means Committee all continue to work together to reduce personnel expenses or limit the increase in these and other costs. Some of our successes during recent years are listed below:

- Consolidated dispatch in 2011 with West Central Dispatch Center, cities of Creve Coeur, Frontenac and Town and Country generating annual savings of $110,000. While consolidating our police and fire dispatch has resulted in these savings, the annual cost to provide the vital communications for our first responders is $280,000 (2016-2018 estimate) and is also heavily personnel-driven.

- Charter member of St. Louis Area Insurance Trust (SLAIT) which added self-insured health insurance in 2010. Annual estimated savings of $45,000 when combined with the addition of employee deductible of $1,000 per employee and $2,000 per family.

- Reduced City's share of health insurance cost by increasing employee only portion of health care from zero to 10%. Savings of $33,000 annually.

- Lengthened "steps to max pay" from 3 to 8 years reducing the annual payroll step increases. Savings of $38,000 over an 8 year period per new hire.

- Froze longevity increases and time in rank for all employees in 2011 resulting in estimated savings of more than $350,000 over 10 years.

- Obtained grant revenue for police and fire equipment and capital improvement projects, offsetting City expenses by almost $800,000 over the past six years.

- Police, fire and public works have all managed capital vehicle and equipment purchases to reduce cost from prior years. Estimated savings in excess of $15,000 annually.

- Public Works has borrowed equipment from Creve Coeur, fire has borrowed/shared equipment and training resources and police have obtained donated equipment, all resulting in reduced or zero expense increases. Estimated savings of over $10,000 annually.

- Participation in the St. Louis Area Insurance Trust (SLAIT) resulted in a minimal increase of 2.0% to the City's health insurance costs for 2018-19. This increase is significantly below industry standards, which averaged 6% increases. The City's actual cost of the increase for 2018-2019 was more than offset by a surplus distribution of prior year premiums from SLAIT.

During the past ten years, the City's overall expenditures related to public safety have increased in amount, but not necessarily as a percentage of total operational expenditures in governmental funds (currently 61.6% of operational expenditures and 57.9% of total expenditures), reflecting a ten-year increase of 4.0% for fire/EMS but a decrease of 5.7% for police. Much of the increase reflects the 2010 addition of the EMS/ambulance service to improve response times as well as the increased personnel to fulfill ISO insurance ratings requirements on fire truck minimum manning. Much of the decrease reflects the 2011 consolidation of public safety dispatching.

Over the past ten plus years, the government has experienced more than $215 million in construction projects with the majority of projects being new single-family homes and residential construction (74%) and the remaining 26% mainly consisting of renovations of existing commercial properties. This development, combined with an easy commute to the nearby metropolitan centers of Clayton and St. Louis City, the presence of retail and service industries, and the presence of nearby recreational, educational and health facilities has even further strengthened the City of Frontenac's already strong residential housing base.

Long-term financial planning and major initiatives

The City of Frontenac maintains a long-term financial planning projection tool which was initiated in April of 2008 and remains an integral part of the City's budget process. It includes a 20-year Capital Improvement Planning document that has an average annual expense estimate of $504,000 for replacement of capital items and $241,000 annually for infrastructure projects. The planning tool focuses on providing a long term picture of the City's projection of conservative revenues, planned expenditures and the correlating fund balance changes through one year past the City's debt service repayment (through March of 2029). The planning tool serves to ensure the City's future financial fiscal health and plan for future capital purchase and infrastructure needs.

The base version indicates a need to improve revenue growth while managing expenses during the next few years to offset a projected decline in fund balance. Without a significant influx of additional revenue, fund balance will drop below 25% of operating expenses in the year 2024-2025. The base version takes into account the current development of the Lifetime Fitness and the Arbors at Frontenac, both of which are under construction.

Relevant financial policies

The City of Frontenac has adopted a comprehensive set of financial policies. During the current year, all of these policies were relevant and observed. The City of Frontenac has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). The policy; however, allows for the appropriation of fund balance to close the gap. The City's fund balance policy is of particular interest as a financial indicator of fiscal health. The City's fund balance should optimally be no lower than 50% of operational expenditures plus two years debt service and compensated absences, and never lower than 25% of operational expenditures plus two years debt service and compensated absences. Beginning with the 2016-2017 budget, the City added compensated absences of $50,000 to the fund balance calculation to represent payout of sick leave in connection with retirement. One anticipated retirement payout is included in the Fire Department line item for salaries. For budget year 2019-2020, the fund balance ratio is projected to be 142.0% of operational expenditures which surpasses the fund balance target by 92.0%.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial reports (CAFR) for the fiscal year ended June 30, 2018. This was the fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR meets the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

I would like to thank all of the City's departments for their assistance in providing the data necessary to prepare the functional report as well as the Auditor's and City Administrator's help in reviewing graphs and information. Credit is also due to the Ways and Means Committee, Mayor, and Board of Aldermen for their unwavering support in maintaining the highest standards of professionalism in the management of The City of Frontenac's finances.

Respectfully submitted,

LeaAnn Bennett, CPA

Lea Ann Bennett, CPA
Finance Officer

Elected Officials:

MAYOR
Kate Hatfield

BOARD OF ALDERMEN
Brian Warner, Ward I
Dan Kemper, Ward I
Jamie Griesedieck, Ward II
Nalini Mahadevan, Ward II
Tom O'Brien, Ward III
Daniel Millman, Ward III

Appointed Positions:

CITY ADMINISTRATOR
Jaysen Christensen

POLICE CHIEF
Mark Guttmann

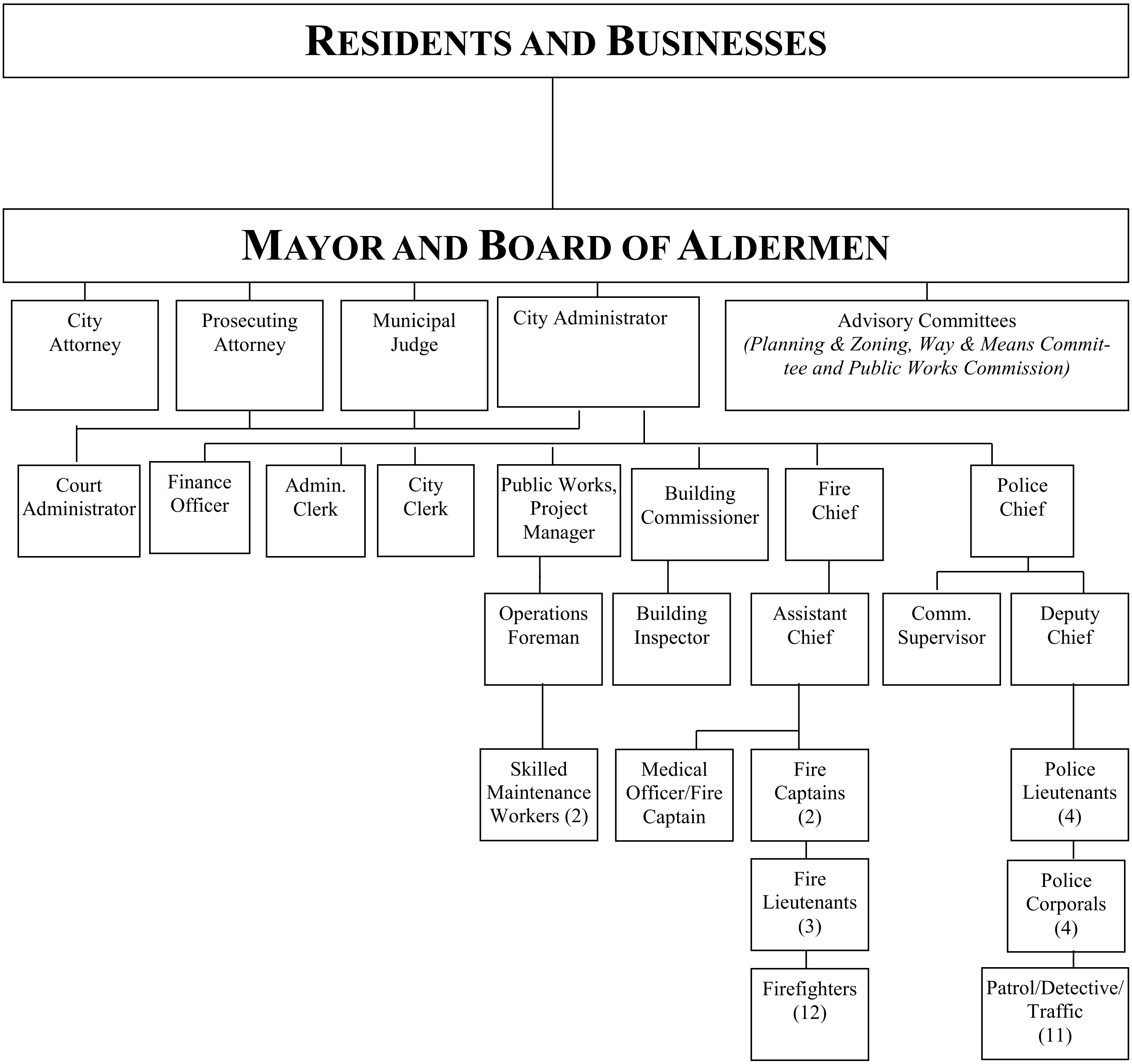
FIRE CHIEF
Mark Ulses

FINANCE OFFICER
Lea Ann Bennett, CPA

CITY CLERK
Leesa Ross

PUBLIC WORKS DIRECTOR
Jeffrey Wappelhorst

BUILDING COMMISSIONER
John Morgan



There is only one employee per position, unless otherwise noted

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Frontenac

Missouri

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION II - FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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

INDEPENDENT AUDITOR'S REPORT

November 12, 2019

Honorable Mayor and Members of the Board of Aldermen
CITY OF FRONTENAC, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF FRONTENAC, MISSOURI** (the City), as of and for the year ended June 30, 2019, 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.

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

In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information 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 supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri

This Management's Discussion and Analysis (MD&A) is intended to be an overview of the City of Frontenac, Missouri's (the City) financial activities for the fiscal year ended June 30, 2019. It should be read in conjunction with the City's financial statements (attached).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $23,327,693 (net position). The City had unrestricted net position totaling $6,571,883.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $9,019,510, an increase of $717,846 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,887,479 or 112% of total General Fund expenditures.

- The City's total long-term liabilities decreased $233,383 during the most recent fiscal year mainly due to normal annual debt service payments and changes in compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the 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 that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include administration, boards and commissions, building department, fire department, legal department, municipal building, municipal division, police department, public works, and stormwater. The City does not have any business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

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

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

The City maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Stormwater Fund, and Capital Improvement Fund, and all of which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund, Stormwater Fund, and Capital Improvement Fund. Budgetary comparison statements have been provided for these funds to demonstrate legal compliance with the respective adopted budget.

Fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one fiduciary fund. Agency funds report resources held by the City in a custodial capacity for individuals and other governments. The agency fund accounts for court appearance bonds due to others. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

Required supplemental information. This MD&A, the General Fund and Stormwater Fund budgetary comparison schedules, and information concerning the City's progress in funding its obligation to provide pension benefits to its employees represent financial information required by Governmental Accounting Standards Board (GASB) to be presented. Such information provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as "the basic financial statements").

Other supplemental information. This part of the annual report includes optional financial information such as the budgetary comparison schedule for the Capital Improvement Fund. This other supplemental financial information is provided to address certain specific needs of various users of the City's annual 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $23,327,693 at the close of the most recent fiscal year.

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

A condensed version of the statement of net position is as follows:

	June 30		2019 Change	
	2019	2018	Amount	Percent
ASSETS				
Current and other assets	$ 15,122,036	14,105,465	1,016,571	7.2 %
Capital assets	13,113,108	13,413,373	(300,265)	(2.2)
Total Assets	28,235,144	27,518,838	716,306	2.6
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	598,935	324,781	274,154	84.4
LIABILITIES				
Other liabilities	852,939	746,302	106,637	14.3
Long-term liabilities	3,104,156	3,337,539	(233,383)	(7.0)
Total Liabilities	3,957,095	4,083,841	(126,746)	(3.1)
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	1,549,291	1,640,312	(91,021)	(5.5)
NET POSITION				
Net investment in capital assets	10,465,500	10,549,472	(83,972)	(0.8)
Restricted	6,290,310	5,274,386	1,015,924	19.3
Unrestricted	6,571,883	6,295,608	276,275	4.4
Total Net Position	$ 23,327,693	22,119,466	1,208,227	5.5 %

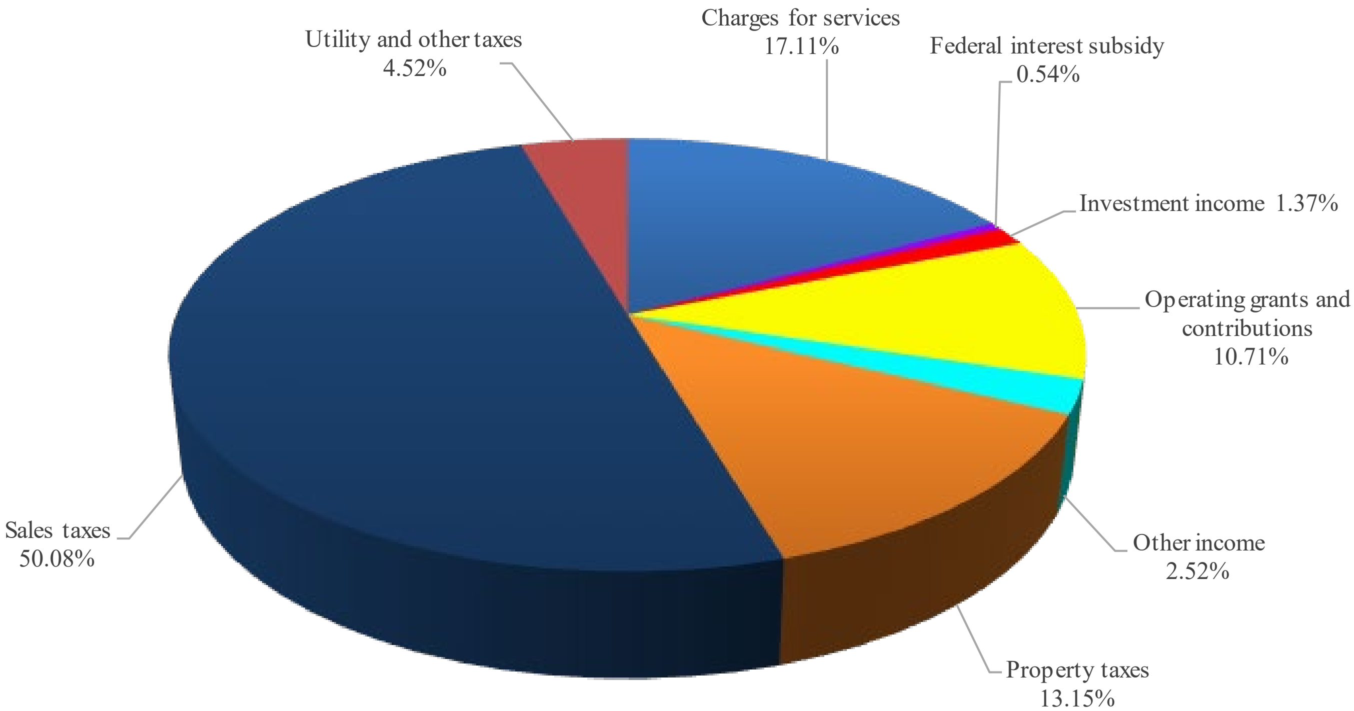
Governmental activities. Governmental activities increased the City's net position by $1,208,227.

A condensed version of the statement of activities is as follows:

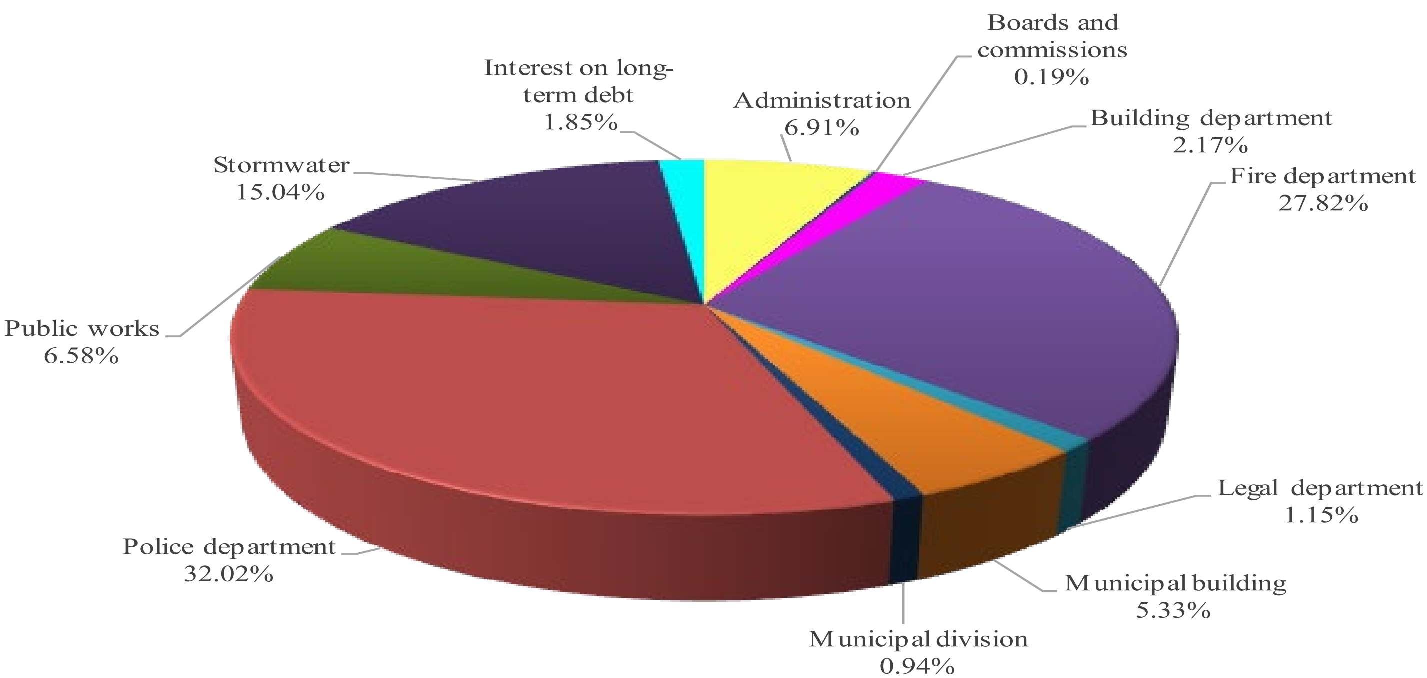
	For The Years Ended June 30		2019 Change	
	2019	**2018**	**Amount**	**Percent**
REVENUES				
Program revenues:				
Charges for services	$ 1,671,258	1,711,577	(40,319)	(2.4) %
Operating grants and contributions	1,045,594	1,056,904	(11,310)	(1.1)
General revenues:				
Taxes	6,623,372	6,512,479	110,893	1.7
Federal interest subsidy	52,470	56,055	(3,585)	(6.4)
Investment income	134,012	42,692	91,320	213.9
Other	239,962	264,572	(24,610)	(9.3)
Total Revenues	9,766,668	9,644,279	122,389	1.3
EXPENSES				
Administration	591,734	630,882	(39,148)	(6.2)
Boards and commissions	15,909	17,587	(1,678)	(9.5)
Building department	186,140	249,015	(62,875)	(25.2)
Fire department	2,380,714	2,209,395	171,319	7.8
Legal department	98,096	87,686	10,410	11.9
Municipal building	456,294	485,533	(29,239)	(6.0)
Municipal division	80,208	102,052	(21,844)	(21.4)
Police department	2,740,062	2,916,308	(176,246)	(6.0)
Public works	563,556	568,708	(5,152)	(0.9)
Stormwater	1,286,875	898,679	388,196	43.2
Interest on long-term debt	158,853	170,452	(11,599)	(6.8)
Total Expenses	8,558,441	8,336,297	222,144	2.7
CHANGE IN NET POSITION	1,208,227	1,307,982	(99,755)	(7.6)
NET POSITION, JULY 1	22,119,466	20,811,484	1,307,982	6.3
NET POSITION, JUNE 30	$ 23,327,693	22,119,466	1,208,227	5.5 %

Revenues increased mainly due to increases in taxes and investment income. Expenses for the stormwater accounts increased mainly due to more construction and engineering costs for various stormwater projects compared to the prior year.

Revenues by Source



Expenses by Department



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $9,019,510, an increase of $717,846 in comparison with the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $6,887,479, while total fund balance reached $13,077,098. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 112% of total General Fund expenditures, while total fund balance represents 213% of that same amount. The fund balance of the General Fund increased by $629,250 during the current fiscal year. This increase is mainly due to increase in sales tax revenues, building permits, and cost savings in the Police Department.

The Stormwater Fund balance increased by $456,530 during the fiscal year to $1,959,694 due to increase in grants revenue and decrease in stormwater projects during the course of the year.

The Capital Improvement Fund balance decreased $367,934 during the fiscal year to a deficit of $6,017,282. This deficit will be financed through future revenues of the fund as outlined in the City's long-term financing tool. The main reason for the decrease was the annual debt service payments and planned capital outlay purchases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund was above projections during 2019 due to increased revenues and decreased expenditures. The total revenue variance was favorable by 3.0% due to various tax revenues and building permits which were higher than expected. The expenditures variance was favorable by 2.3% due to most departments having expenditures slightly less than budgeted.

CAPITAL ASSETS

The City has invested, net of accumulated depreciation, $13,113,108 at June 30, 2019, in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure. This amount represents a net decrease of $300,265 for the current fiscal year (including additions and deductions).

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

	June 30	
	2019	2018
Land	$ 26,900	26,900
Buildings and other improvements	8,760,052	9,017,928
Office furniture and equipment	3,122	4,257
Machinery and equipment	1,318,666	1,272,049
Infrastructure	3,004,368	3,092,239
Total Capital Assets	$ 13,113,108	13,413,373

More information on capital asset activity during the year is provided in the notes to the financial statements in Note C.

LONG-TERM DEBT

The City's long-term debt is detailed below. Additional information on the City's long-term debt can be found in Note E in the notes to the financial statements.

	June 30	
	2019	2018
Certificates of participation	$ 2,635,000	2,850,000
Plus - Premium	12,608	13,901
Compensated absences	456,547	473,638
Total Long-term Debt	$ 3,104,155	3,337,539

Compensated absences, or accrued vacation and compensatory time, decreased $17,090 over the prior fiscal year. Employees also earn sick leave, but accrued sick leave is not payable at termination. Upon eligible retirement, sick leave may be converted to compensation.

Certificates of participation outstanding relate to the City government center project from 2009.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's 2019 revenue performed above expectations, with a 2.7% increase over budget as a final result. Excluding grants and MSD project contributions, performance was 2.9% over budget. The City's sales tax revenue for all funds combined outperformed the budget by 8.4%. The new revenue budget for 2020 has a positive 1.8% growth rate for total revenues, which is slightly below the regional economy growth for the St. Louis area CPI of 1.9% for the prior 2019 year. Sales tax is projected to increase by 8.3% compared to the 2018-2019 budget. An ongoing partnership with MSD produces $214,000 in revenue available for stormwater projects scheduled on Steeplechase Lane. Real estate tax growth is expected to yield a 3.1% increase due to new developments in the City.

Overall expenditures for 2019 were 5.9% lower than budget for all funds and 3.9% lower than budget for Capital and General Funds combined. Significant savings occurred in stormwater capital projects, due to changes in the Georgian Acres project. Savings was also recognized in capital purchases, as several capital items were purchased for less than anticipated.

General and Capital Fund operational expenditures for the new budget year of 2020 are expected to increase by 0.9%. Total personnel expenditures are projected to be down by 0.5%. The 2020 Capital Improvement Fund capital budgets include funding for computer equipment, EMS equipment, firefighting gear, police, fire, and public works vehicles, bridge repair, and Geyer Road engineering. The 2020 Stormwater Fund budget includes funding for stormwater projects on Steeplechase Lane, Timber Trail, Countryside Acres, and Clayton Terrace/Garibaldi/Arthur Ave, as well as a stormwater vehicle.

Net income for all funds in 2019 of $717,846 is mainly attributable to the increase in revenue coupled with the stormwater project changes and the capital purchases savings. The 2020 net income adjustment to fund balance at year-end for Capital and General Funds combined is budgeted to decrease by $64,569 to $6,995,246. The Parks and Stormwater Fund is projected to increase by $130,687 to $2,090,381.

The City's long-term planning model is greatly utilized by the City. The model focuses on providing a long-term picture of the City's conservative revenue projections, planned expenditures, and the correlation of fund balance changes through one year past the City's debt service repayment (another 10 years). The model is updated periodically to enable management to review and respond to variances that may affect budget objectives and outcomes.

As mentioned in the transmittal letter, the current base version indicates a need to improve revenue growth while managing expenses during the next few years. Without a significant influx of additional revenue, fund balance will drop below 25% of operating expenses in fiscal year 2024-2025. The base version takes into account the development of the DESCO site, anchored by Lifetime Fitness, as well as the McBride Homes development, Arbors at Frontenac

The 20-year planning model assisted the City in receiving the AAA issuer credit rating from Standard & Poor's during its bond issue in October, 2009. This was reaffirmed in 2013.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, City of Frontenac, 10555 Clayton Road, Frontenac, Missouri 63131.

	Governmental Activities
ASSETS	
Cash and investments	$ 8,421,861
Receivables, net:	
Municipal taxes	806,278
Intergovernmental	54,170
Other	99,487
Municipal court	7,228
Cash - restricted	494,419
Prepaid items	4,545
Net pension asset	5,234,048
Capital assets:	
Land	26,900
Other capital assets, net of accumulated depreciation	13,086,208
Total Assets	28,235,144
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	598,935
LIABILITIES	
Accounts payable	97,826
Accrued interest	50,764
Wages payable	159,252
Payroll withholdings	50,678
Escrow funds payable	494,419
Noncurrent liabilities:	
Due within one year	453,274
Due in more than one year	2,650,882
Total Liabilities	3,957,095
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,549,291
NET POSITION	
Net investment in capital assets	10,465,500
Restricted for:	
Law enforcement training	46,924
Pension	4,283,692
Stormwater projects	1,906,600
Sewer lateral projects	53,094
Unrestricted	6,571,883
Total Net Position	$ 23,327,693

See notes to financial statements

CITY OF FRONTENAC, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net Revenues (Expenses) And Change In Net Position: Governmental Activities
Governmental Activities					
Administration	$ 591,734	492,101	-	-	(99,633)
Boards and commissions	15,909	-	-	-	(15,909)
Building department	186,140	457,678	-	-	271,538
Fire department	2,380,714	282,588	-	-	(2,098,126)
Legal department	98,096	-	-	-	(98,096)
Municipal building	456,294	-	-	-	(456,294)
Municipal division	80,208	-	-	-	(80,208)
Police department	2,740,062	402,376	1,781	-	(2,335,905)
Public works	563,556	36,515	403,813	-	(123,228)
Stormwater	1,286,875	-	640,000	-	(646,875)
Interest on long-term debt	158,853	-	-	-	(158,853)
Total Governmental Activities	$ 8,558,441	1,671,258	1,045,594	-	(5,841,589)
General Revenues					
Taxes:					
Property					1,283,947
Sales					4,890,819
Utility					441,502
Other					7,104
Federal interest subsidy					52,470
Investment income					134,012
Other					239,962
Total General Revenues					7,049,816
CHANGE IN NET POSITION					1,208,227
NET POSITION, JULY 1					22,119,466
NET POSITION, JUNE 30					$ 23,327,693

See notes to financial statements

	General	Stormwater	Capital Improvement	Total Governmental Funds
ASSETS				
Cash and investments	$ 6,573,586	1,848,275	-	8,421,861
Receivables, net:				
Municipal taxes	482,971	174,629	148,678	806,278
Intergovernmental	37,629	-	-	37,629
Other	99,487	-	-	99,487
Municipal court	7,228	-	-	7,228
Cash - restricted	494,419	-	-	494,419
Prepaid items	4,545	-	-	4,545
Due from other funds	6,138,150	-	-	6,138,150
Total Assets	$ 13,838,015	2,022,904	148,678	16,009,597
LIABILITIES				
Accounts payable	$ 31,418	48,222	18,186	97,826
Wages payable	148,268	4,392	6,592	159,252
Payroll withholdings	37,050	10,596	3,032	50,678
Due to other funds	-	-	6,138,150	6,138,150
Escrow funds payable	494,419	-	-	494,419
Total Liabilities	711,155	63,210	6,165,960	6,940,325
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Property taxes	8,625	-	-	8,625
PILOTS	29,688	-	-	29,688
Services	11,449	-	-	11,449
Total Deferred Inflows Of Resources	49,762	-	-	49,762
FUND BALANCES				
Nonspendable:				
Prepaid items	4,545	-	-	4,545
Long-term interfund amounts	6,138,150	-	-	6,138,150
Restricted for:				
Law enforcement training	46,924	-	-	46,924
Stormwater projects	-	1,906,600	-	1,906,600
Sewer lateral projects	-	53,094	-	53,094
Unassigned	6,887,479	-	(6,017,282)	870,197
Total Fund Balances	13,077,098	1,959,694	(6,017,282)	9,019,510
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	$ 13,838,015	2,022,904	148,678	16,009,597

See notes to financial statements

Total Fund Balances - Governmental Funds	$ 9,019,510
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is $17,625,157 and the accumulated depreciation is $4,512,049.	13,113,108
Other long-term assets (property taxes and PILOTS not collected within 60 days of year-end) are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.	49,762
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension asset	5,234,048
Deferred outflows related to pensions	598,935
Deferred inflows related to pensions	(1,549,291)
Interest subsidy receivable	16,541
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued compensated absences	(456,548)
Accrued interest payable	(50,764)
Certificates of participation	(2,635,000)
Unamortized bond premium	(12,608)
Total Net Position Of Governmental Activities	$ 23,327,693

See notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	General	Stormwater	Capital Improvement	Total Governmental Funds
REVENUES				
Municipal taxes	$ 4,606,792	1,104,182	1,198,672	6,909,646
Intergovernmental	115,874	640,000	6,281	762,155
Licenses	511,307	-	-	511,307
Police and fire protection	501,276	-	-	501,276
Municipal division fines	154,193	-	-	154,193
Investment income	134,012	-	-	134,012
Federal interest subsidy	-	-	53,750	53,750
Other	688,956	36,515	-	725,471
Total Revenues	6,712,410	1,780,697	1,258,703	9,751,810
EXPENDITURES				
Current:				
Administration	595,961	-	51,374	647,335
Board and commissions	15,909	-	-	15,909
Building department	240,588	-	1,934	242,522
Fire department	2,495,257	-	35,895	2,531,152
Legal department	98,096	-	-	98,096
Municipal building	-	-	197,075	197,075
Municipal division	100,610	-	-	100,610
Police department	2,578,804	-	72,610	2,651,414
Public works	-	33,552	465,488	499,040
Stormwater	-	150,127	-	150,127
Capital outlay	-	1,140,488	423,188	1,563,676
Debt service:				
Principal	-	-	215,000	215,000
Interest	-	-	164,073	164,073
Total Expenditures	6,125,225	1,324,167	1,626,637	9,076,029
REVENUES OVER (UNDER) EXPENDITURES	587,185	456,530	(367,934)	675,781
OTHER FINANCING SOURCES				
Insurance recoveries	26,730	-	-	26,730
Sale of capital assets	15,335	-	-	15,335
Total Other Financing Sources	42,065	-	-	42,065
NET CHANGE IN FUND BALANCES	629,250	456,530	(367,934)	717,846
FUND BALANCES (DEFICIT), JULY 1	12,447,848	1,503,164	(5,649,348)	8,301,664
FUND BALANCES (DEFICIT), JUNE 30	$ 13,077,098	1,959,694	(6,017,282)	9,019,510

See notes to financial statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change In Fund Balances - Governmental Funds	$ 717,846
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of $543,221 exceeded capital outlay over the capitalization threshold totaling $290,023 in the current period.	(253,198)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and donations):	
Cost of disposals, net of accumulated depreciation	(47,067)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(10,592)
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Amortization	1,293
Certificates of participation principal payments	215,000
Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:	
Accrued compensated absences	17,090
Accrued interest on debt	2,647
Pension expense	565,208
Change In Net Position Of Governmental Activities	$ 1,208,227

See notes to financial statements

STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND

JUNE 30, 2019

ASSETS	
Cash	$ 3,665
LIABILITIES	
Due to others:	
Court appearance bonds	$ 3,665

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF FRONTENAC, MISSOURI** (the City) was incorporated in 1947. The City operates under a Mayor and six-member Board of Aldermen form of government and provides various services including public safety (police and fire), capital improvements, planning and zoning, and general administrative services.

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

1. Reporting Entity

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Agency Fund’s financial statements are reported using the accrual basis of accounting with no economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

Stormwater Fund -- The Stormwater Fund is a Special Revenue Fund used to account for the financial resources from the ½ cent stormwater sales tax and sewer lateral assessments. The revenues are to be used for stormwater projects and sewer lateral repairs.

Capital Improvement Fund -- The Capital Improvement Fund is used to account for financial resources from the ½ cent capital improvement sales tax and road and bridge taxes. The revenues are to be used for acquisition, construction, operation, or maintenance of major capital facilities, capital improvements, and operating equipment.

Additionally, the City reports the following fund types:

Agency Fund -- The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The City's Agency Fund consists of the municipal division collections for appearance bonds.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

4. Cash and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, time certificates of deposit, and repurchase agreements. Investments are stated at fair value.

5. Allowance for Doubtful Accounts

Municipal Division receivables are shown net of an allowance for uncollectibles of $35,378, and ambulance revenues are shown net of an allowance for uncollectibles of $24,334. The City estimates all other recorded accounts receivable at year-end are collectible and thus no allowance for doubtful accounts has been included in these financial statements for those accounts receivable.

6. Restricted Assets

Certain resources set aside for escrow amounts are classified as restricted assets on the balance sheet because their use is limited by the liability and legal requirements.

7. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. When applicable, the cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets (Continued)

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

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

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

Assets	Years
Buildings and other improvements	10 - 50
Office furniture and equipment	5 - 20
Machinery and equipment	3 - 20
Infrastructure	20 - 50

9. Interfund Transactions

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

Transfers - Transfers of resources from a fund revenue to the fund through which resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses), if any.

Due To/From Other Funds - Interfund amounts receivable/payable are reported as assets and liabilities of the appropriate funds. The interfund balance between the General Fund and the Capital Improvement Fund is not expected to be repaid within the upcoming fiscal year. The balance is due to the funding of the City's Municipal Complex.

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

10. Compensated Absences

Compensated absences of the City consist of the following: accrued vacation and compensatory time which is paid upon termination to all employees, and accrued sick leave which may be converted to compensation upon full retirement of an employee up to a maximum of one-half of actual accrued leave.

City employees earn vacation based upon their years of continuous service. Employees are expected to take an annual vacation; however, employees may carry over one-half of their current year's vacation accrual. All full-time employees accrue vacation at rates based on years of continuous full-time employment. Employees may accumulate up to six months of sick time, which is 1,040 hours for general and police employees, and 1,378 hours for firefighters.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Compensated Absences (Continued)

The accrued compensated absences benefit liability is recorded in the government-wide financial statements as long-term debt and is expected to be paid from future resources.

11. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of 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.

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources related to the pension reported on the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has deferred inflows of resources for unavailable revenues reported on the governmental funds balance sheet. The City also has deferred inflows of resources related to the pension reported on the government-wide statement of net position.

13. Fund Balances

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balances (Continued)

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

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

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

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

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

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 50% of annual operating expenditures for the fiscal year.

14. Ambulance Revenue

The City provides ambulance service to the City and the surrounding municipalities of Huntleigh, Crystal Lake Park, and Country Life Acres. Payments for ambulance service are charged to insurance companies, Medicare, Medicaid, and individuals. Gross ambulance service charges are typically reduced by insurance companies, Medicare, and Medicaid as well as amounts that are written off as uncollectible and referred to collections. During the year ended June 30, 2019, the City had gross charges totaling $255,849. The gross charges were reduced by amounts disallowed by the insurance companies, Medicare, and Medicaid totaling $95,484, uncollectible amounts (amounts referred to collections) totaling $44,420, and a refund amount of $1,589.

15. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, based on the assessed value of the property. Taxes are levied in October and are due and payable on or before December 31.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Property Taxes (Continued)

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

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

16. Use of Estimates

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

17. Pensions

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of June 30, 2019, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments

As of June 30, 2019, the City had the following investments:

Investments	Fair Value	Maturities Less Than One Year	Credit Risk
Money market funds	$ 7,270,749	7,270,749	Not rated

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes credit risk by pre-qualifying the financial institutions, brokers/dealers, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

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

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

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). At June 30, 2019, the City had the following investment concentrations:

Investments	Fair Value	Percent Of Total Investments
Money market funds - certain banks greater than 5%	$ 7,183,191	98.80 %

NOTE B - CASH AND INVESTMENTS (Continued)

3. Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. The City only has money market funds as of June 30, 2019, which are not measured at fair value and are excluded from the fair value hierarchy.

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets:

	For The Year Ended June 30, 2019			
	Balance June 30 2018	**Increases**	**Decreases**	**Balance June 30 2019**
Capital assets not being depreciated:				
Land	$ 26,900	-	-	26,900
Capital assets being depreciated:				
Buildings and other improvements	11,149,778	20,606	-	11,170,384
Office furniture and equipment	95,954	-	-	95,954
Machinery and equipment	2,412,760	269,417	231,126	2,451,051
Infrastructure	3,880,868	-	-	3,880,868
Total Capital Assets Being Depreciated	17,539,360	290,023	231,126	17,598,257
Less - Accumulated depreciation for:				
Buildings and other improvements	2,131,850	278,482	-	2,410,332
Office furniture and equipment	91,697	1,135	-	92,832
Machinery and equipment	1,140,711	175,733	184,059	1,132,385
Infrastructure	788,629	87,871	-	876,500
Total Accumulated Depreciation	4,152,887	543,221	184,059	4,512,049
Total Capital Assets Being Depreciated, Net	13,386,473	(253,198)	47,067	13,086,208
Total Capital Assets, Net	$ 13,413,373	(253,198)	47,067	13,113,108

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

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended June 30 2019
Administration	$ 4,378
Building department	6,061
Fire department	80,237
Municipal building	275,069
Police department	53,550
Public works	96,439
Stormwater	27,487
Total	$ 543,221

NOTE D - PENSION PLAN

Plan Description

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

Benefits Provided

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

	2019 Valuation
Benefit multiplier	1.5% for life, plus 0.5% to age 65
Final average salary	3 years
Member contributions	Noncontributory for employees

NOTE D - PENSION PLAN (Continued)

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

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Inactive employees entitled to but not yet receiving benefits	18
Active employees	52
Total	98

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 6.5% (General), 9.7% (Police), and 0.8% (Fire) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 7.15% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

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

NOTE D - PENSION PLAN (Continued)

The actuarial assumptions used in the February 28, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

Asset Class	Target Allocation	Long-term Expected Real Rate Of Return
Alpha	15.00%	3.67%
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic assets	8.00	5.25
Cash	10.00	-
Leverage	(35.00)	(0.51)

Discount Rate

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

NOTE D - PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a)-(b)**
Balances at June 30, 2018	$ 18,672,446	23,706,461	(5,034,015)
Changes for the year			
Service cost	447,572	-	447,572
Interest	1,344,356	-	1,344,356
Difference between expected and actual experience	352,640	-	352,640
Contributions - employer	-	229,258	(229,258)
Contributions - employee	-	382,446	(382,446)
Net investment income	-	1,613,171	(1,613,171)
Benefit payments, including refunds	(711,412)	(711,412)	-
Administrative expense	-	(10,628)	10,628
Other changes	-	130,354	(130,354)
Net Changes	1,433,156	1,633,189	(200,033)
Balances at June 30, 2019	$ 20,105,602	25,339,650	(5,234,048)

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

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

	1% Decrease	**Current Single Discount Rate Assumption**	**1% Increase**
Net pension liability (asset)	($ 2,350,489)	(5,234,048)	(7,621,550)

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

For the year ended June 30, 2019, the City recognized negative pension expense of $335,950. Reported deferred outflows and inflows of resources are related to the following sources:

NOTE D - PENSION PLAN (Continued)

	Outflows	Inflows	Net Outflows
Differences in experience	$ 389,644	(897,281)	(507,637)
Assumption changes	209,291	-	209,291
Excess (deficit) investment returns	-	(652,010)	(652,010)
Total	$ 598,935	(1,549,291)	(950,356)

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

For The Plan Years Ending June 30	
2020	$ (112,648)
2021	(426,026)
2022	(246,306)
2023	(46,222)
2024	(72,547)
Thereafter	(46,607)
Total	$ (950,356)

NOTE E - LONG-TERM LIABILITIES

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

	For The Year Ended June 30, 2019				
	Balance June 30 2018	Additions	Deletions	Balance June 30 2019	Due Within One Year
Certificates of participation	$ 2,850,000	-	215,000	2,635,000	225,000
Plus - premium	13,901	-	1,293	12,608	-
Compensated absences	473,638	553,541	570,631	456,548	228,274
Total	$ 3,337,539	553,541	786,924	3,104,156	453,274

NOTE E - LONG-TERM LIABILITIES (Continued)

The compensated absences are generally liquidated by the General Fund, Stormwater Fund, and the Capital Improvement Fund. The certificates of participation are liquidated by the Capital Improvement Fund.

Certificates of Participation

In October 2009, the City issued $4,010,000 in Certificates of Participation (Series 2009A and B) to provide funds for the construction of a new City government center. The certificates are due in varying amounts through March 1, 2029 with interest rates ranging from 3% to 6.03%. The Series 2009B are taxable Build America Bonds for which the City receives interest subsidy payments.

Aggregate maturities required on the debt are as follows:

For The Years Ending June 30	Principal	Interest	Total
2020	$ 225,000	152,290	377,290
2021	230,000	139,961	369,961
2022	240,000	127,356	367,356
2023	250,000	114,205	364,205
2024	255,000	100,505	355,505
2025 - 2029	1,435,000	266,526	1,701,526
Total	$ 2,635,000	900,843	3,535,843

NOTE F - OPERATING LEASES

The City is a lessor of property used for mobile phone towers by three telephone service providers. The leases have various years remaining and may be subsequently cancelled. Revenue related to these leases approximated $55,000 during the fiscal year.

NOTE G - INSURANCE

The City participates in the St. Louis Area Insurance Trust (SLAIT), a self-insurance pool. Membership includes other St. Louis County municipalities.

SLAIT provides health insurance, general liability, auto liability, police professional liability, and paramedic's malpractice coverage for the City. Premiums are calculated on an individual city basis by reviewing exposures according to insurance industry standards established by the reinsurance carrier. The rates are adjusted for each member using a three-year analysis of claims and losses for each member. Claims are paid from a self-insured retention established by the pool with stop-loss protection provided on both an individual and aggregate basis through the purchase of reinsurance contracts.

NOTE G - INSURANCE (Continued)

SLAIT also provides workers' compensation coverage at levels required by state law. Each member of SLAIT is assessed an annual premium based upon rates established by the Division of Workers' Compensation for each class of employee. Claims are paid from a self-insured retention established by the pool with stop-loss protection on both an individual claim and aggregate basis provided by a reinsurance contract.

The City also purchases commercial insurance policies for auto physical damage, property coverage, public official liability, and other coverage.

Settled claims have not exceeded the commercial coverage in any of the past three years.

NOTE H - DISPATCHING SERVICES

The City contracts its fire and ambulance dispatching through a central dispatching service (Central County Emergency 911 Dispatching Center). The agreement is effective through December 31, 2021, and automatically renews until canceled. The total charges for these services rendered during the year ended June 30, 2019 were $97,414.

The City has a cooperative agreement with two other municipalities to form the West Central Dispatch Center (WCDC). WCDC provides police dispatch services to the City. The fees paid to WCDC are based on the percentage of calls for service of each member city. The agreement is effective until cancelled. During the year ended June 30, 2019, the City paid $274,692 to WCDC, which included $13,132 for phone and internet charges.

Further financial data and audited financial reports may be obtained from each of these dispatch services.

NOTE I - RESTRICTED NET POSITION

The government-wide statement of net position reports $6,290,310 of restricted net position, $2,006,618 of which is restricted by enabling legislation.

NOTE J - DEFICIT FUND BALANCE

The Capital Improvement Fund has a deficit fund balance at June 30, 2019 of ($6,017,282). This deficit will be financed through future revenues of the fund.

NOTE K - COMMITMENTS AND CONTINGENCIES

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

NOTE K - COMMITMENTS AND CONTINGENCIES (Continued)

In March, 2019 the City approved an engineering agreement for planning, design and construction management services for the Geyer Road Improvement Project for approximately $258,000.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
REVENUES				
Municipal Taxes				
General sales	$ 1,495,000	1,495,000	1,541,374	46,374
Property	1,275,000	1,275,000	1,286,782	11,782
Fire department sales	540,500	540,500	552,091	11,591
Public safety sales	180,000	180,000	189,834	9,834
Local option sales	438,000	438,000	475,668	37,668
Use tax	108,000	108,000	119,541	11,541
Utilities	471,000	471,000	441,502	(29,498)
Total Municipal Taxes	4,507,500	4,507,500	4,606,792	99,292
Intergovernmental				
Gasoline	109,000	109,000	108,770	(230)
Cigarette	8,700	8,700	7,104	(1,596)
Total Intergovernmental	117,700	117,700	115,874	(1,826)
Licenses				
Merchants	333,000	333,000	393,841	60,841
Liquor	9,150	9,150	7,803	(1,347)
PILOTS	163,000	163,000	109,663	(53,337)
Total Licenses	505,150	505,150	511,307	6,157
Police and Fire Protection	541,000	541,000	501,276	(39,724)
Municipal Division Fines	224,000	224,000	154,193	(69,807)
Investment Income	45,000	45,000	134,012	89,012
Other				
Building permits	340,000	340,000	446,099	106,099
Lease income	63,600	63,600	55,221	(8,379)
Cable television	70,000	70,000	68,375	(1,625)
Miscellaneous	104,350	104,350	119,261	14,911
Total Other	577,950	577,950	688,956	111,006
Total Revenues	6,518,300	6,518,300	6,712,410	194,110

(Continued)

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
EXPENDITURES				
Administration				
Dues and memberships	1,825	1,825	2,953	1,128
Insurance	73,138	73,138	73,255	117
Legal and professional	30,990	30,990	29,836	(1,154)
Meetings and seminars	7,893	7,893	5,070	(2,823)
Mileage reimbursement	1,185	1,185	1,074	(111)
Miscellaneous	13,940	13,940	14,019	79
Office supplies	3,500	3,500	1,510	(1,990)
Postage	4,000	4,000	4,500	500
Printing and publishing	5,000	5,000	4,679	(321)
Public relations	8,780	8,780	3,210	(5,570)
Salaries and benefits	481,678	481,678	454,993	(26,685)
Training and education	800	800	862	62
Total Administration	632,729	632,729	595,961	(36,768)
Boards and Commissions				
Court reporter	500	500	-	(500)
Dues and memberships	3,150	3,150	2,373	(777)
Elections	7,000	7,000	1,913	(5,087)
Liability insurance	9,335	9,335	9,196	(139)
Meetings and seminars	2,750	2,750	171	(2,579)
Office supplies	50	50	216	166
Printing and publishing	500	500	2,040	1,540
Total Boards And Commissions	23,285	23,285	15,909	(7,376)
Building Department				
Meetings and seminars	2,750	2,750	1,840	(910)
Dues and memberships	400	400	333	(67)
Mileage reimbursement	250	250	101	(149)
Office supplies	1,500	1,500	1,273	(227)
Printing and publishing	200	200	213	13
Professional services	39,000	39,000	9,094	(29,906)
Salaries and benefits	226,340	226,340	227,417	1,077
Training and education	100	100	-	(100)
Uniforms	600	600	317	(283)
Total Building Department	271,140	271,140	240,588	(30,552)

(Continued)

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
EXPENDITURES (Continued)				
Fire Department				
Dues and memberships	4,000	4,000	4,547	547
EMS supplies	10,000	10,000	8,405	(1,595)
Meetings and seminars	2,350	2,350	1,248	(1,102)
Mileage reimbursement	500	500	271	(229)
Miscellaneous	6,000	6,000	6,742	742
Physical examinations	9,000	9,000	9,200	200
Professional services	11,500	11,500	9,740	(1,760)
Public relations	2,500	2,500	-	(2,500)
Salaries and benefits	2,199,965	2,199,965	2,195,704	(4,261)
Dispatch services	184,495	184,495	228,194	43,699
Specialized training	13,850	13,850	18,152	4,302
Uniforms	13,000	13,000	13,054	54
Total Fire Department	2,457,160	2,457,160	2,495,257	38,097
Legal Department				
City attorney legal services	30,000	30,000	36,903	6,903
City attorney retainer	15,000	15,000	15,000	-
Professional services	20,000	20,000	12,499	(7,501)
Prosecuting attorney	21,600	21,600	33,694	12,094
Total Legal Department	86,600	86,600	98,096	11,496
Municipal Division				
Dues and memberships	225	225	138	(87)
Judge retainer	12,000	12,000	12,000	-
Maintenance and repair	8,350	8,350	8,478	128
Meetings and seminars	1,895	1,895	1,687	(208)
Mileage reimbursement	480	480	428	(52)
Miscellaneous	470	470	188	(282)
Office supplies	900	900	884	(16)
Printing	1,200	1,200	796	(404)
Salaries and benefits	77,709	77,709	76,011	(1,698)
Training and education	800	800	-	(800)
Total Municipal Division	104,029	104,029	100,610	(3,419)

(Continued)

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
EXPENDITURES (Continued)				
Police Department				
Communications	29,000	29,000	27,393	(1,607)
Detective bureau	400	400	338	(62)
Dispatch consortium	136,000	136,000	130,780	(5,220)
Dues and memberships	1,500	1,500	983	(517)
Miscellaneous	450	450	172	(278)
Office supplies	5,500	5,500	4,633	(867)
Patrol	5,500	5,500	4,580	(920)
Physical exams	-	-	380	380
Prisoner detention	350	350	192	(158)
Salaries and benefits	2,486,018	2,486,018	2,377,249	(108,769)
Specialized training	19,500	19,500	18,510	(990)
Traffic safety unit	400	400	221	(179)
Uniforms	13,000	13,000	13,373	373
Total Police Department	2,697,618	2,697,618	2,578,804	(118,814)
Total Expenditures	6,272,561	6,272,561	6,125,225	(147,336)
REVENUES OVER (UNDER) EXPENDITURES	245,739	245,739	587,185	341,446
OTHER FINANCING SOURCES				
Insurance recoveries	-	-	26,730	26,730
Sale of capital assets	12,000	12,000	15,335	3,335
Total Other Financing Sources	12,000	12,000	42,065	30,065
NET CHANGE IN FUND BALANCE	$ 257,739	257,739	629,250	371,511
FUND BALANCE, JULY 1			12,447,848	
FUND BALANCE, JUNE 30			$ 13,077,098	

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - STORMWATER FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Over (Under)
	Original	**Final**	**Actual**	**Budget**
REVENUES				
Municipal taxes - sales tax	$ 1,090,000	1,090,000	1,104,182	14,182
Intergovernmental	581,000	640,000	640,000	-
Other	36,000	36,000	36,515	515
Total Revenues	1,707,000	1,766,000	1,780,697	14,697
EXPENDITURES				
Current:				
Public works	37,000	37,000	33,552	(3,448)
Stormwater	159,911	159,911	150,127	(9,784)
Capital outlay	1,618,500	1,379,182	1,140,488	(238,694)
Total Expenditures	1,815,411	1,576,093	1,324,167	(251,926)
NET CHANGE IN FUND BALANCE	$ (108,411)	189,907	456,530	266,623
FUND BALANCE, JULY 1			1,503,164	
FUND BALANCE, JUNE 30			$ 1,959,694	

Budgets and Budgetary Accounting

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

a. The proposed budget is submitted to the Board of Aldermen for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenue of the preceding year plus any fund balance at the end of such year. The City budgets expenditures in excess of revenues and available fund balance in the Capital Improvement Fund which per the City's budget procedure effects the amount due to the General Fund.
b. Public hearings are held to obtain taxpayer input and comments.
c. The budget must be adopted by the affirmative vote of a majority of the Board of Aldermen for each fiscal year.
d. The Board of Aldermen authorizes transfers of budgeted amounts between departments within the General Fund and alters the total expenditures of the budgeted funds. All appropriations not spent lapse at fiscal year-end.
e. During the year, the Board of Aldermen may amend or authorize supplemental appropriations to the budget.
f. The City's legal level of budgetary control is at the fund level.
g. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	$ 447,572	442,435	444,045	435,216	430,231
Interest on the total pension liability	1,344,356	1,275,133	1,253,845	1,158,022	1,091,955
Difference between expected and actual experience	352,640	(163,577)	(901,366)	(243,412)	(53,941)
Changes of assumptions	-	-	-	521,075	-
Benefit payments, including refunds	(711,412)	(495,791)	(508,227)	(597,284)	(522,874)
Net Change In Total Pension Liability	1,433,156	1,058,200	288,297	1,273,617	945,371
Total Pension Liability Beginning	18,672,446	17,614,246	17,325,949	16,052,332	15,106,961
Total Pension Liability Ending (a)	$ 20,105,602	18,672,446	17,614,246	17,325,949	16,052,332
Plan Fiduciary Net Position					
Contributions - employer	$ 229,258	260,070	250,536	302,286	361,464
Contributions - employee	382,446	-	-	-	63,038
Net investment income	1,613,171	2,679,159	2,244,989	(37,876)	371,820
Benefit payments, including refunds	(711,412)	(495,791)	(508,227)	(597,284)	(522,874)
Administrative expense	(10,628)	(7,171)	(7,081)	(6,982)	(7,642)
Other changes	130,354	131,020	(399,437)	49,541	333,669
Net Change In Plan Fiduciary Net Position	1,633,189	2,567,287	1,580,780	(290,315)	599,475
Plan Fiduciary Net Position Beginning	23,706,461	21,139,174	19,558,394	19,848,709	19,249,234
Plan Fiduciary Net Position Ending (b)	$ 25,339,650	23,706,461	21,139,174	19,558,394	19,848,709
Net Pension Liability (Asset) Ending (a)-(b)	$ (5,234,048)	(5,034,015)	(3,524,928)	(2,232,445)	(3,796,377)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.03 %	126.96	120.01	112.88	123.65
Covered Payroll (for February 28/29 Valuation)	$ 4,229,496	4,190,729	4,083,046	4,098,160	4,013,489
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(123.75) %	(120.12)	(86.33)	(54.47)	(94.59)

Notes:

Information is not available for fiscal years prior to 2015.

Vested active LAGERS members who have previous non-Federal Missouri public employment that were not covered by a retirement plan or that were covered by a retirement plan but did not become vested in that plan may purchase that service, to be treated as LAGERS service credit. Employee contributions noted above are for a member purchasing such service credit.

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined pension contribution	$ 229,025	260,302	250,537	302,286	381,092	350,822	386,206	355,736	371,256	213,760
Contributions in relation to the actuarially determined contribution	229,025	260,302	250,537	302,286	361,465	323,238	298,183	252,067	236,765	189,407
Contribution Deficiency	$ -	-	-	-	19,627	27,584	88,023	103,669	134,491	24,353
Covered Payroll	$ 4,151,714	4,184,170	4,118,679	4,060,061	4,099,049	4,005,877	3,792,652	3,682,697	3,941,114	3,562,923
Contributions as a Percentage of Covered Payroll	5.52 %	6.22	6.08	7.45	8.82	8.07	7.86	6.84	6.01	5.32

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 12 to 15 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 7.15%; including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables for post-retirement mortality were RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

There were no benefit changes during the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
REVENUES				
Municipal taxes:				
Sales tax	$ 926,500	926,500	938,551	12,051
Road and bridge	252,600	252,600	260,121	7,521
Intergovernmental	2,579	2,579	6,281	3,702
Federal interest subsidy	57,121	57,121	53,750	(3,371)
Total Revenues	1,238,800	1,238,800	1,258,703	19,903
EXPENDITURES				
Current:				
Administration	54,417	54,417	51,374	(3,043)
Building department	3,000	3,000	1,934	(1,066)
Fire department	51,600	51,600	35,895	(15,705)
Municipal building	221,920	221,920	197,075	(24,845)
Police department	71,500	71,500	72,610	1,110
Public works	473,530	473,530	465,488	(8,042)
Capital outlay	541,425	541,425	423,188	(118,237)
Debt service:				
Principal	215,000	215,000	215,000	-
Interest	164,073	164,073	164,073	-
Total Expenditures	1,796,465	1,796,465	1,626,637	(169,828)
NET CHANGE IN FUND BALANCE	$ (557,665)	(557,665)	(367,934)	189,731
FUND BALANCE (DEFICIT), JULY 1			(5,649,348)	
FUND BALANCE (DEFICIT), JUNE 30			$ (6,017,282)	

OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	June 30 2018	Additions	Reductions	June 30 2019
COURT BOND FUND				
ASSETS				
Cash	$ 2,250	10,350	8,935	3,665
LIABILITIES				
Due to others - court appearance bonds	$ 2,250	10,350	8,935	3,665

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION III - STATISTICAL SECTION

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

Contents **Pages**

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 49 - 52

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue sources. 53 - 59

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 60 - 62

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 63 - 65

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 66 - 68

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

	For The Years Ended June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Governmental Activities										
Net investment in capital assets	$ 10,465,500	10,549,472	10,144,235	10,340,120	10,484,378	10,050,069	15,515,379	14,455,897	13,400,325	7,683,534
Restricted for:										
Law enforcement training	46,924	52,738	58,540	60,892	67,103	62,667	54,094	44,269	36,258	28,069
Pension	4,283,692	3,718,484	3,517,585	4,222,730	4,574,122	4,211,092	-	-	-	-
Stormwater projects	1,906,600	1,453,033	584,047	1,515,471	1,466,380	1,176,071	983,890	950,789	1,331,060	3,914,529
Sewer lateral projects	53,094	50,131	43,295	53,589	61,857	59,979	53,514	75,679	68,901	74,589
Unrestricted	6,571,883	6,295,608	6,463,782	6,638,834	6,621,637	6,809,594	6,604,557	6,459,675	6,380,639	8,760,860
Total Governmental Activities/Net Position	$ 23,327,693	22,119,466	20,811,484	22,831,636	23,275,477	22,369,472	23,211,434	21,986,309	21,217,183	20,461,581

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

2014 amount was restated for implementation of GASB 68 and capital assets.

	For The Years Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Program revenues:										
Charges for services	$ 1,671,258	1,711,577	1,437,497	1,597,249	1,571,290	1,718,667	1,628,310	1,600,314	1,475,389	1,268,140
Operating grants and contributions	1,045,594	1,056,904	512,689	490,509	380,141	371,978	366,636	186,006	39,028	-
Capital grants and contributions	-	-	-	-	473,152	226,328	433,764	10,800	268,000	-
General revenues:										
Taxes	6,623,372	6,512,479	6,107,322	6,236,551	6,171,422	6,026,642	5,838,889	5,794,793	5,608,144	5,431,544
Federal interest subsidy	52,470	56,055	57,224	55,728	56,998	58,350	59,671	61,453	-	-
Investment income	134,012	42,692	39,049	24,311	28,465	30,841	37,535	36,221	19,994	101,952
Other	239,962	264,572	195,909	158,215	186,625	155,514	202,494	304,436	320,634	341,045
Total Revenues	9,766,668	9,644,279	8,349,690	8,562,563	8,868,093	8,588,320	8,567,299	7,994,023	7,731,189	7,142,681
EXPENSES										
Administration	591,734	630,882	759,311	716,876	690,213	683,753	701,676	680,559	625,511	610,452
Boards and commissions	15,909	17,587	15,843	15,876	18,477	16,137	18,105	15,469	15,714	38,726
Building department	186,140	249,015	251,356	265,562	223,745	237,701	248,116	231,358	215,640	205,741
Fire department	2,380,714	2,209,395	2,949,483	2,567,888	2,345,213	2,244,098	2,132,554	2,078,641	1,923,470	1,626,573
Legal department	98,096	87,686	79,075	69,271	60,046	53,223	37,008	36,583	34,363	37,678
Municipal building	456,294	485,533	464,032	469,960	476,328	482,113	477,265	447,647	289,129	244,894
Municipal division	80,208	102,052	125,229	152,929	137,991	142,625	146,083	148,790	131,482	132,683
Police department	2,740,062	2,916,308	2,840,140	2,779,273	2,434,495	2,689,626	2,485,310	2,428,191	2,778,994	2,482,833
Public works	563,556	568,708	579,435	597,542	561,807	566,957	540,454	525,418	588,472	714,388
Stormwater	1,286,875	898,679	2,127,483	1,186,140	822,612	402,750	353,390	319,009	217,578	240,688
Interest on long-term debt	158,853	170,452	178,455	185,087	191,161	196,763	202,213	211,595	155,234	55,956
Total Expenses	8,558,441	8,336,297	10,369,842	9,006,404	7,962,088	7,715,746	7,342,174	7,123,260	6,975,587	6,390,612
CHANGE IN NET POSITION	$ 1,208,227	1,307,982	(2,020,152)	(443,841)	906,005	872,574	1,225,125	870,763	755,602	752,069

	For The Years Ended June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
General Fund										
Nonspendable	$ 6,142,695	5,819,114	5,316,928	4,834,836	4,684,348	4,291,191	3,959,543	3,415,373	2,972,188	-
Restricted	46,924	52,738	58,540	60,892	67,103	62,667	54,094	44,269	36,258	-
Unassigned	6,887,479	6,575,996	6,473,926	6,921,892	6,927,908	7,121,319	6,922,830	6,895,856	6,745,650	-
Reserved	-	-	-	-	-	-	-	-	-	28,069
Unreserved	-	-	-	-	-	-	-	-	-	9,099,536
Total General Fund	$ 13,077,098	12,447,848	11,849,394	11,817,620	11,679,359	11,475,177	10,936,467	10,355,498	9,754,096	9,127,605
All Other Governmental Funds										
Nonspendable	$ -	-	261,469	-	5,998	-	12,194	11,545	-	-
Restricted	1,959,694	1,503,164	627,222	1,569,060	1,528,237	1,236,050	1,037,216	1,026,468	1,399,961	-
Unassigned	(6,017,282)	(5,649,348)	(5,133,449)	(4,710,837)	(4,520,001)	(4,131,378)	(3,847,573)	(3,422,305)	(2,972,188)	-
Reserved	-	-	-	-	-	-	-	-	-	74,589
Unreserved	-	-	-	-	-	-	-	-	-	3,914,529
Total All Other Governmental Funds	$ (4,057,588)	(4,146,184)	(4,244,758)	(3,141,777)	(2,985,766)	(2,895,328)	(2,798,163)	(2,384,292)	(1,572,227)	3,989,118
Total General And Other Funds	$ 9,019,510	8,301,664	7,604,636	8,675,843	8,693,593	8,579,849	8,138,304	7,971,206	8,181,869	13,116,723

Note: GASB Statement No. 54 was adopted in 2011.

	For The Years Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Municipal taxes	$ 6,909,646	6,798,681	6,387,163	6,489,802	6,434,288	6,281,941	6,096,429	5,800,458	5,605,585	5,431,407
Intergovernmental (cigarette and fuel tax)	115,874	116,874	118,713	118,247	116,291	112,392	110,058	115,877	122,294	133,075
Licenses and permits	957,406	873,163	684,368	569,508	623,589	640,399	532,989	531,805	525,986	419,331
Charges for services (Police, Fire, and EMS)	501,276	524,979	500,556	508,661	509,164	482,222	488,399	442,028	478,070	323,157
Municipal division fines and forfeitures	154,193	238,877	170,329	226,789	362,531	510,188	524,253	589,503	434,049	488,287
Rental income (cell tower leases)	55,221	54,307	49,787	49,418	60,008	60,008	60,008	60,008	60,008	56,879
Grants and MSD contributions	646,281	654,929	110,000	111,000	473,152	226,328	433,764	196,806	307,028	37,516
Investment income	134,012	42,692	39,049	24,311	28,465	30,841	37,535	36,221	19,994	101,952
Other	277,901	330,063	284,837	435,983	259,621	272,521	283,455	226,982	175,616	150,940
Total Revenues	9,751,810	9,634,565	8,344,802	8,533,719	8,867,109	8,616,840	8,566,890	7,999,688	7,728,630	7,142,544
EXPENDITURES										
Administration	647,335	633,029	646,065	623,717	671,757	617,775	614,175	614,599	549,289	513,866
Board and commissions	15,909	17,587	15,843	15,876	18,477	16,137	18,105	15,469	15,714	38,726
Building department	242,522	240,204	236,019	253,516	236,684	227,965	251,031	223,181	208,243	202,552
Fire department	2,531,152	2,418,422	2,398,512	2,385,661	2,315,850	2,191,523	2,099,902	2,026,352	1,848,817	1,579,852
Legal department	98,096	87,686	79,075	69,271	60,046	53,223	37,008	36,583	34,363	37,678
Municipal building	197,075	235,008	189,366	192,721	200,993	195,178	184,802	155,374	137,394	98,421
Municipal division	100,610	101,676	121,070	147,843	143,095	142,763	142,393	148,669	131,431	137,304
Police department	2,651,414	2,715,498	2,609,880	2,572,903	2,630,532	2,574,554	2,411,659	2,399,574	2,642,639	2,462,618
Public works	499,040	472,176	469,888	460,762	473,769	484,258	467,262	441,092	447,257	644,393
Stormwater	150,127	145,968	149,303	147,137	166,770	142,050	137,625	133,706	128,800	124,899
Capital outlay	1,563,676	1,514,902	2,131,927	1,298,407	1,451,038	1,144,963	1,650,524	1,650,339	6,195,344	7,098,498
Debt service:										
Principal	215,000	210,000	200,000	195,000	190,000	185,000	180,000	175,000	170,000	165,000
Interest	164,073	175,581	181,831	188,655	194,354	199,906	205,306	210,554	154,193	55,262
Issuance costs	-	-	-	-	-	-	-	-	-	45,322
Total Expenditures	9,076,029	8,967,737	9,428,779	8,551,469	8,753,365	8,175,295	8,399,792	8,230,492	12,663,484	13,204,391
REVENUES OVER (UNDER) EXPENDITURES	675,781	666,828	(1,083,977)	(17,750)	113,744	441,545	167,098	(230,804)	(4,934,854)	(6,061,847)
OTHER FINANANCING SOURCES										
Sale of capital assets	15,335	30,200	12,770	-	-	-	-	-	-	-
Insurance recovery	26,730	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	4,520,000
Premium on debt issuance	-	-	-	-	-	-	-	-	-	25,107
Total Other Financing Sources	42,065	30,200	12,770	-	-	-	-	-	-	4,545,107
NET CHANGES IN FUND BALANCES	$ 717,846	697,028	(1,071,207)	(17,750)	113,744	441,545	167,098	(230,804)	(4,934,854)	(1,516,740)
Debt service as a percentage of noncapital expenditures	4.31 %	4.69	4.09	4.57	4.77	5.38	5.66	5.86	5.01	3.61

For The Years Ended June 30	Sales Tax (1)	Motor Vehicle Sales Tax	Real And Personal Property Tax	Road And Bridge	Electric Gross Receipts	Natural Gas Gross Receipts	Telephone Gross Receipts	Water Gross Receipts	Total Municipal Tax Revenue
2019	$ 4,890,819	$ 30,422	$ 1,286,782	$ 260,121	$ 256,537	$ 53,781	$ 105,056	$ 26,128	$ 6,909,646
2018	4,757,970	31,512	1,273,497	261,555	276,294	54,708	120,724	22,421	6,798,681
2017	4,423,266	30,841	1,243,807	252,624	251,812	46,695	118,336	19,782	6,387,163
2016	4,552,043	29,288	1,192,776	242,333	271,618	46,489	134,935	20,320	6,489,802
2015	4,423,905	27,924	1,192,587	245,083	305,744	64,236	148,622	26,187	6,434,288
2014	4,288,649	26,053	1,175,159	242,512	308,752	63,351	153,976	23,489	6,281,941
2013	4,109,297	19,815	1,175,736	245,534	290,512	61,635	161,139	32,761	6,096,429
2012	3,833,321	21,465	1,171,928	244,002	257,328	50,140	191,333	30,941	5,800,458
2011	3,607,141	20,620	1,167,078	250,370	274,417	60,857	197,712	27,390	5,605,585
2010	3,395,898	20,760	1,134,047	249,811	263,687	75,722	270,748	20,734	5,431,407

(1) See page 59 for detailed sales tax information.

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS

Fiscal Year	Residential	Commercial	State	Personal Property	Total Assessed Value	Estimated Actual Value	Assessed Value As A Percentage Of Actual Value	Direct Rate**
2019	$ 226,647,260	$ 65,929,010	$ 1,900,589	$ 19,928,845	$ 314,405,704	$ 1,458,700,986	22 %	0.435
2018	199,049,470	48,386,600	1,601,926	19,874,142	268,912,138	1,258,465,303	21	0.483
2017*	196,451,130	51,275,090	1,787,847	20,247,655	269,761,722	1,254,937,012	21	0.481
2016	182,125,420	42,152,430	1,802,750	20,275,590	246,356,190	1,151,114,039	21	0.497
2015*	178,710,480	42,092,410	1,950,691	19,733,240	242,486,821	1,131,325,895	21	0.497
2014	175,444,540	40,815,870	1,760,916	19,906,455	237,927,781	1,110,667,247	21	0.498
2013*	175,176,750	40,795,270	1,721,479	17,941,807	235,635,306	1,103,298,918	21	0.496
2012	176,038,020	41,566,600	1,659,201	18,359,854	237,623,675	1,111,496,590	21	0.490
2011*	175,034,390	41,367,320	1,693,418	16,802,630	234,897,758	1,100,919,438	21	0.489
2010	180,207,200	41,783,980	1,552,894	17,424,197	240,968,271	1,131,311,704	21	0.474

(1) Source: St. Louis County Assessor, Post-BOE Assessed Values

*Reassessment years

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

Assessments are based on a percentage of estimated actual values. Real property is classified as residential, commercial, or agricultural.

Residential property is assessed at 19%, commercial is assessed at 32%, and agricultural is assessed at 12%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33⅓%.

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

Taxing Authority	For The Years Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of Frontenac	0.4350	0.4830	0.4810	0.4970	0.4970	0.4980	0.4960	0.4900	0.4890	0.4740
Overlapping Governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
County Total (and segregated below 2009 - 2014)	0.4430	0.4890	0.4890	0.5150	0.5150	0.5230	0.5230	0.5230	0.5230	0.5230
County general	0.1760	0.1950	0.1950	0.2060	0.2060	0.2090	0.2090	0.2090	0.2090	0.2090
County Health Fund	0.1180	0.1310	0.1310	0.1380	0.1380	0.1400	0.1400	0.1400	0.1400	0.1400
County park maintenance	0.0420	0.0460	0.0460	0.0490	0.0490	0.0500	0.0500	0.0500	0.0500	0.0500
County bond retire	0.0160	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190
Roads and bridges	0.0880	0.0980	0.0980	0.1030	0.1030	0.1050	0.1050	0.1050	0.1050	0.1050
St. Louis Community College	0.1986	0.2129	0.2112	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179
Special School District	1.1077	1.1980	1.1912	1.2409	1.2348	1.2609	1.2400	1.0123	1.0125	0.9950
Metropolitan Zoo Museum District	0.2549	0.2724	0.2694	0.2795	0.2777	0.2797	0.2797	0.2684	0.2671	0.2546
County Library:										
Residential	0.2120	0.2340	0.2340	0.2460	0.2460	0.2500	0.2500	0.1730	0.1630	0.1565
Commercial	0.2430	0.2590	0.2530	0.2630	0.2590	0.2640	0.2640	0.1900	0.1900	0.1887
Agriculture	0.2190	0.2170	0.2150	0.2450	0.2390	0.2790	0.2790	0.2000	0.2000	0.1500
Personal property	0.2250	0.2250	0.2250	0.2250	0.2250	0.2250	0.2250	0.1500	0.1500	0.1500
School - Ladue	3.5425	3.8237	3.8107	3.9195	3.5339	3.7000	3.6300	3.6300	3.1000	3.1000
School - Kirkwood:										
Residential	3.8361	4.3445	4.3759	4.1734	4.1377	4.2524	4.2546	4.2841	4.2878	4.1869
Commercial	5.5388	6.2030	5.8445	5.6319	5.7072	5.5436	5.4565	5.4748	5.4067	5.0705
Agriculture	3.7678	3.9520	4.1898	2.6535	2.9202	6.4082	6.5385	5.4338	5.5146	5.2628
Personal property	5.4961	5.4961	5.4971	4.8845	4.8845	4.8845	4.8845	4.8845	4.7584	4.7584
Metropolitan Sewer District	0.1077	0.1170	0.1159	0.1196	0.0876	0.0879	0.0874	0.6350	0.0818	0.0790
Sewers - Deer Creek:										
Residential	-	0.0860	0.0860	0.0860	0.0830	0.0860	0.0860	0.0840	0.0840	0.0810
Commercial	-	0.0870	0.0870	0.0870	0.0850	0.0870	0.0840	0.0830	0.0820	0.0820
Agriculture	-	0.0490	0.0490	0.0490	0.0490	0.0990	0.1000	0.0790	0.0790	0.0760
Personal property	-	0.0930	0.0930	0.0930	0.0930	0.0930	0.0930	0.0930	0.0930	0.0930
Sheltered Workshop:										
Residential	0.0750	0.0840	0.0840	0.0880	0.0880	0.0900	0.0890	0.0840	0.0840	0.0790
Commercial	0.0840	0.0890	0.0870	0.0900	0.0880	0.0900	0.0900	0.0900	0.0900	0.0850
Agriculture	0.0700	0.0700	0.0700	0.0790	0.0770	0.0900	0.0900	0.0900	0.0900	0.0870
Personal property	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900

Source: St. Louis County Assessor (rates stated per $100 assessed valuation). The City's direct rate reflects the residential rate assessed.

	2019			2010		
TAXPAYER	Total Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Valuation	Total Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Valuation
Plaza Frontenac Acquisition (formerly Davis Street)	$ 23,736,930	1	8.06 %	$ 16,203,100	1	7.25 %
Frontenac Prop Owner, LLC (Le Chateau)	14,731,740	2	5.00	10,236,250	2	4.58
Broad Frontenac Assoc. (Neiman and parking lot)	6,328,930	3	2.15	3,009,060	3	1.35
Frontenac Grove, LLC (formerly BF Joint Venture)	3,842,360	4	1.30	2,588,000	4	1.16
LTF Real Estate Company	3,200,000	5	1.09	-	9	-
Rrh Property Holdings, LLC (Honda lot)	2,667,710	6	0.91	1,200,570	5	0.54
Old Frontenac Square, LLC	1,593,980	7	0.54	1,049,980	6	0.47
Frontenac Raquet Club, Inc. (Frr Club, LLC)	1,120,630	8	0.38	722,900	7	0.32
Southern Real Estate & Financial Co.	804,860	9	0.27	703,930	8	0.31
TDG Lindbergh LLC	530,660	10	0.18	-	9	-
Total	$ 58,557,800		19.89 %	$ 35,713,790		15.98 %

Source: St. Louis County Assessor

PROPERTY TAX LEVIES AND COLLECTIONS (1)

LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy Year	Net Tax Levy (2)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
2019	2018	$ 1,301,489	$ 1,282,846	98.6 %	$ 6,656	$ 1,289,501	99.1 %	$ 8,624	0.7 %
2018	2017	1,287,803	1,277,189	99.2	(3,693)	1,273,496	98.9	11,460	0.9
2017	2016	1,267,672	1,233,645	97.3	8,322	1,241,967	98.0	12,561	1.0
2016	2015	1,241,539	1,198,015	96.5	(5,239)	1,192,776	96.1	12,970	1.0
2015	2014	1,219,722	1,191,292	97.7	1,295	1,192,587	97.8	10,165	0.8
2014	2013	1,204,409	1,177,445	97.8	624	1,178,069	97.8	9,181	0.8
2013	2012	1,188,593	1,173,714	98.7	2,022	1,175,736	98.9	4,894	0.4
2012	2011	1,183,222	1,161,399	98.2	10,529	1,171,928	99.0	5,856	0.5
2011	2010	1,168,213	1,152,603	98.7	14,475	1,167,078	99.9	11,521	1.0
2010	2009	1,176,177	1,119,732	95.2	14,315	1,134,047	96.4	8,962	0.8

(1) Source: St. Louis County Collector's office

(2) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year. St. Louis County will need more time to make system updates to track this information.

SALES TAX RATES - DIRECT AND OVERLAPPING

LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	St. Louis County	State of Missouri	Direct And Overlapping	Taxable Sales (1)	One-Cent Sales Tax	One-Cent Revenue Shared (2)	Percent Of One-Cent Shared (2)
2019	1.5 %	3.513 %	4.225 %	9.238 %	$ 225,226,908	$ 2,252,269	$ 741,317	32.91 %
2018	1.5	3.388	4.225	9.113	216,564,300	2,165,643	702,412	32.43
2017	1.5	2.888	4.225	8.613	208,416,200	2,084,162	668,094	32.06
2016	1.5	2.888	4.225	8.613	224,326,609	2,243,266	739,509	32.97
2015	1.5	2.888	4.225	8.613	220,367,900	2,203,679	721,329	32.73
2014	1.5	2.888	4.225	8.613	211,554,600	2,115,546	686,459	32.45
2013	1.5	2.888	4.225	8.613	206,053,000	2,060,530	664,111	32.23
2012	1.5	2.888	4.225	8.613	187,142,400	1,871,424	576,306	30.80
2011	1.5	2.700	4.225	8.425	177,139,500	1,771,395	536,579	30.29
2010	1.5	2.200	4.225	7.925	166,694,600	1,666,946	489,386	29.36

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

(2) The City participates in the one-cent county-wide sales tax sharing pool which is generally distributed based a per-capita (population) formula.

Note: The City's direct rate is made up of the following:
- 0.250% Local option sales tax effective April 1994
- 0.500% Capital improvement sales tax effective April 1995
- 0.250% Fire tax effective April 2002
- 0.500% Parks and stormwater sales tax effective April 2005

Fiscal Year	County 1% Sales Tax	City 0.25% General Sales Tax	City 0.25% Fire Sales Tax	City 0.5% Capital Improvements Sales Tax	County 0.5% Public Safety Sales Tax	City 0.5% Stormwater Sales Tax	City 0.25% Local Use Tax	Total Sales Tax Revenues
2018 - 2019	$ 1,510,951	$ 475,668	$ 552,091	$ 938,551	$ 189,835	$ 1,104,182	$ 119,541	$ 4,890,819
2017 - 2018	1,463,232	469,571	548,079	931,733	137,580	1,096,156	111,619	4,757,970
2016 - 2017	1,416,067	449,707	524,899	892,319	-	1,049,802	90,472	4,423,266
2018 - 2019	1,503,758	469,994	548,573	932,573	-	1,097,145	-	4,552,043
2014 - 2015	1,482,350	453,538	529,365	899,922	-	1,058,730	-	4,423,905
2013 - 2014	1,429,086	440,896	514,611	874,837	-	1,029,219	-	4,288,649
2012 - 2013	1,370,564	422,323	492,853	837,851	-	985,706	-	4,109,297
2011 - 2012	1,293,338	391,584	457,107	777,081	-	914,211	-	3,833,321
2010 - 2011	1,223,837	367,072	428,965	729,106	-	858,161	-	3,607,141
2009 - 2010	1,154,463	345,470	403,372	685,749	-	806,844	-	3,395,898

	Collection Fee		Pool Sharing
	State	County	Percentage
1% sales tax	- %	1 %	27.98 - 32.97* %
0.25% general sales tax	-	1	14.30
0.25% fire sales tax	1	-	No sharing
0.5% capital improvements sales tax	1	-	15.00
0.5% parks and stormwater sales tax	1	-	No sharing
0.25% local use tax	1	-	No sharing

*See page 58.

Fiscal Year	Certificates Of Participation	Percentage Of Personal Income (1)	Per Capita
2019	$ 2,647,608	0.94 %	760
2018	2,863,901	1.02	822
2017	3,075,194	1.09	883
2016	3,276,487	1.17	941
2015	3,472,780	1.23	997
2014	3,664,073	1.30	1,052
2013	3,850,366	1.37	1,106
2012	4,031,659	1.43	1,158
2011	4,210,107	1.50	1,209
2010	4,380,107	1.56	1,258

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

(1) See Demographics and Economic Statistics Table

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2019

Name Of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
St. Louis County	$ 555,892,057	1.12 %	$ 6,225,991
Kirkwood School District	15,295,000	1.05	160,598
Ladue School District	159,645,000	11.94	19,061,613
Subtotal	730,832,057		25,448,202
City of Frontenac	2,647,608	100.00	2,647,608
Total Direct And Overlapping Debt	$ 733,479,665		$ 28,095,810

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

	For The Years Ended June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Assessed valuation	$ 314,405,704	268,912,138	269,761,722	246,356,190	242,486,821	237,927,781	235,635,306	237,623,675	234,897,758	240,968,271
Debt limit	$ 31,440,570	26,891,214	26,976,172	24,635,619	24,248,682	23,792,778	23,563,531	23,762,368	23,489,776	24,096,827
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 31,440,570	26,891,214	26,976,172	24,635,619	24,248,682	23,792,778	23,563,531	23,762,368	23,489,776	24,096,827
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	- %	-	-	-	-	-	-	-	-	-

Certificates of participation (COPS) debt does not apply to the limit. Only general obligation (GO) debt applies to the limit.

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

Fiscal Year	Population (1)	Median Age (1)	Household Income (1), (2)	Per Capita Income (1), (2)	Median House Value (2)	Ladue District Enrollment (3)	Kirkwood District Enrollment (3)	Unemployment Rate (4) The City Of Frontenac	Unemployment Rate (4) State Of Missouri
2019	3,482	49.2	$ 154,162	$ 80,768	$ 672,200	N/A	N/A	0.7 %*	3.3 %**
2018	3,482	49.2	154,162	80,768	672,200	N/A	N/A	0.7	4.1
2017	3,482	49.2	154,162	80,768	672,200	N/A	N/A	0.8	3.8
2016	3,482	49.2	154,162	80,768	672,200	N/A	N/A	1.1	5.5
2015	3,482	49.2	154,162	80,768	672,200	N/A	N/A	1.2	5.6
2014	3,482	49.2	154,162	80,768	672,200	504	50	1.3	6.5
2013	3,482	49.2	154,162	80,768	672,200	475	58	1.2	6.5
2012	3,482	49.2	154,162	80,768	672,200	472	53	1.2	7.0
2011	3,482	49.2	154,162	80,768	672,200	436	57	1.5	8.4
2010	3,482	49.2	154,162	80,768	672,200	430	66	1.7	9.4

Source:
(1) U.S. Bureau of Census
(2) City Data
(3) Above Named School Districts
(4) Missouri Department of Economic Development

*Nine month average

**Seven month average

Fiscal Year	Total Number Of Permits	Total Construction Value	Permit Revenue	Commercial Estimated Construction Cost	Residential Estimated Construction Cost
2018 - 2019	204	$ 36,678,884	$ 313,015	$ 8,859,531	$ 27,819,353
2017 - 2018	173	34,395,541	349,599	9,966,491	24,429,050
2016 - 2017	170	14,706,857	135,059	1,537,706	13,169,151
2015 - 2016	205	24,832,154	160,012	4,079,219	20,752,935
2014 - 2015	222	32,266,106	217,197	3,038,587	29,227,519
2013 - 2014	184	15,973,246	152,834	1,891,933	14,081,313
2012 - 2013	149	11,406,308	114,136	2,232,974	9,173,334
2011 - 2012	161	10,628,533	94,418	3,173,614	7,454,919
2010 - 2011	148	17,447,171	116,835	6,559,443	10,887,728
2009 - 2010	123	17,635,340	61,380	10,629,707	7,005,633

Source: City's financial accounting software and prior City audits

	2019			2010		
Employer	**Employees**	**Rank**	**Percentage Of Total City Employment**	**Employees**	**Rank**	**Percentage Of Total City Employment**
Hilton Hotel	190	1	N/A	196	3	N/A
Neiman Marcus	139	2	N/A	202	2	N/A
Saks Fifth Ave.	112	3	N/A	178	4	N/A
Oak Hill Villa	109	4	N/A	144	5	N/A
Wells Fargo	106	5	N/A	112	6	N/A
Lululemon	88	6	N/A	75	-	N/A
Brio	87	7	N/A	96	7	N/A
St. Joseph Academy	85	8	N/A	89	9	N/A
Honda of Frontenac	79	9	N/A	70	-	N/A
Mercy Center	57	10	N/A	81	-	N/A
Cardwell's	-	-	N/A	90	8	N/A
Shriners	-	-	N/A	275	1	N/A
Ladue ECC School	-	-	N/A	88	10	N/A
Total	1,052			1,696		

Source: Business License Database

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

	For The Years Ending June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FUNCTIONS/PROGRAMS										
General government:										
Administrative services	2.50	2.50	3.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Finance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Division*	1.00	1.00	1.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Building Department	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police:										
Officers	20.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Civilians**	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	6.00	6.00
Fire:										
Firefighters/EMS***	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Public works:										
Street and building maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Stormwater:										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerical	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total	52.00	53.00	53.75	53.75	53.75	53.75	53.75	53.75	58.75	58.75

Source: City payroll records
*Ratios less than one indicate a part-time person
**A joint police and emergency dispatch service began operations during 2011 for contracted dispatching service.
***Fire employees were hired in April 2010 to meet ISO requirements (needed for residential insurance coverage) and ambulance service.

	For The Years Ending June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
FUNCTIONS/PROGRAMS										
Police:										
Arrests	144	157	154	120	199	324	358	437	520	546
Traffic violations	1,033	1,254	1,774	1,556	1,982	3,005	3,838	3,494	4,723	3,473
Reports	584	603	701	720	776	704	829	917	1,004	1,003
Vehicle accidents	266	265	346	474	462	233	255	245	213	218
Calls for service	12,205	13,536	12,629	11,978	12,488	11,931	15,568	15,308	16,799	19,003
Fire:										
EMS calls	450	451	445	436	441	334	388	411	343	345
Fire calls	570	616	665	676	673	502	575	595	442	471
Inspections	275	150	260	289	329	288	267	283	247	244
Training hours	2,695	3,028	2,422	2,225	2,163	1,560	1,701	2,363	2,648	2,360
City ambulance transports	295	334	291	298	320	267	312	332	317	273
Planning and Building:										
Building permits issued	204	173	170	205	222	184	149	161	148	123
Licensing:										
Business licenses issued	252	290	265	262	293	281	273	266	271	240
Liquor licenses issued	12	14	15	14	20	16	16	14	15	15
Itinerant merchant licenses	1	4	2	2	5	8	2	7	7	6
Finance:										
Accounts payable processed	2,921	3,083	3,030	2,951	2,843	2,222	2,276	2,077	2,173	2,106
Payroll payments issued	1,431	1,446	1,465	1,404	1,410	1,460	1,454	1,414	1,568	1,500
Alarm monitoring clients	215	227	242	285	298	291	298	296	298	285
Municipal Division:										
Traffic violation revenues	$ 141,765	221,887	156,472	123,635	357,772	478,696	497,330	-	-	-
Total operating revenues	$ 5,873,358	5,799,464	5,283,638	5,363,191	5,425,644	5,504,183	5,368,142	-	-	-
Percent of traffic violation revenues to total operating revenues	2 %	4	3	2	7	9	9	-	-	-

Source: City records - various departments listed

	For The Years Ending June 30									
FUNCTIONS/PROGRAMS	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Buildings	2	2	2	2	2	2	2	2	2	2
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	10	10	10	10	10	10	10	10	10	10
Squads	4	4	4	4	4	4	4	4	4	4
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	6	6	6	6	6	6	6	6	6	6
Squads	3	3	3	3	3	3	3	3	3	3
Public Works:										
Miles of streets:										
Public	6	6	6	6	6	6	6	6	6	6
Private	49	49	49	49	49	49	49	49	49	49
State and County	19	19	19	19	19	19	19	19	19	19
Number of street lights	8	8	8	8	8	8	8	8	8	8
Vehicles	3	3	3	3	3	3	3	3	3	3

Source: City records - various departments listed

SECTION IV - INTERNAL CONTROL AND COMPLIANCE SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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

INDEPENDENT AUDITOR'S REPORT

November 12, 2019

Honorable Mayor and Members of the Board of Aldermen
CITY OF FRONTENAC, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF FRONTENAC, MISSOURI** (the City), as of and for the year ended June 30, 2019, 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.

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri