



CITY OF BALLWIN, MISSOURI

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017



**Comprehensive Annual Financial Report
For The Fiscal Year Ended December 31, 2017**

Prepared by the Department of Finance

CITY OF BALLWIN, MISSOURI

FINANCIAL REPORT

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INTRODUCTORY SECTION

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April 30, 2018

To the Honorable Mayor, Aldermen, and Citizens of Ballwin:

The Comprehensive Annual Financial Report (CAFR) of the City of Ballwin, Missouri (the City), for the fiscal year ending December 31, 2017, is submitted herewith. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of licensed certified public accountants.

This report is the City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with GAAP. This internal control structure is designed to provide a reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the City

The City is located approximately 17 miles west of downtown St. Louis, Missouri. It covers 10 square miles and serves a population of 30,404 residents occupying approximately 12,580 housing units. Originally established in 1837, it is the only city in the United States with its unique name.

The City was incorporated in 1950 as a City of the Fourth Class with a Mayor-Board of Aldermen-City Administrator form of government. The legislative body consists of eight aldermen and the mayor. Aldermen are elected from four wards to serve two year staggered terms, with four aldermen elected every year. The Mayor, elected at large to serve a two year term, is the presiding officer of the Board of Aldermen (the Board). The Mayor enjoys all the powers and duties as applicable to entities of the 4th class in the State of Missouri.

A City Administrator is appointed by the Board with the approval of the Mayor. He serves, under contract, at the will of the Mayor and the Board. The City Administrator is responsible for the day-to-day management of the City's business and staff. He is also responsible for the employment and discharge of City employees under policies established by the Board.

The City provides a full range of municipal services, other than fire protection/EMS and public utilities, which are provided in the region by private entities. The City provides police services, planning and zoning, code enforcement, snow and leaf removal, maintenance of streets, judicial services, and parks and recreation. The City has approximately 137 full-time employees, and a large contingent of part-time and seasonal employees working primarily in the area of Parks and Recreation. The City is served by the Rockwood and Parkway School Districts, both of which are AAA rated.

The City has repeatedly received national recognition for the quality of its recreational facilities and programs as well as for its record of public safety. The City's five parks cover 66 acres that include playgrounds, a nature trail, walking paths, ball diamonds, tennis and pickle ball courts, a soccer field, two fishing ponds stocked by the Missouri Department of Conservation, sand volleyball courts, and horseshoe pits. Traditionally recognized as the best public, nine-hole facility in the area, the City golf course includes a practice cage and a practice putting green. For 27 consecutive years the City has received the designation of Tree City USA by the National Arbor Day Foundation.

The City's community center, The Pointe at Ballwin Commons, has recently been renovated and continues to upgrade its equipment. It includes a state of the art fitness center, indoor walking track, double gymnasium, indoor pool with water playground, spinning room, and community meeting rooms. The North Pointe Aquatic Center features a 10 lane competitive pool, lazy river, aqua climb rock climbing wall, tree swing, two-story water slides and more. Replacement of the bucket falls structure and a new and expanded splash pad is currently under construction. Programming includes the traditional day camps, sport camps and leagues, fitness classes, and swim lessons as well as a concert series and the very popular Ballwin Race Series. Castlewood State Park and the Meramec River are in close proximity.

The annual budget serves as a complete financial and operational plan for the following year. All departments of the City are required to submit requests for appropriations to the City Administrator who uses these requests as a starting point for development of a proposed budget. The Finance Officer presents to the City Administrator estimates detailing the various

revenues, grants, bond proceeds, and other funding sources that are anticipated. The budget is prepared by fund. It is broken down further by departments, programs, or projects within the departments, then object of expenditures within programs and finally, line items within the objects. After consultation with the department heads, the City Administrator presents a proposed budget to the Mayor and Board. The Mayor and Board hold workshops and at least one public hearing prior to adopting the budget by December 31. Department heads, with the City Administrator's approval, may transfer appropriated funds within departmental programs/projects. The legal level of control of the Board extends to the department level. The Board must authorize transfers between departments or funds or any increase in a fund's budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund and Special Allocation Fund this comparison is presented as required supplemental information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplemental information.

Local economy

The City is a suburban community located in the western part of St. Louis County. The City is mostly residential with a wide variety of housing. The City is stable and for the most part fully developed, with a neighborhood commercial district consisting of 329 licensed businesses. Sales taxes received from the 1% county-wide sales tax are generated in nearly equal proportions from businesses within the City limits and from a distribution of the county sales tax revenues that are pooled. This distribution is based on a per capita formula. Ballwin also receives a ½ cent Capital Improvement tax and a ½ cent Parks tax. Competition from online sales is beginning to erode the sales tax base, and several large retailers have relocated to neighboring municipalities. The passage in 2017 of a ½ cent county-wide Public Safety tax dedicated exclusively for the use of the police department will enable the City to maintain a strong police force within the community. Continued cost cutting measures and the creation of efficiencies in operations allows the City to maintain its current level of services. This is done with a zero property tax levy that has been maintained for 29 consecutive years.

The City's median household income at \$86,494 is above that of the State, which is \$49,593, and St. Louis County, which is \$61,103. Unemployment in the City remains low at 2.6% and below that of the State, which is 3.8%, and St. Louis County, which is 3.4%. The median housing value of \$238,400 also exceeds that of the county and state with values of \$176,000 and \$141,200 respectively.

Long-term financial planning and major initiatives

Each year the City updates its five-year capital improvement plan. Capital projects totaling almost \$12.3 million are planned for the years 2018 through 2022. Reconstruction/replacement of two culverts and two streets will cost \$4.2 million, however 80% of this cost will be reimbursed through federal funding. An additional \$4.6 million is planned for park development. Also included in this is the cost for the construction of a new City Hall building. After favorable construction bid results the cost has been reduced to \$3.5 million for the current and subsequent year, for which more than \$3.0 million of fund balance has been committed. Historically the City has used a pay-as-you go approach to infrastructure improvements and some long-term debt issuance to finance some of the cost of buildings and park facilities. The use of sales taxes and grants has enabled the City to make capital investments and maintain a high level of services.

Personnel expenses as a percentage of operating expenditures are low. Personnel expense is anticipated to be just 66% of the 2018 operating budget. While staffing levels have been declining slightly over the past few years, higher costs from increasing health insurance and workers compensation premiums have offset some of these savings.

In 2012 the Police Pension Fund was dissolved and police employees joined the LAGERS system. General employees have been a part of LAGERS since 1969. The pension fund for general employees is overfunded, resulting in nearly continuous rate reductions over the past six years. The contribution rate for police employees has fluctuated both up and down since their conversion to LAGERS. On a City-wide basis, pension costs have declined each year since 2013, helping to maintain the low personnel to operating cost ratio.

In 2002 the City issued tax increment refunding and improvement revenue bonds to finance the costs associated with the Ballwin Town Center Redevelopment Project. While principal and interest payments were made in full from available revenues through 2012, an unscheduled draw from the Debt Reserve Fund was required in October of each of the last five years to fund the required principal payments. Successful appeals of real estate taxes on the property have significantly reduced the revenue stream dedicated for bond payments. This trend is expected to continue. The remaining balance on the bond issue at December 31, 2017 was \$9,270,000. These bonds do not constitute a general obligation or indebtedness of the City. The City has no general obligation debt or capital leases.

Relevant financial policies

The City has adopted a comprehensive set of financial policies. During the current year, one of these policies was particularly relevant. The City has a fund balance policy that establishes the five categories of fund balance, including committed fund balance. This consists of funds that are mandated for a specific purpose by enabling legislation. It further requires that the City maintain a minimum unassigned fund balance no less than 25% of total operating expenditures at the end of each annual fiscal period. During 2014 the Board adopted an ordinance which created a committed fund account to be used for the future construction of a new City Hall. After an initial transfer of \$1,000,000 from unassigned fund balance, 50% of any operating budget surplus was to be added to this account each year at December 31. These transfers were set to continue until the end of fiscal year 2017. As of the end of December a total of \$3,226,904 has been transferred to this committed account, with a reduction of \$223,397 expended this year for design work. After all transfers at December 31, unassigned fund balance equaled 44% of operating expenditures of the General Fund, well in excess of the 25% required minimum.

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 of Ballwin for its CAFR for the fiscal year ended December 31, 2016. This was the third year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year 2017. This was the second year that the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must meet the program criteria as a policy document, as a financial plan, as an operations guideline, and as a communications device.

The preparation of this report would not have been possible without the effort and dedication of the administrative staff of all departments of the City. Our sincere gratitude is extended to the Mayor and the Board for their unfailing support and commitment to the responsible fiscal management of the City.

Respectfully submitted,



Eric Hanson
City Administrator



Denise Keller
Finance Officer

CITY OF BALLWIN, MISSOURI
PRINCIPAL CITY OFFICIALS

MAYOR

Tim Pogue

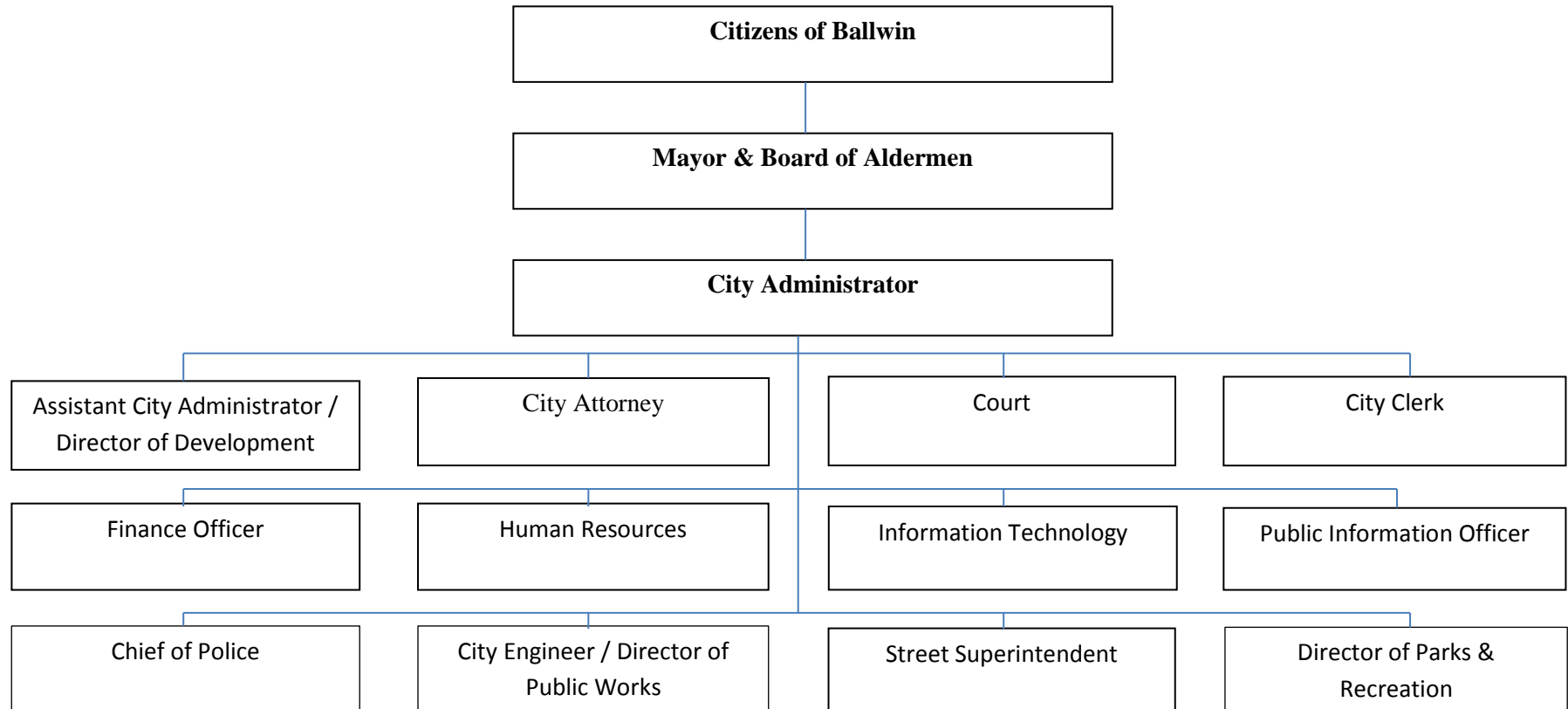
BOARD OF ALDERMEN

Ward I	Michael Finley	Jimmy Terbrock
Ward II	Kevin Roach	Mark Stallmann
Ward III	Frank Fleming	Jim Leahy
Ward IIII	Ross Bullington	Ray Kerlagon

CITY ADMINISTRATION

City Administrator	Eric Hanson
City Attorney	Bob Jones
Prosecuting Attorney	Chris Graville
Municipal Judge	Virginia Nye
Director of Development	Andrew Hixon
Chief of Police	Kevin Scott
Finance Officer	Denise Keller
Director of Public Works	Gary Kramer
Director of Parks and Recreation	Linda Bruer

City of Ballwin Organization Chart





Government Finance Officers Association

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

Presented to

**City of Ballwin
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

April 30, 2018

Honorable Mayor and Board of Aldermen
CITY OF BALLWIN, 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 BALLWIN, MISSOURI** (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, 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 infor-

mation 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 April 30, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The management's discussion and analysis of the City of Ballwin, Missouri's (the City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements following this narrative.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2017 by \$71,160,924 (net position). Of this amount, \$4,254,977 is available to meet the City's ongoing obligations.
- The City's total net position increased by \$2,769,567.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,789,668, an increase of \$199,751 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,730,577, or approximately 44% of General Fund expenditures (\$17,585,288).
- The City's total debt decreased by \$1,628,101 during the current fiscal year due to debt payments being paid according to the debt payment cycle. The debt balance is primarily tax increment financing bonds, which do not constitute a general obligation of the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplemental information and other 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. These statements provide both long-term and short-term information about the City's overall financial status.

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

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

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 City does not have any business-type activities. The governmental activities of the City include parks and recreation, police and court, public works, and general government.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The City maintains governmental funds only.

Governmental funds. Governmental funds are used to account for most of the City's basic services that focus on: 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances remaining at year-end that are readily available for spending. Governmental funds use the modified accrual method of accounting to focus on the near-term inflows and outflows of expendable resources and balances of year-end expendable resources. This detailed short-term view helps readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund financial statements.

The City maintains four major funds: General Fund, Special Allocation Fund, Capital Projects Fund, and the Town Center Debt Service Fund. These funds are presented separately on the governmental funds balance sheet, as well as on the statement of revenues, expenditures, and changes in fund balances. Data from other governmental funds, such as the Sewer Lateral Fund, Federal Asset Seizure Fund, and P.O.S.T. Fund are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplemental information section of this report.

An annual appropriations budget is adopted by the City as required by the General Statutes. The General Fund, Special Allocation Fund, Capital Projects Fund, Sewer Lateral Fund, Federal Asset Seizure Fund, and P.O.S.T. Fund budgets are included in the budget document. The General Fund budget is a legally adopted document that incorporates input from the management of the City and the decisions of the Board of Aldermen about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. Budget workshop meetings, as well as the budget adoption meeting, are open to the public. Budgetary comparison statements have been provided for all budgeted funds.

Notes to the Basic Financial Statements. These notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Required Supplemental Information. This management's discussion and analysis, budgetary comparison schedule and notes to the schedule for the General Fund and Special Allocation Fund, and information concerning the City's progress in funding its obligation to provide pension benefits to its employees represent financial information required by 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.

Other Supplemental Information. This part of the annual report includes financial information such as budgetary comparison schedules for the Capital Projects Fund and combining statements for the nonmajor governmental funds and budgetary comparison schedules for the Sewer Lateral Fund, Federal Asset Seizure Fund, and the P.O.S.T. Fund. This other supplemental 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 as a useful indicator of a government's financial position over time. In the case of the City, the net position of \$71,160,924 increased in 2017 by 4.0% as compared to the previous year.

The largest portion of the City's net position, \$64,101,932 in 2017 (an increase of 2.2% from 2016) reflects its investment in capital assets. Approximately \$270,101 of the increase was a result of donated streets, sidewalks, and right-of-ways. The City uses these capital assets (land, buildings, machinery and equipment, and infrastructure) 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 to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$2,804,015, represents resources that are subject to external restrictions on how they may be used. This balance increased by \$163,604 (6.2%) in 2017 and includes a new restriction for public safety funds. Increased restrictions for capital projects are offset by reductions in the restriction for debt service, resulting from scheduled debt payments. The capital projects balance will fluctuate on an annual basis due to the timing of projects.

The remaining category of the City's net position represents an unrestricted net position balance of \$4,254,977 in 2017, which may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of \$1,245,763 in unrestricted net position in 2017 compared to 2016.

Assets include \$8,690,583 in unrestricted cash and investments and \$2,500,003 in restricted cash and investments.

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

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	December 31		2017 Change	
	2017	2016	Amount	Percent
ASSETS				
Current and other assets	\$ 18,157,652	15,653,577	2,504,075	16.0 %
Capital assets, net	64,101,932	63,079,466	1,022,466	1.6
Total Assets	82,259,584	78,733,043	3,526,541	4.5
DEFERRED OUTFLOWS OF RESOURCES				
	1,663,055	2,830,917	(1,167,862)	(41.3)
LIABILITIES				
Long-term liabilities	10,073,723	11,626,579	(1,552,856)	(13.4)
Other liabilities	2,091,442	827,323	1,264,119	152.8
Total Liabilities	12,165,165	12,453,902	(288,737)	(2.3)
DEFERRED INFLOWS OF RESOURCES				
	596,550	718,701	(122,151)	(17.0)
NET POSITION				
Net investment in capital assets	64,101,932	62,741,732	1,360,200	2.2
Restricted	2,804,015	2,640,411	163,604	6.2
Unrestricted	4,254,977	3,009,214	1,245,763	41.4
Total Net Position	\$ 71,160,924	68,391,357	2,769,567	4.0 %

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

	For The Years		2017 Change	
	Ended December 31			
	2017	2016	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	\$ 5,224,995	5,129,612	95,383	1.9 %
Operating grants and contributions	2,143,790	1,992,051	151,739	7.6
Capital grants and contributions	1,351,798	1,685,573	(333,775)	(19.8)
General revenues:				
Taxes	13,615,094	13,774,887	(159,793)	(1.2)
Investment income	130,266	93,685	36,581	39.0
Miscellaneous	207,094	211,108	(4,014)	(1.9)
Total Revenues	<u>22,673,037</u>	<u>22,886,916</u>	<u>(213,879)</u>	<u>(0.9)</u>
EXPENSES				
General government	3,201,143	3,173,283	27,860	0.9
Public works	5,097,803	4,988,963	108,840	2.2
Police and court	5,697,337	5,565,733	131,604	2.4
Parks and recreation	5,286,293	5,556,450	(270,157)	(4.9)
Interest on long-term debt	620,894	703,048	(82,154)	(11.7)
Total Expenses	<u>19,903,470</u>	<u>19,987,477</u>	<u>(84,007)</u>	<u>(0.4)</u>
CHANGE IN NET POSITION	2,769,567	2,899,439	(129,872)	(4.5)
NET POSITION, JANUARY 1	<u>68,391,357</u>	<u>65,491,918</u>	<u>2,899,439</u>	4.4
NET POSITION, DECEMBER 31	<u>\$ 71,160,924</u>	<u>68,391,357</u>	<u>2,769,567</u>	4.0 %

SIGNIFICANT CHANGES IN NET POSITION

The increase in net position of \$2,769,567 is attributed to the ongoing situation of revenues exceeding expenses.

Operating grants and contributions increased \$151,739 with the receipt of a Community Development Block Grant for ADA curb ramp replacements and higher recreation contributions from land developers. Capital grants and contributions in 2017 included lower donated infrastructure but higher grant revenues from the Henry Avenue resurfacing project for a net decrease of \$333,775.

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

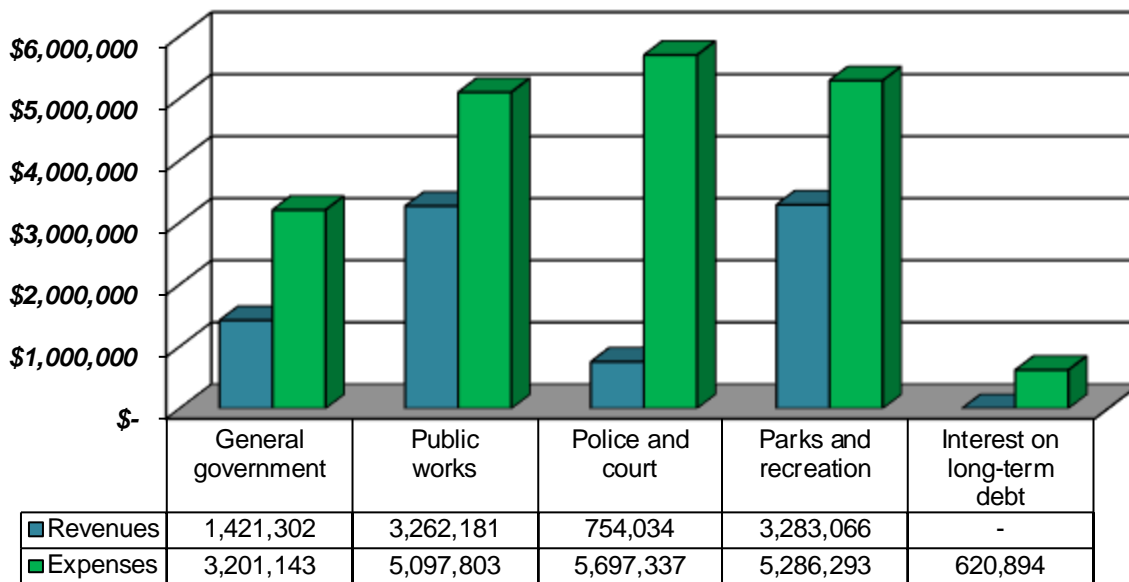
General taxes are down from the prior year by \$159,793 despite the inclusion in the fourth quarter of the new public safety tax.

Expenses for public works increased due to depreciation expense related to the acquisition of equipment to enable more in-house repair and replacement of streets and sidewalks.

Expenses for police increased mainly due to additional pension expenses in 2017 compared to 2016 related to pension adjustments due to GASB 68.

Expenses for parks and recreation are lower in 2017 by \$270,157. Costs in 2016 were higher than normal with the replacement of hail damaged skylights at The Pointe.

Expenses and Program Revenues - Governmental Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

At December 31, 2017, the City's governmental funds report a combined fund balance of \$13,789,668 with a net increase in total fund balance of \$199,751 from 2016. 56% of the total amount (\$7,730,577) constitutes unassigned fund balance, which is available for spending at the City's discretion. This amount represents an increase in unassigned fund balance from 2016 (\$6,745,700). Nonspendable items include prepaid items in the amount of \$329,066 and inventories of \$315,364. Restricted items totaling \$2,411,154 include \$1,156,526 for debt service costs as well as capital projects, sewer lateral, police, community programs, recreation, spe-

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

cial projects, and public safety balances. Committed items include \$3,003,507 for replacement of the City Hall building.

During fiscal year 2017, the unassigned fund balance of the General Fund increased by \$984,877 or 15% from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 43% of the total 2017 General Fund expenditures and transfers out, while the total fund balance represents 65% of the total 2017 General Fund expenditures and transfers out. The General Fund ended the year with a net contribution to fund balance of \$425,111. This increase is due to higher than expected revenues and lower than expected expenditures.

The Special Allocation Fund balance remained at \$0 during the fiscal year. This fund is used to account for the revenues derived from the tax increment financing activities, which are then transferred to the Town Center Debt Service Fund that pays the TIF bonds.

The Capital Projects Fund balance increased \$172,594 during the fiscal year to \$307,287. The Ries Road culvert replacement originally slated for 2017 was delayed until 2018.

The Town Center Debt Service Fund balance decreased \$474,137 during the fiscal year to \$1,156,526. For a fifth consecutive year, there were not enough TIF revenues collected to pay the principal and interest payment on the TIF bonds, therefore, there was an unscheduled draw on the debt service reserve. The bonds call for a debt service reserve of \$2,010,000. At December 31, 2017, the reserve balance was \$619,064.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final 2017 budget for the City's General Fund represents an original expenditure and transfer out budget of \$18,954,440 with a net decrease of \$240,470 to \$18,713,970, an adjustment of 1.3%. The City's Board of Aldermen approved amendments of the 2017 budget in July and November of 2017. These amendments were to reflect lower sales tax collections, lower gross receipts for gas and electric, lower cable franchise fees, reduced court fines revenue, and increased recreation revenues. Costs for the purchase of property adjacent to the community center and additional legal fees were offset by reduced expense for salt and lower tree maintenance services. Personnel expenses for all departments were lowered to reflect turnover. Additional adjustments were made to line items in conjunction with program reallocations.

The General Fund ended the year with an operating surplus (where revenues exceeded expenditures) of \$975,199. Other financing sources and uses decreased the fund balance by \$550,088 to net a positive change in fund balance of \$425,111 in 2017, ending the year with a fund balance of \$11,729,411.

Overall, the General Fund ended fiscal 2017 with a mixture of favorable and unfavorable budget variances for both revenues and expenditures. Actual General Fund revenues and expenditures for the year varied from the 2017 final amended budget as follows:

- Gross receipt taxes received at the end of the year exceeded expectations, with the largest increases in electric and water. The variance to budget was \$176,461.

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

- Revenues received from community programs were \$145,103 higher than budget from increased season pass purchases, program fees, and greens fees.
- Asphalt funds for pothole and street repairs in the amount of \$23,060 were not used because of a prolonged leaf pick-up season and better than anticipated underlying road conditions.
- A savings of \$40,930 in the Snow & Ice Control program occurred in personnel expenses with fewer than anticipated snow events late in the year. Contingency funds of \$15,734 for the maintenance of snow plows and salt spreaders were not needed. Additional savings of \$7,931 were realized from inventories of unused salt.
- Costs for vehicle maintenance in the Support Services program are lower by \$20,883 as more of the public works fleet is modernized and requiring fewer repairs.
- Salaries and benefits for the Police Field Operations and Communications programs ended the year with \$38,833 and \$18,197 respectively not being spent due to turnover of personnel.
- Reduced maintenance expenses for the parks reflect a savings of \$26,463.
- Water and sewer costs for the outdoor pool exceeded budget substantially due to pool leaks which went undetected until December when errors in billings were corrected.
- Part-time pay for staff at the community center was lower than expected by \$40,083 due to turnover among staff, cancelled classes, fewer personal training sessions and a week-long shutdown of the indoor pool for maintenance and improvements.

Both revenues and expenditures varied from the 2017 final amended budget in the Capital Projects Fund. Revenues were lower due to delays in billing and delays in the receipt of payments for two construction projects with federal grants. Expenditures for the Henry Avenue project were below budget due to a favorable change order.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2017, the City's net capital assets totaled \$64,101,932. These assets include land and improvements, right-of-way, historical treasures, construction in progress, infrastructure, buildings and improvements, furniture and fixtures, intangible assets, machinery and equipment, and vehicles.

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	December 31	
	2017	2016
Land and improvements	\$ 6,007,768	5,751,559
Buildings and improvements	26,848,372	26,819,453
Historical treasures	247,573	247,573
Furniture and fixtures	289,453	289,453
Machinery and equipment	3,319,364	3,050,205
Land improvements	2,555,094	2,555,094
Vehicles	3,349,019	2,844,618
Intangible assets	559,570	532,881
Infrastructure	98,209,105	95,246,665
Right-of-way	14,191,930	14,101,133
Construction in progress	448,455	309,826
	<u>156,025,703</u>	<u>151,748,460</u>
Less - Accumulated depreciation	<u>91,923,771</u>	<u>88,668,994</u>
Total Capital Assets	<u><u>\$ 64,101,932</u></u>	<u><u>63,079,466</u></u>

The City had capital asset disposals of \$332,448, which consisted of administrative, police, and parks vehicles as well as parks and public works equipment. Accumulated depreciation on these assets totaled \$138,459, leaving net capital asset disposals at \$193,989.

Capital assets added in 2017 totaled \$4,609,691. Infrastructure and right-of-way improvements of \$3,053,237 include \$270,101 of donated streets, sidewalks, and right-of-ways. Two dump trucks were replaced at a cost of \$215,719 and a two ton swap loader truck was acquired for \$349,884. An asphalt paver, roller and trailer cost \$152,195 along with other vehicle replacements of \$128,997. Land adjacent to the community center was acquired for \$256,209. Additional purchases include the replacement of salt spreaders at \$46,320, a parking structure for police at \$28,919, other equipment of \$55,140 and intangible assets of \$26,689. Depreciation totaling \$3,393,236 resulted in net capital assets increasing by \$1,022,466.

Additional information for capital assets can be found at Note C in the notes to the financial statements.

Long-term Debt. At December 31, 2017, the City had outstanding long-term debt obligations in the amount of \$9,850,240. This debt includes \$9,270,000 in tax increment bonds. These bonds are payable solely from payments in lieu of taxes, transportation development district revenues and economic activity tax revenues generated within the redevelopment area and do not constitute a general obligation or indebtedness of the City. A capital lease for a geothermal HVAC system was issued in 2014 and paid off in 2017. Compensated absences liability totaled \$580,240.

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

The City's long-term debt is detailed below:

	December 31	
	2017	2016
TIF bonds - 2002 issue	\$ 9,270,000	10,575,000
Capital lease obligations	-	337,734
Compensated absences	580,240	565,607
	<u>580,240</u>	<u>565,607</u>
Total Long-term Debt	<u>\$ 9,850,240</u>	<u>11,478,341</u>

Additional information can be found on Note F in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City's 2018 annual budget projects total expenditures of \$29,041,108, including capital expenditures of \$5,467,461.
- General sales taxes are projected to be flat compared with 2017, excluding the new public safety tax. Changes to the sales tax base include the loss of a home decor retailer, shoe retailer, office supplies store, and pet supply store. New businesses added were several eating establishments, a mattress retailer, an entertainment venue, and a vape retailer. The City has expanded its services to include a nearly year round tree maintenance crew. While in an area trimming or removing trees in the right of way, the crew will address requests from the residents for additional work on these trees.
- The public safety tax is expected to generate \$1.4 million dollars in 2018. Planned expenditures include salary increases and pension enhancements for police officers and dispatchers, the replacement of patrol vehicles, new message boards, and various equipment upgrades and additions. A new dispatcher position was added as well as a dedicated IT manager position. Unspent funds are restricted in the governmental funds for future renovations to the police building.
- The City's capital improvement plan for 2018-2022 projects investments in infrastructure improvements and facilities of \$12.3 million. The City has a funding plan to provide resources on a pay-as-you-go basis for infrastructure.
- In 2018 the City begins construction of a new City Hall building in Vlasik Park. Fund balance in the amount of \$3,003,507 has been set aside for this purpose, with future expenditures anticipated at \$3.4 million.
- The construction phase of two federally funded culvert replacement projects will occur in 2018 at a budgeted cost of \$1,614,600.
- Total expenditures for street maintenance/repair work and bridge replacements in the 2018 budget are \$2,924,821, which is an increase of \$181,582 over 2017 spending.

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

- Major vehicle acquisitions consist of three one-ton trucks, a chipper and a greens mower totaling \$367,000.
- Additional projects in the 2018 budget include the replacement of the bucket falls and splash pad at the outdoor pool, the compilation of an updated comprehensive community plan and the compilation of a parks master plan.

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, 14811 Manchester Road, Ballwin, MO 63011.

CITY OF BALLWIN, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,219,163
Certificates of deposit	3,866,137
Investments	2,605,283
Prepaid items	329,066
Receivables:	
Taxes	3,360,553
Court	32,094
Grants	904,336
Other	37,340
Inventories	315,364
Net pension asset	1,988,313
Restricted assets:	
Cash and cash equivalents	1,886,789
Investments	613,214
Capital assets:	
Land and other nondepreciable assets	20,895,726
Other capital assets, net of accumulated depreciation	43,206,206
Total Assets	<u>82,259,584</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>1,663,055</u>
LIABILITIES	
Accounts payable	909,819
Accrued wages and benefits	167,383
Accrued liabilities	825,158
Deposits	41,006
Unearned revenue	8,250
Accrued interest	139,826
Noncurrent liabilities:	
Due within one year	1,635,000
Due in more than one year	8,215,240
Due in more than one year - net OPEB obligation	223,483
Total Liabilities	<u>12,165,165</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>596,550</u>
NET POSITION	
Net investment in capital assets	64,101,932
Restricted for:	
Debt service	1,482,520
Sewer lateral	381,505
Police	239,141
Capital projects	178,773
Recreation	195,381
Public safety	260,622
Other	66,073
Unrestricted	<u>4,254,977</u>
Total Net Position	<u><u>\$ 71,160,924</u></u>

CITY OF BALLWIN, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Changes In Net Position
		Charges For Services	Operating	Capital	Governmental Activities
			Grants And Contributions	Grants And Contributions	
Governmental Activities					
General government	\$ 3,201,143	1,393,419	27,883	-	(1,779,841)
Public works	5,097,803	100	1,910,283	1,351,798	(1,835,622)
Police and court	5,697,337	706,397	47,637	-	(4,943,303)
Parks and recreation	5,286,293	3,125,079	157,987	-	(2,003,227)
Interest on long-term debt	620,894	-	-	-	(620,894)
Total Governmental Activities	<u>\$ 19,903,470</u>	<u>5,224,995</u>	<u>2,143,790</u>	<u>1,351,798</u>	<u>(11,182,887)</u>
General Revenues					
Taxes:					
General sales and use					9,023,345
Franchise					521,464
Cigarette					74,845
Utility gross receipts					3,499,324
Property					496,116
Investment income					130,266
Miscellaneous					207,094
Total General Revenues					<u>13,952,454</u>
CHANGE IN NET POSITION					2,769,567
NET POSITION, JANUARY 1					<u>68,391,357</u>
NET POSITION, DECEMBER 31					\$ 71,160,924

See notes to financial statements

CITY OF BALLWIN, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>General</u>	<u>Special Allocation</u>	<u>Capital Projects</u>	<u>Town Center Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,134,397	-	84,766	-	-	2,219,163
Certificates of deposit	3,866,137	-	-	-	-	3,866,137
Investments	2,605,283	-	-	-	-	2,605,283
Prepaid items	329,066	-	-	-	-	329,066
Receivables:						
Taxes	2,598,613	517,488	162,465	-	81,987	3,360,553
Court	32,094	-	-	-	-	32,094
Grants	8,326	-	896,010	-	-	904,336
Other	37,340	-	-	-	-	37,340
Inventories	315,364	-	-	-	-	315,364
Restricted assets:						
Cash and cash equivalents	881,712	81,003	195,381	214,236	514,457	1,886,789
Investments	-	-	-	613,214	-	613,214
Due from other funds	178,868	56,579	-	329,076	-	564,523
Total Assets	<u>\$ 12,987,200</u>	<u>655,070</u>	<u>1,338,622</u>	<u>1,156,526</u>	<u>596,444</u>	<u>16,733,862</u>
LIABILITIES						
Accounts payable	\$ 141,895	-	767,924	-	-	909,819
Accrued wages and benefits	167,383	-	-	-	-	167,383
Accrued liabilities	825,158	-	-	-	-	825,158
Due to other funds	38,903	329,076	196,544	-	-	564,523
Deposits	41,006	-	-	-	-	41,006
Unearned revenue	8,250	-	-	-	-	8,250
Total Liabilities	<u>1,222,595</u>	<u>329,076</u>	<u>964,468</u>	<u>-</u>	<u>-</u>	<u>2,516,139</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues:						
Court	32,094	-	-	-	-	32,094
Grants	3,100	-	66,867	-	-	69,967
Property taxes	-	325,994	-	-	-	325,994
Total Deferred Inflows Of Resources	<u>35,194</u>	<u>325,994</u>	<u>66,867</u>	<u>-</u>	<u>-</u>	<u>428,055</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	329,066	-	-	-	-	329,066
Inventories	315,364	-	-	-	-	315,364
Restricted for:						
Capital projects	-	-	111,906	-	-	111,906
Debt service	-	-	-	1,156,526	-	1,156,526
Sewer lateral	-	-	-	-	381,505	381,505
Police	24,202	-	-	-	214,939	239,141
Community programs	42,278	-	-	-	-	42,278
Recreation	-	-	195,381	-	-	195,381
Special projects	23,795	-	-	-	-	23,795
Public safety	260,622	-	-	-	-	260,622
Committed for:						
Capital projects	3,003,507	-	-	-	-	3,003,507
Unassigned:						
General Fund	<u>7,730,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,730,577</u>
Total Fund Balances	<u>11,729,411</u>	<u>-</u>	<u>307,287</u>	<u>1,156,526</u>	<u>596,444</u>	<u>13,789,668</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 12,987,200</u>	<u>655,070</u>	<u>1,338,622</u>	<u>1,156,526</u>	<u>596,444</u>	<u>16,733,862</u>

CITY OF BALLWIN, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total Fund Balances - Governmental Funds	\$ 13,789,668
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 \$156,025,703 and the accumulated depreciation is \$91,923,771.	64,101,932
Certain items are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension asset	1,988,313
Deferred outflows related to pensions	1,663,055
Deferred inflows related to pensions	(596,550)
Municipal court receivables are assessed by the City, but are not collected as of December 31, 2017 and unavailable within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	32,094
Grant revenues earned by the City, but not collected as of December 31, 2017, are unavailable within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	69,967
TIF Payments in Lieu of Taxes (PILOTs), property taxes assessed in 2017, but not collected by the City as of December 31, 2017, are unavailable within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	325,994
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 :	
Compensated absences	(580,240)
Tax increment bonds	(9,270,000)
Accrued interest payable	(139,826)
Net OPEB obligation	<u>(223,483)</u>
Total Net Position Of Governmental Activities	<u>\$ 71,160,924</u>

CITY OF BALLWIN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Special Allocation	Capital Projects	Town Center Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 9,243,355	1,258,856	900,917	-	296,500	11,699,628
Licenses and permits	1,616,033	-	-	-	-	1,616,033
Public utility licenses	3,470,161	29,163	-	-	-	3,499,324
Court fines	462,383	-	-	-	-	462,383
False alarm fines	6,550	-	-	-	-	6,550
Police and communications	203,882	-	-	-	29,326	233,208
Community programs	3,125,079	-	-	-	-	3,125,079
Investment income	92,470	788	-	35,354	1,654	130,266
Donations	41,543	-	148,782	-	-	190,325
Grants and entitlements	94,756	-	1,014,830	-	-	1,109,586
Miscellaneous	204,275	-	-	-	-	204,275
Total Revenues	<u>18,560,487</u>	<u>1,288,807</u>	<u>2,064,529</u>	<u>35,354</u>	<u>327,480</u>	<u>22,276,657</u>
EXPENDITURES						
Current:						
Administration	2,755,149	9,451	-	1,503	218,713	2,984,816
Public works	2,822,784	-	5,027	-	-	2,827,811
Police	5,400,488	-	-	-	32,584	5,433,072
Parks and recreation	4,237,231	-	-	-	-	4,237,231
Capital outlay	2,369,636	-	1,969,954	-	-	4,339,590
Debt service:						
Principal	-	-	337,734	1,305,000	-	1,642,734
Interest	-	-	1,782	640,869	-	642,651
Total Expenditures	<u>17,585,288</u>	<u>9,451</u>	<u>2,314,497</u>	<u>1,947,372</u>	<u>251,297</u>	<u>22,107,905</u>
REVENUES OVER (UNDER)	<u>975,199</u>	<u>1,279,356</u>	<u>(249,968)</u>	<u>(1,912,018)</u>	<u>76,183</u>	<u>168,752</u>
EXPENDITURES						
OTHER FINANCING SOURCES						
(USES)						
Transfers in	-	158,525	475,135	1,437,881	-	2,071,541
Transfers out	(581,087)	(1,437,881)	(52,573)	-	-	(2,071,541)
Insurance recoveries	5,270	-	-	-	-	5,270
Sale of capital assets	25,729	-	-	-	-	25,729
Total Other Financing Sources (Uses)	<u>(550,088)</u>	<u>(1,279,356)</u>	<u>422,562</u>	<u>1,437,881</u>	<u>-</u>	<u>30,999</u>
NET CHANGE IN FUND BALANCES	425,111	-	172,594	(474,137)	76,183	199,751
FUND BALANCES, JANUARY 1	<u>11,304,300</u>	<u>-</u>	<u>134,693</u>	<u>1,630,663</u>	<u>520,261</u>	<u>13,589,917</u>
FUND BALANCES, DECEMBER 31	<u>\$ 11,729,411</u>	<u>-</u>	<u>307,287</u>	<u>1,156,526</u>	<u>596,444</u>	<u>13,789,668</u>

CITY OF BALLWIN, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change In Fund Balances - Governmental Funds	\$	199,751
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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 are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$4,339,590) exceeded depreciation (\$3,393,236) in the current period.		946,354
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The net effect of various transactions involving capital assets:		
Cost of disposals, net of accumulated depreciation	(193,989)	
Contributed capital assets	270,101	76,112

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements.		121,009
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of the differences in the treatment of long-term debt and related items is as follows:

Repayments during the current year:		
Principal payments on bonds	1,305,000	
Principal payments on leases included in fund expenditures	337,734	1,642,734

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Accrued compensated absences	(14,633)	
Accrued interest on debt	21,757	
Net OPEB obligation	(75,245)	
Pension expense	(148,272)	(216,393)

Change In Net Position Of Governmental Activities	\$	2,769,567
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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BALLWIN, MISSOURI** (the City) was incorporated December 29, 1950. The City operates as a fourth-class city under the Missouri state statutes. It has a mayor/aldermanic/city administrator form of government and provides the following services: legislative, general services, finance and accounting, community development, public works, police and court, and parks and recreation.

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

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 activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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.

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

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

The City reports the following major governmental funds:

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

Special Allocation Fund -- This fund was established to account for a portion of the revenues derived from the tax increment financing activities. The Old Towne TIF Fund and the Ballwin Towne Center TDD Fund are sub-funds of the Special Allocation Fund.

Capital Projects Fund -- This fund is used to account for the acquisition or construction of major capital facilities.

Town Center Debt Service Fund -- This fund is used to account for the debt service activity for the tax increment bonds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-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 including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

4. Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest income on pooled cash and investments is recorded within each fund. State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury and U.S. government agencies, obligations of the State of Missouri, time certificates of deposit, and repurchase agreements. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions.

Investments are stated at fair value. Fair value for certain U.S. government securities which mature within less than one year from purchase is determined by calculating amortized cost, which approximates fair value. Fair values for all other investments are based on quoted market prices.

5. Restricted Assets

Certain resources set aside for escrow amounts and for the repayment of debt are classified as restricted assets on the balance sheet because their use is limited by liability or by applicable debt covenants.

6. Capital Assets

Capital assets include land and land improvements, buildings and building improvements, infrastructure (e.g. roads, bridges, sidewalks, and similar items), furniture and fixtures, vehicles, machinery and equipment, intangible assets, construction in progress, historical treasures and right-of-way. Capital assets are defined by the City as assets with an initial cost of more than \$7,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

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

Asset	Years
Buildings	15 - 50
Building improvements	15 - 50
Furniture and fixtures	5 - 20
Infrastructure	20 - 50
Intangible assets	5 - 25
Land improvements	10 - 30
Machinery and equipment	3 - 25
Vehicles	3 - 10

7. Compensated Absences

Vacations accrue to employees based on weeks of continuous service. Upon leaving the employ of the City, an employee is entitled to payment for accrued vacation. A liability for unused vacation compensation has been recorded as long-term debt as it is expected to be paid from future resources. Sick leave is based upon continuous weeks of service and is only available to provide compensation during periods of illness.

8. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balance Policies

Fund equity in the governmental fund financial statements is classified as fund balance. Generally, fund balance represents the difference between assets, liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Policies (Continued)

Nonspendable -- Fund balances are reported as nonspendable when amounts cannot be spent because they are either: 1) not in spendable form or 2) legally or contractually required to be maintained intact.

Restricted -- Fund balances are reported as restricted when there are limitations imposed on their use either through external parties such as grantors, creditors, constitutional provisions, or enabling legislation.

Committed -- Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance) of the Board of Aldermen. Only the Board may modify or rescind the commitment.

Assigned -- Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Per the City's fund balance policy, intent is expressed by the governing body, a body (budget or finance committee), or an official that has been given the authority to assign funds (City Administrator or Finance Officer).

Unassigned -- Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the other fund balance type's criterion. The City reports positive unassigned fund balance in the General Fund only. Negative unassigned fund balances may be reported in all governmental funds.

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 first, followed by committed, assigned, and then unassigned fund balances.

Minimum Unrestricted Fund Balance

The City recognizes that the maintenance of a fund balance is essential to provide for unforeseen expenses or emergencies and to provide working capital in the beginning of a fiscal year until sufficient revenues are available to fund operations. The maintenance of an appropriate level of fund balance is necessary to make designated purchases and cover operational expenditures, as well as to demonstrate the financial stability necessary to preserve or enhance its bond rating.

The unassigned fund balance in the General Fund will be maintained at a level sufficient to provide the resources required to meet operating cost needs, to allow for unforeseen emergencies, and to permit orderly adjustment to changes resulting from fluctuations in revenues. The City's policy is to maintain a minimum unassigned fund balance no less than 25% of total operating expenditures at the end of each annual fiscal period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Policies (Continued)

The annual proposed budget will include a projection of the year-end unassigned fund balance for the current year as well as the projected budget year.

If, for any reason, the unassigned General Fund balance should fall below the minimum balance, the City will develop a plan to replenish the unassigned fund balance to the established minimum level within two (2) years.

10. Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components. Net investment in capital assets, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those net position. Net position is reported as restricted when there are constraints imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. All other net position that do not meet the definition of restricted or net investment in capital assets, are reported as unrestricted.

11. Interfund Transactions

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

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

Due To/From Other Funds -- Current portions of long-term interfund loans receivable/payable are considered "available spendable resources" and are reported as assets and liabilities of the appropriate funds.

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

12. Prepaid Items and Inventories

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Inventories of consumable supplies are recorded at cost (determined on a first-in, first-out basis).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Outflows/Inflows of Resources

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

14. Use of Estimates

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

15. Pensions

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

As of December 31, 2017, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2017, the City had the following investments:

Security	Fair Value	Maturities			Credit Risk
		Less Than One Year	1 - 5 Years	6 - 10 Years	
Certificates of deposit	\$ 3,866,137	1,592,816	2,273,321	-	N/A
Money market funds	224,931	224,931	-	-	Not rated
Government securities:					
Federal Home Loan Bank	732,235	249,100	-	483,135	AAA
Federal Home Loan Mortgage Corporation	244,127	-	244,127	-	AAA
Federal National Mortgage Association	249,005	249,005	-	-	AAA
Tennessee Valley Authority Strips	694,351	424,234	270,117	-	AAA
U.S. Treasury Strips	1,298,779	643,061	655,718	-	AAA
Total Investments	<u>\$ 7,309,565</u>	<u>3,383,147</u>	<u>3,443,283</u>	<u>483,135</u>	

Investment Policies

The City's formal investment policies are as follows:

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, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

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

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by diversifying the investment portfolio.

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 December 31, 2017, the City had the following investment concentrations:

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Federal Home Loan Bank	\$ 732,235	10.02 %
Tennessee Valley Authority Strips	694,351	9.50

3. Fair Value Measurements

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

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The City has the following recurring fair value level measurements as of December 31, 2017:

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B - CASH AND INVESTMENTS (Continued)

3. Fair Value Measurements (Continued)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Government securities:				
Federal Home Loan Bank	\$ 732,235	-	732,235	-
Federal Home Loan Mortgage Corporation	244,127	-	244,127	-
Federal National Mortgage Association	249,005	-	249,005	-
Tennessee Valley Authority Strips	694,351	-	694,351	-
U.S. Treasury Strips	1,298,779	-	1,298,779	-
Total Investments By Fair Value Level	3,218,497	-	3,218,497	-
Investments not subject to fair value level classification:				
Certificates of deposit	3,866,137			
Money market funds	224,931			
Total Investments	\$ 7,309,565			

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended December 31, 2017				
	December 31 2016	Increases	Decreases	December 31 2017
Capital assets not being depreciated:				
Land	\$ 5,466,173	256,209	-	5,722,382
Land improvements	285,386	-	-	285,386
Historical treasures	247,573	-	-	247,573
Right-of-way	14,101,133	90,797	-	14,191,930
Construction in progress	309,826	1,720,876	1,582,247	448,455
Total Capital Assets Not Being Depreciated	<u>20,410,091</u>	<u>2,067,882</u>	<u>1,582,247</u>	<u>20,895,726</u>
Capital assets being depreciated:				
Buildings	21,516,672	28,919	-	21,545,591
Building improvements	5,302,781	-	-	5,302,781
Furniture and fixtures	289,453	-	-	289,453
Infrastructure	95,246,665	2,962,440	-	98,209,105
Intangible assets	532,881	26,689	-	559,570
Land improvements	2,555,094	-	-	2,555,094
Machinery and equipment	3,050,205	286,185	17,026	3,319,364
Vehicles	2,844,618	819,823	315,422	3,349,019
Total Capital Assets Being Depreciated	<u>131,338,369</u>	<u>4,124,056</u>	<u>332,448</u>	<u>135,129,977</u>
Less - Accumulated depreciation for:				
Buildings	11,633,608	580,866	-	12,214,474
Building improvements	708,638	221,756	-	930,394
Furniture and fixtures	103,783	12,523	-	116,306
Infrastructure	71,653,363	1,969,503	-	73,622,866
Intangible assets	192,575	20,586	-	213,161
Land improvements	1,094,360	132,548	-	1,226,908
Machinery and equipment	1,989,368	176,676	15,323	2,150,721
Vehicles	1,293,299	278,778	123,136	1,448,941
Total Accumulated Depreciation	<u>88,668,994</u>	<u>3,393,236</u>	<u>138,459</u>	<u>91,923,771</u>
Total Capital Assets Being Depreciated, Net	<u>42,669,375</u>	<u>730,820</u>	<u>193,989</u>	<u>43,206,206</u>
Total Capital Assets, Net	<u><u>\$ 63,079,466</u></u>	<u><u>2,798,702</u></u>	<u><u>1,776,236</u></u>	<u><u>64,101,932</u></u>

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

Administration	\$ 118,499
Public works	2,217,931
Police	127,293
Parks and recreation	929,513
Total	<u><u>\$ 3,393,236</u></u>

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D - INTERFUND BALANCES

The due to and due from other funds consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>December 31 2017</u>
Special Allocation	General	\$ 38,903
Special Allocation	Capital Projects	17,676
General	Capital Projects	178,868
Town Center Debt Service	Special Allocation	<u>329,076</u>
Total		<u><u>\$ 564,523</u></u>

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

NOTE E - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

	<u>Transfers Out</u>		
	<u>General</u>	<u>Special Allocation</u>	<u>Capital Projects</u>
Transfers in:			<u>Total</u>
Special Allocation	\$ 105,952	-	52,573
Capital Projects	475,135	-	-
Town Center Debt Service	-	1,437,881	-
Total	<u><u>\$ 581,087</u></u>	<u><u>1,437,881</u></u>	<u><u>52,573</u></u>
			<u><u>2,071,541</u></u>

Interfund transfers may be used to: 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them and 2) use unrestricted revenues collected to finance expenditures in other funds in accordance with budgetary authorization.

NOTE F - LONG-TERM DEBT

A summary of changes are as follows:

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE F - LONG-TERM DEBT (Continued)

	For The Year Ended December 31, 2017			Amounts Due Within One Year
	Balance December 31 2016	Increases	Decreases	
Tax increment bonds	\$ 10,575,000	-	1,305,000	1,420,000
Capital leases	337,734	-	337,734	-
Compensated absences	565,607	229,633	215,000	215,000
Total	<u>\$ 11,478,341</u>	<u>229,633</u>	<u>1,857,734</u>	<u>1,635,000</u>

The tax increment bonds are liquidated by the Town Center Debt Service Fund. The capital leases are liquidated by the Capital Projects Fund. The compensated absences are generally liquidated by the General Fund.

Tax Increment Bonds

The Series 2002A (\$16,650,000) and 2002B (\$3,450,000) tax increment refunding and improvement revenue bonds were issued for the purpose of financing the costs in connection with the Ballwin Town Center Redevelopment Project. The bonds are special, limited obligations of the City, payable solely from payments in lieu of taxes, transportation development district revenues, and economic activity tax revenues generated within the redevelopment area and certain moneys on deposit under the indenture. The City and Transportation Development District have agreed to request an annual appropriation of economic activity tax revenue and transportation development district revenues, respectively, but the City and the Transportation Development District are not legally obligated to make any such appropriations. In addition, the City has agreed to request an annual appropriation of the lesser of 35% of its portion of economic activity tax revenues or \$250,000 for repayment of the bonds, but the City is not legally obligated to make any such appropriation. The bonds do not constitute a general obligation or indebtedness of the City.

The Series 2002A term bonds are due October 1, 2022. Interest is payable at 6.5%. The Series 2002B term bonds are due October 1, 2022. Interest is payable at 5.125%.

For the fifth year in a row, there were not enough TIF revenues collected to pay the principal and interest payment on the TIF bonds; therefore, there was an unscheduled draw on the debt service reserves. The bonds call for a debt service reserve of \$2,010,000. At December 31, 2017, the reserve balance was \$619,064.

Capital Leases

In 2014, the City financed the acquisition of a geothermal HVAC system totaling \$3,975,326 using a capital lease with an effective interest rate of 1.055% payable in semi-annual installments of \$339,516 through February 2017.

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE F - LONG-TERM DEBT (Continued)

Future long-term debt maturities are as follows:

For The Years Ending December 31	Tax Increment Bonds	
	Principal	Interest
2018	\$ 1,420,000	559,306
2019	1,550,000	474,019
2020	1,715,000	380,969
2021	1,860,000	278,019
2022	2,725,000	166,331
Total	<u>\$ 9,270,000</u>	<u>1,858,644</u>

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

2017 Valuation

Benefit multiplier	1.25% for life
Final average salary	3 years
Member contributions	Noncontributory for employees

The City approved to increase the benefit multiplier and increase employee contributions to 4% beginning July 1, 2018.

NOTE G - 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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	41
Active employees	<u>134</u>
 Total	 <u><u>222</u></u>

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 2% (General), and 9.5% (Police) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

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

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

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

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a

NOTE G - PENSION PLAN (Continued)

particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2017 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	43.00%	5.29%
Fixed income	26.00	2.93
Real assets	21.00	3.31
Strategic assets	10.00	5.73

Discount Rate

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

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G - PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances at June 30, 2016	<u>\$ 17,193,771</u>	<u>18,284,645</u>	<u>(1,090,874)</u>
Changes for the year			
Service cost	515,169	-	515,169
Interest	1,247,200	-	1,247,200
Difference between expected and actual experience	241,448	-	241,448
Contributions - employer	-	388,759	(388,759)
Net investment income	-	2,302,806	(2,302,806)
Benefit payments, including refunds	(496,882)	(496,882)	-
Administrative expense	-	(18,124)	18,124
Other changes	-	227,815	(227,815)
Net Changes	<u>1,506,935</u>	<u>2,404,374</u>	<u>(897,439)</u>
Balances at June 30, 2017	<u><u>\$ 18,700,706</u></u>	<u><u>20,689,019</u></u>	<u><u>(1,988,313)</u></u>

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.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	\$805,305	(1,988,313)	(4,310,412)

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

For the year ended December 31, 2017, the City recognized pension expense of \$523,251. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G - PENSION PLAN (Continued)

	<u>Outflows</u>	<u>Inflows</u>
Differences in experience	\$ 528,222	(596,550)
Assumption changes	536,986	-
Excess (deficit) investment returns	409,532	-
Contributions subsequent to the measurement date*	<u>188,315</u>	<u>-</u>
Total	<u><u>\$ 1,663,055</u></u>	<u><u>(596,550)</u></u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability (asset) for the next fiscal year.

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

<u>For The Plan Years Ending June 30</u>	
2018	\$ 299,827
2019	299,826
2020	117,148
2021	(89,389)
2022	58,601
Thereafter	<u>192,177</u>
Total	<u><u>\$ 878,190</u></u>

NOTE H - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

NOTE I - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities to cover workers' compensation and general liability matters. The purpose of this trust is to distribute the cost of self-insurance over similar entities. In addition to insurance protection, the program provides risk management services with emphasis in loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operation at some future date.

The City also purchases commercial insurance to cover other risks. Settled claims from these risks have not exceeded coverage in any of the past three years.

NOTE J - RESTRICTED COMPONENTS OF NET POSITION

The government-wide statement of net position reports \$2,804,015 of restricted net position, of which \$1,321,495 is restricted by enabling legislation.

NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS

Plan Description

The City provides healthcare benefits to employees defined as city retirees who have attained age 60 plus 15 years of service until attainment of Medicare Eligibility Age. Individual-only medical and prescription drug benefits are available to retirees in the St. Louis Area Insurance Trust's (SLAIT) self-insured pool. The retirees are required to contribute the same percentage as active employees do toward medical and dental premiums. Retirees may purchase spouse coverage through the Plan, but are required to pay the full premium for their spouses. The Plan, as established by City resolution, assigned the authority to establish and amend plan benefit provisions to the City. The plan does not issue a separate stand-alone report. The OPEB obligation is generally liquidated by the General Fund.

Funding Policy

The City currently pays for the post-employment healthcare benefits on a pay-as-you-go basis.

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities.

The City's annual OPEB cost for the current year and the related information are as follows:

ARC	\$ 87,363
Interest on net OPEB obligation	5,930
Adjustment to ARC	<u>(8,573)</u>
Annual OPEB Cost	84,720
Contributions made	<u>(9,475)</u>
Increase in OPEB obligation	75,245
Net OPEB obligation - beginning of year	<u>148,238</u>
Net OPEB Obligation - End Of Year	<u><u>\$ 223,483</u></u>

The Plan was revised by City Resolution, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

<u>For The Years Ended December 31</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 84,720	11.2 %	\$ 223,483
2016	26,373	34.1	148,238
2015	26,743	22.4	130,869

Funded Status and Funding Program

As of January 1, 2017, the most recent actuarial valuation date, the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) and the actuarial accrued liability for benefits of \$760,046. The covered payroll (annual payroll of active employees covered by the plan) was \$7,558,000, and the ratio of the UAAL to the covered payroll was 10%.

NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit credit method
Latest valuation date	January 1, 2017
Discount rate	4% per annum
Amortization method	30 year open amortization on a level dollar basis
Mortality	RPH2014 Mortality Table
Medical premium rates	9% initial rate; 4.5% ultimate rate
Dental premium rates	4.5% increase per annum

NOTE L - CONTINGENCIES AND COMMITMENTS

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

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

At December 31, 2017, the City had commitments in the amount of \$1,021,053 for design services for the new government center and two bridges, and the North Pointe pool renovation to be completed in 2018. Some of these expenditures qualify for partial grant reimbursement.

NOTE M - SUBSEQUENT EVENTS

In April 2018, the City approved contracts for the construction of a new City Hall and the replacement of two bridges in the amount of \$2,911,057 and \$1,197,125, respectively.

NOTE N - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, will require the City to record unfunded actuarial accrued liability (UAAL) on the government-wide statement of net position. UAAL equals the difference between the total OPEB liability and the value of assets set aside to pay OPEB benefits. GASB 75 will be effective for the City for the year ending December 31, 2018.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Taxes				
General sales tax	\$ 5,410,000	5,022,000	4,920,472	(101,528)
Capital improvement sales tax	620,000	612,000	723,144	111,144
Parks sales tax	1,325,000	1,265,000	1,299,035	34,035
Public safety sales tax	-	360,000	366,376	6,376
Motor vehicle fees	1,175,000	1,210,000	1,227,765	17,765
County road tax	600,000	675,000	631,718	(43,282)
Cigarette	82,000	75,000	74,845	(155)
Total Taxes	9,212,000	9,219,000	9,243,355	24,355
Licenses and Permits				
Building and sign permits	89,000	110,500	119,582	9,082
Cable television franchise fees	551,500	520,600	521,464	864
Inspection and occupancy permits	99,450	90,450	90,714	264
Liquor licenses	18,000	18,000	17,767	(233)
Merchants and contractors licenses	663,000	707,000	708,501	1,501
Mechanical and electrical permits	77,025	81,025	85,768	4,743
Plumbing and excavation permits	56,700	56,700	72,237	15,537
Total Licenses And Permits	1,554,675	1,584,275	1,616,033	31,758
Public Utility Licenses				
Electric	1,635,000	1,560,000	1,665,291	105,291
Telephone	679,500	689,500	693,223	3,723
Gas	805,600	705,600	732,656	27,056
Water	321,600	338,600	378,991	40,391
Total Public Utility Licenses	3,441,700	3,293,700	3,470,161	176,461
Court Fines	600,000	445,000	462,383	17,383
False Alarm Fines	6,000	6,000	6,550	550
Police and Communications	210,000	206,563	203,882	(2,681)
Community Programs				
Pool:				
Concessions	118,000	131,200	131,200	-
Daily admissions	254,930	286,149	286,149	-

(Continued)

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES (Continued)				
Community Programs (Continued)				
Pool (Continued):				
Season passes	115,600	130,500	139,851	9,351
Swim team	17,000	17,000	15,552	(1,448)
Rental fees	18,500	18,500	20,647	2,147
Miscellaneous	21,100	25,442	23,323	(2,119)
Total Pool	545,130	608,791	616,722	7,931
Community center:				
Concessions	16,900	16,900	15,048	(1,852)
Daily admissions	92,100	88,000	91,094	3,094
Punch cards	66,000	55,000	56,204	1,204
Season passes	798,000	868,000	933,943	65,943
Program fees	289,700	233,500	251,907	18,407
Summer camp fees	218,000	233,900	233,693	(207)
Rental fees	70,000	74,000	82,464	8,464
Identification fees	10,000	10,000	9,522	(478)
Miscellaneous	85	85	47	(38)
Total Community Center	1,560,785	1,579,385	1,673,922	94,537
Golf course:				
Green fees	420,000	465,000	496,265	31,265
Cart rental	121,800	147,800	155,409	7,609
Program fees	3,600	3,600	2,269	(1,331)
Season passes	1,750	1,750	1,925	175
Miscellaneous	1,600	1,600	1,922	322
Total Golf Course	548,750	619,750	657,790	38,040
Recreational complex and golf shop:				
Concessions and miscellaneous	66,900	75,400	78,458	3,058
Complex rental fees	26,350	31,350	32,830	1,480
Total Recreational Complex And Golf Shop	93,250	106,750	111,288	4,538
Ballwin Days	80,000	65,300	65,357	57
Total Community Programs	2,827,915	2,979,976	3,125,079	145,103

(Continued)

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES (Continued)				
Investment Income	60,200	70,200	92,470	22,270
Donations	41,150	40,305	41,543	1,238
Grants and Entitlements	89,300	82,500	94,756	12,256
Miscellaneous				
Administration	59,110	184,000	187,639	3,639
Rental income	20,775	15,000	15,300	300
Miscellaneous	5,175	5,175	1,336	(3,839)
Total Miscellaneous	85,060	204,175	204,275	100
Total Revenues	18,128,000	18,131,694	18,560,487	428,793
EXPENDITURES				
Administration				
Planning and zoning	47,606	53,395	51,894	(1,501)
Inspections	482,960	427,950	417,823	(10,127)
Community services	745,347	740,251	731,807	(8,444)
Legal	483,148	510,376	482,716	(27,660)
Support services	273,027	263,562	239,036	(24,526)
Information services	294,055	317,595	293,760	(23,835)
Municipal Court	163,970	163,970	151,242	(12,728)
Finance	481,717	474,369	459,282	(15,087)
Total Administration	2,971,830	2,951,468	2,827,560	(123,908)
Public Works				
Engineering	160,970	159,823	155,101	(4,722)
Streets and sidewalks	2,952,399	3,101,740	3,043,506	(58,234)
Snow and ice control	308,177	225,689	157,089	(68,600)
Property services	621,878	398,999	399,128	129
Support services	1,169,077	1,147,384	1,118,314	(29,070)
Total Public Works	5,212,501	5,033,635	4,873,138	(160,497)

(Continued)

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
Police				
Management and auxiliary services	564,102	445,697	413,103	(32,594)
Field operations	3,837,660	3,787,351	3,719,309	(68,042)
Communications	774,523	773,086	750,470	(22,616)
Criminal investigations	661,078	665,565	651,883	(13,682)
Total Police	<u>5,837,363</u>	<u>5,671,699</u>	<u>5,534,765</u>	<u>(136,934)</u>
Parks and Recreation				
Parks	759,983	719,278	681,317	(37,961)
Golf operations	793,688	824,640	795,113	(29,527)
Pool	675,350	668,656	708,951	40,295
Community center	1,699,480	1,659,492	1,600,388	(59,104)
Building systems	523,846	509,013	492,322	(16,691)
Ballwin days	80,859	73,299	71,734	(1,565)
Total Parks And Recreation	<u>4,533,206</u>	<u>4,454,378</u>	<u>4,349,825</u>	<u>(104,553)</u>
Total Expenditures	<u>18,554,900</u>	<u>18,111,180</u>	<u>17,585,288</u>	<u>(525,892)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(426,900)</u>	<u>20,514</u>	<u>975,199</u>	<u>954,685</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(399,540)	(602,790)	(581,087)	(21,703)
Insurance recoveries	2,000	2,000	5,270	3,270
Sale of capital assets	<u>30,000</u>	<u>30,000</u>	<u>25,729</u>	<u>(4,271)</u>
Total Other Financing Sources (Uses)	<u>(367,540)</u>	<u>(570,790)</u>	<u>(550,088)</u>	<u>(20,702)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (794,440)</u>	<u>(550,276)</u>	425,111	<u>(975,387)</u>
FUND BALANCE, JANUARY 1			<u>11,304,300</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 11,729,411</u>	

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL ALLOCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Old Towne TIF Fund			Ballwin Town Center TDD Fund			Total Special Allocation Fund		
	Original And Final Budgeted Amounts	Actual	Over (Under) Budget	Original And Final Budgeted Amounts	Actual	Over (Under) Budget	Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES									
Taxes	\$ 1,140,000	1,142,317	2,317	119,500	116,539	(2,961)	1,259,500	1,258,856	(644)
Public utility licenses	30,000	29,163	(837)	-	-	-	30,000	29,163	(837)
Investment income	325	729	404	20	59	39	345	788	443
Total Revenues	1,170,325	1,172,209	1,884	119,520	116,598	(2,922)	1,289,845	1,288,807	(1,038)
EXPENDITURES									
Administration	4,500	4,500	-	9,700	4,951	(4,749)	14,200	9,451	(4,749)
REVENUES OVER EXPENDITURES	1,165,825	1,167,709	1,884	109,820	111,647	1,827	1,275,645	1,279,356	3,711
OTHER FINANCING SOURCES (USES)									
Transfers in	148,540	158,525	9,985	-	-	-	148,540	158,525	9,985
Transfers out	(1,314,365)	(1,326,234)	11,869	(109,820)	(111,647)	1,827	(1,424,185)	(1,437,881)	13,696
Total Other Financing Sources (Uses)	(1,165,825)	(1,167,709)	1,884	(109,820)	(111,647)	1,827	(1,275,645)	(1,279,356)	3,711
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JANUARY 1		<u>-</u>			<u>-</u>			<u>-</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ -</u></u>			<u><u>-</u></u>			<u><u>-</u></u>	

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

Budgetary Data

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

- a. Each year the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period. The operating budget includes proposed expenditures and the means of financing them for all funds except the Town Center Debt Service Fund.
- b. The budget is legally enacted by ordinance after public hearings are held to obtain taxpayer comments.
- c. Budgetary amounts are reported as originally adopted, or as amended by the Board of Aldermen.
- d. Budgets are adopted on a department basis consistent with accounting principles generally accepted in the United States of America, except that the other financing source and related capital outlay of capital leases and debt issues in the year the City enters into the agreement are not budgeted.

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service cost	\$ 515,169	513,865	533,533
Interest on the total pension liability	1,247,200	1,098,570	1,060,405
Difference between expected and actual experience	241,448	110,587	(717,237)
Changes of assumptions	-	782,830	-
Benefit payments, including refunds	(496,882)	(417,375)	(266,490)
Net Change In Total Pension Liability	<u>1,506,935</u>	<u>2,088,477</u>	<u>610,211</u>
Total Pension Liability Beginning	<u>17,193,771</u>	<u>15,105,294</u>	<u>14,495,083</u>
Total Pension Liability Ending (a)	<u><u>\$ 18,700,706</u></u>	<u><u>17,193,771</u></u>	<u><u>15,105,294</u></u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 388,759	428,003	484,631
Contributions - employee	-	300,790	-
Net investment income (loss)	2,302,806	(53,995)	342,748
Benefit payments, including refunds	(496,882)	(417,375)	(266,490)
Administrative expense	(18,124)	(17,336)	(18,642)
Other changes	<u>227,815</u>	<u>27,350</u>	<u>485,095</u>
Net Change In Plan Fiduciary Net Position	<u>2,404,374</u>	<u>267,437</u>	<u>1,027,342</u>
Plan Fiduciary Net Position Beginning	<u>18,284,645</u>	<u>18,017,208</u>	<u>16,989,866</u>
Plan Fiduciary Net Position Ending (b)	<u><u>\$ 20,689,019</u></u>	<u><u>18,284,645</u></u>	<u><u>18,017,208</u></u>
Net Pension Liability (Asset) Ending (a-b)	<u><u>\$ (1,988,313)</u></u>	<u><u>(1,090,874)</u></u>	<u><u>(2,911,914)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.63 %	106.34	119.28
Covered Employee Payroll (for February 28/29 Valuation)	\$ 7,311,839	7,452,367	7,350,714
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	(27.19) %	(14.64)	(39.61)

Notes:

Information is not available for fiscal years prior to 2015.

The amounts noted above are as of the measurement date which is June 30 prior to the end of the fiscal year.

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 they 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.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined pension contribution	\$ 404,088	377,630	486,441	506,920	555,904	428,401	307,438	320,194	167,776	200,038
Contributions in relation to the actuarially determined contribution	374,168	377,629	486,440	506,920	555,904	416,205	250,049	206,708	167,776	200,038
Contribution Deficiency	\$ 29,920	1	1	-	-	12,196	57,389	113,486	-	-
Covered Employee Payroll	\$ 7,488,484	7,467,664	7,710,104	7,384,378	7,245,803	5,422,399	4,099,172	4,053,093	4,092,098	4,082,417
Contributions as a Percentage of Covered Employee Payroll	5.00 %	5.06	6.31	6.86	7.67	7.68	6.10	5.10	4.10	4.90

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

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

Remaining amortization period

Asset valuation method

Inflation

Salary increases

Investment rate of return

Retirement age

Mortality

Multiple bases from 13 to 25 years
5 years smoothed market; 20% corridor
3.25% wage inflation; 2.50% price inflation
3.25% to 6.55% including wage inflation
7.25%, net of investment expenses
Experience-based table of rates that are specific to the type of eligibility condition
The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

There were no benefit changes during the year.

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE
OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2017

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL As A Percentage Of Covered Payroll ((b-a) / c)
1/1/2017	\$ -	\$ 760,046	\$ 760,046	- %	\$ 7,558,000	10 %
1/1/2015	-	275,551	275,551	-	7,684,000	4
1/1/2013	-	232,892	232,892	-	7,377,000	3

OTHER SUPPLEMENTAL INFORMATION SECTION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Sewer Lateral Fund: Assessed fees on residential properties are collected and used to fund disbursements for repairs of lateral sewer service lines of the dwelling units within the City.

Federal Asset Seizure Fund: This fund accounts for money seized in drug related incidents as well as the forfeiture of those funds and authorized expenditures.

P.O.S.T. Fund: An assessment added to municipal court costs is allocated through the State of Missouri for credit to the Peace Officer Standards and Training commission. These funds may be used for training for law enforcement employees.

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>Sewer Lateral</u>	<u>Federal Asset Seizure</u>	<u>P.O.S.T.</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Receivables:				
Taxes	\$ 81,987	-	-	81,987
Restricted assets:				
Cash and cash equivalents	<u>299,518</u>	<u>125,355</u>	<u>89,584</u>	<u>514,457</u>
Total Assets	<u>\$ 381,505</u>	<u>125,355</u>	<u>89,584</u>	<u>596,444</u>
LIABILITIES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Sewer lateral	381,505	-	-	381,505
Federal asset seizure	-	125,355	-	125,355
P.O.S.T.	<u>-</u>	<u>-</u>	<u>89,584</u>	<u>89,584</u>
Total Fund Balances	<u>381,505</u>	<u>125,355</u>	<u>89,584</u>	<u>596,444</u>
Total Liabilities And Fund Balances	<u>\$ 381,505</u>	<u>125,355</u>	<u>89,584</u>	<u>596,444</u>

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Sewer Lateral</u>	<u>Federal Asset Seizure</u>	<u>P.O.S.T.</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes	\$ 296,500	-	-	296,500
Police and communications	-	26,274	3,052	29,326
Investment income	-	927	727	1,654
Total Revenues	<u>296,500</u>	<u>27,201</u>	<u>3,779</u>	<u>327,480</u>
EXPENDITURES				
Administration	218,713	-	-	218,713
Police	-	27,632	4,952	32,584
Total Expenditures	<u>218,713</u>	<u>27,632</u>	<u>4,952</u>	<u>251,297</u>
NET CHANGE IN FUND BALANCES	77,787	(431)	(1,173)	76,183
FUND BALANCES, JANUARY 1	<u>303,718</u>	<u>125,786</u>	<u>90,757</u>	<u>520,261</u>
FUND BALANCES, DECEMBER 31	<u><u>\$ 381,505</u></u>	<u><u>125,355</u></u>	<u><u>89,584</u></u>	<u><u>596,444</u></u>

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes (sewer lateral fees)	\$ 296,000	296,500	500
EXPENDITURES			
Administration:			
Sewer lateral repairs	262,500	185,471	(77,029)
Administration costs	33,242	33,242	-
Total Expenditures	<u>295,742</u>	<u>218,713</u>	<u>(77,029)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 258</u></u>	77,787	<u><u>77,529</u></u>
FUND BALANCE, JANUARY 1		<u>303,718</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 381,505</u></u>	

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - FEDERAL ASSET SEIZURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Police and communications	\$ 20,000	26,274	6,274
Investment income	290	927	637
Total Revenues	<u>20,290</u>	<u>27,201</u>	<u>6,911</u>
 EXPENDITURES			
Police	<u>35,000</u>	<u>27,632</u>	<u>(7,368)</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$ (14,710)</u></u>	 (431)	 <u><u>14,279</u></u>
 FUND BALANCE, JANUARY 1		 <u>125,786</u>	
 FUND BALANCE, DECEMBER 31		 <u><u>\$ 125,355</u></u>	

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - P.O.S.T. FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Police and communications	\$ 3,600	3,052	(548)
Investment income	250	727	477
Total Revenues	<u>3,850</u>	<u>3,779</u>	<u>(71)</u>
EXPENDITURES			
Police	<u>7,500</u>	<u>4,952</u>	<u>(2,548)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (3,650)</u></u>	<u>(1,173)</u>	<u><u>2,477</u></u>
FUND BALANCE, JANUARY 1		<u>90,757</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 89,584</u></u>	

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Capital improvement sales tax	\$ 675,000	621,000	629,430	8,430
Parks sales tax	280,000	269,000	271,487	2,487
Donations	-	148,782	148,782	-
Grants and entitlements	1,762,560	1,195,095	1,014,830	(180,265)
Total Revenues	<u>2,717,560</u>	<u>2,233,877</u>	<u>2,064,529</u>	<u>(169,348)</u>
EXPENDITURES				
Administration:				
Community services	<u>300,000</u>	<u>245,100</u>	<u>223,397</u>	<u>(21,703)</u>
Public works:				
Pavement maintenance	1,486,200	1,479,893	1,421,974	(57,919)
Property services	<u>922,000</u>	<u>84,127</u>	<u>77,872</u>	<u>(6,255)</u>
Total Public Works	<u>2,408,200</u>	<u>1,564,020</u>	<u>1,499,846</u>	<u>(64,174)</u>
Parks and recreation:				
Community center	339,516	339,516	339,516	-
Parks	<u>-</u>	<u>251,738</u>	<u>251,738</u>	<u>-</u>
Total Parks And Recreation	<u>339,516</u>	<u>591,254</u>	<u>591,254</u>	<u>-</u>
Total Expenditures	<u>3,047,716</u>	<u>2,400,374</u>	<u>2,314,497</u>	<u>(85,877)</u>
REVENUES UNDER EXPENDITURES	<u>(330,156)</u>	<u>(166,497)</u>	<u>(249,968)</u>	<u>(83,471)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	496,838	475,135	(21,703)
Transfers out	<u>(49,000)</u>	<u>(52,573)</u>	<u>(52,573)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>251,000</u>	<u>444,265</u>	<u>422,562</u>	<u>(21,703)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (79,156)</u>	<u>277,768</u>	172,594	<u>(105,174)</u>
FUND BALANCE, JANUARY 1			<u>134,693</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 307,287</u>	

STATISTICAL SECTION

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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.	62 - 65
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue sources.	66 - 72
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.	73 - 76
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.	77 - 79
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.	80 - 81

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

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

	December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 51,081,382	52,105,820	52,229,272	55,892,903	58,484,942	58,436,684	60,365,955	61,255,847	62,741,732	64,101,932
Restricted	5,488,135	4,652,210	5,213,316	4,619,234	3,933,812	3,612,109	3,532,931	2,932,692	2,640,411	2,804,015
Unrestricted (deficiency)	(8,438,343)	(6,807,825)	(6,217,676)	(8,395,658)	(6,678,049)	(5,067,844)	(1,804,964)	1,303,379	3,009,214	4,254,977
 Total Governmental Activities Net Position	 \$ 48,131,174	 49,950,205	 51,224,912	 52,116,479	 55,740,705	 56,980,949	 62,093,922	 65,491,918	 68,391,357	 71,160,924

Note: 2014 amount was restated for implementation of GASB 68.

CITY OF BALLWIN, MISSOURI
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	For the Years Ended December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
General government	\$ 2,741,729	2,850,018	2,853,432	2,975,328	2,949,090	3,151,500	3,202,942	3,198,068	3,173,283	3,201,143
Public works	5,043,685	4,573,553	5,061,956	6,027,188	4,271,294	4,680,149	4,895,772	4,974,891	4,988,963	5,097,803
Police and court	4,749,857	4,896,941	4,891,838	4,994,184	5,159,400	5,442,173	5,452,247	5,317,211	5,565,733	5,697,337
Parks and recreation	4,423,563	4,297,780	4,279,572	4,461,133	4,571,003	4,715,989	5,041,282	5,107,835	5,556,450	5,286,293
Interest on long-term debt	1,461,950	1,329,062	1,239,718	1,115,108	953,404	873,348	827,400	770,614	703,048	620,894
Total Expenses	<u>18,420,784</u>	<u>17,947,354</u>	<u>18,326,516</u>	<u>19,572,941</u>	<u>17,904,191</u>	<u>18,863,159</u>	<u>19,419,643</u>	<u>19,368,619</u>	<u>19,987,477</u>	<u>19,903,470</u>
PROGRAM REVENUES										
Charges for services:										
General government	803,050	782,215	805,066	903,157	932,571	1,283,921	1,357,366	1,333,415	1,370,342	1,393,419
Public works	296,437	288,529	300,866	-	-	-	-	-	-	100
Police and court	1,037,094	1,030,148	824,612	1,026,418	1,212,453	1,293,229	1,116,336	877,501	842,789	706,397
Parks and recreation	2,662,845	2,598,556	2,711,904	2,759,944	2,818,794	2,716,188	2,709,312	2,793,576	2,916,481	3,125,079
Operating grants and contributions	1,925,446	1,845,535	1,968,493	1,940,319	2,064,249	1,770,574	1,980,080	2,019,850	1,992,051	2,143,790
Capital grants and contributions	-	491,884	144,893	631,080	1,383,824	403,925	570,385	1,590,966	1,685,573	1,351,798
Total Program Revenues	<u>6,724,872</u>	<u>7,036,867</u>	<u>6,755,834</u>	<u>7,260,918</u>	<u>8,411,891</u>	<u>7,467,837</u>	<u>7,733,479</u>	<u>8,615,308</u>	<u>8,807,236</u>	<u>8,720,583</u>
NET REVENUES (EXPENSES)	<u>(11,695,912)</u>	<u>(10,910,487)</u>	<u>(11,570,682)</u>	<u>(12,312,023)</u>	<u>(9,492,300)</u>	<u>(11,395,322)</u>	<u>(11,686,164)</u>	<u>(10,753,311)</u>	<u>(11,180,241)</u>	<u>(11,182,887)</u>
GENERAL REVENUES										
Taxes:										
General sales and use	8,035,475	7,510,063	7,575,964	7,809,931	8,177,296	8,350,271	8,873,564	9,174,735	9,185,675	9,023,345
Franchise	372,731	413,565	457,283	486,519	515,457	530,722	577,089	605,389	553,633	521,464
Cigarette	102,570	91,368	89,438	87,662	83,288	80,718	78,684	87,412	83,124	74,845
Utility gross receipts	4,006,224	3,977,530	3,923,967	3,789,834	3,715,613	3,799,136	3,724,984	3,626,787	3,411,174	3,499,324
Property	623,724	486,860	513,661	448,038	311,956	432,629	260,579	405,149	541,281	496,116
Investment income	415,496	154,947	153,823	314,509	80,357	11,421	128,774	135,988	93,685	130,266
Gain on sale of capital assets	-	1,359	-	-	-	-	-	-	-	-
Miscellaneous	114,513	93,826	131,253	267,097	232,559	168,354	240,582	115,847	211,108	207,094
Total General Revenues	<u>13,670,733</u>	<u>12,729,518</u>	<u>12,845,389</u>	<u>13,203,590</u>	<u>13,116,526</u>	<u>13,373,251</u>	<u>13,884,256</u>	<u>14,151,307</u>	<u>14,079,680</u>	<u>13,952,454</u>
CHANGE IN NET POSITION	<u>\$ 1,974,821</u>	<u>1,819,031</u>	<u>1,274,707</u>	<u>891,567</u>	<u>3,624,226</u>	<u>1,977,929</u>	<u>2,198,092</u>	<u>3,397,996</u>	<u>2,899,439</u>	<u>2,769,567</u>

CITY OF BALLWIN, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

		December 31									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund											
Nonspendable	\$	-	-	-	264,194	418,341	544,134	747,177	767,826	700,272	644,430
Restricted		-	-	-	33,796	35,999	31,348	45,564	64,029	79,461	350,897
Committed		-	-	-	-	-	-	1,755,775	2,654,897	2,984,427	3,003,507
Assigned		-	-	-	-	-	2,323,370	18,209	699,090	794,440	-
Unassigned		-	-	-	6,653,674	8,230,761	6,579,911	6,448,262	6,543,662	6,745,700	7,730,577
Reserved		728,314	500,410	426,506	-	-	-	-	-	-	-
Unreserved		8,754,370	9,608,023	9,829,007	-	-	-	-	-	-	-
Total General Fund		\$ 9,482,684	10,108,433	10,255,513	6,951,664	8,685,101	9,478,763	9,014,987	10,729,504	11,304,300	11,729,411
All Other Governmental Funds											
Restricted	\$	-	-	-	4,585,438	3,448,046	3,541,884	3,448,213	2,699,436	2,285,617	2,060,257
Reserved		4,574,631	4,361,449	4,607,994	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds		-	-	-	-	-	-	-	-	-	-
Capital projects funds		645,241	290,761	580,958	-	-	-	-	-	-	-
Total All Other Governmental Funds		\$ 5,219,872	4,652,210	5,188,952	4,585,438	3,448,046	3,541,884	3,448,213	2,699,436	2,285,617	2,060,257

GASB Statement No. 54 was implemented in 2011.

CITY OF BALLWIN, MISSOURI
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes	\$ 10,940,129	10,164,481	10,292,385	9,710,751	10,483,186	11,035,294	11,273,252	11,654,502	11,832,035	11,699,628
Licenses and permits	1,175,781	1,195,779	1,262,349	1,389,675	1,448,029	1,519,203	1,637,987	1,643,613	1,626,338	1,616,033
Public utility licenses	4,006,224	3,977,530	3,923,967	3,789,834	3,715,613	3,799,136	3,724,984	3,626,787	3,411,174	3,499,324
Court fines	713,225	721,824	616,623	736,213	938,503	952,511	865,474	658,412	549,680	462,383
False alarm fines	6,450	11,575	4,475	6,050	4,800	6,375	7,850	8,550	8,275	6,550
Police and communications	317,970	269,174	285,719	287,991	262,820	255,427	246,827	265,070	300,731	233,208
Community programs	2,662,845	2,598,556	2,711,904	2,759,944	2,818,795	2,716,188	2,709,312	2,793,576	2,916,481	3,125,079
Investment income	415,496	154,947	153,825	314,510	80,358	11,421	128,774	135,988	93,685	130,266
Donations	24,017	16,768	15,736	57,030	46,367	18,008	169,806	123,709	99,725	190,325
Grants and entitlements	19,506	181,735	95,777	173,813	1,085,383	581,728	618,245	644,692	167,966	1,109,586
Miscellaneous	114,513	93,826	131,056	267,097	214,449	183,996	240,582	115,847	189,842	204,275
Total Revenues	20,396,156	19,386,195	19,493,816	19,492,908	21,098,303	21,079,287	21,623,093	21,670,746	21,195,932	22,276,657
EXPENDITURES										
Current:										
Administration	2,586,205	2,632,215	2,770,531	2,864,647	2,863,016	3,026,946	3,053,797	3,087,365	3,071,324	2,984,816
Public works	2,603,445	2,869,227	3,451,046	4,436,279	2,779,907	2,914,321	3,084,783	3,121,347	2,931,849	2,827,811
Police	4,652,674	4,768,674	4,761,003	4,872,371	5,001,996	5,309,767	5,358,985	5,533,467	5,411,043	5,433,072
Parks and recreation	3,663,017	3,560,079	3,620,954	3,806,901	3,985,381	3,952,126	4,270,741	4,263,650	4,598,395	4,237,231
Capital outlay	1,607,390	2,141,335	1,144,713	1,519,271	2,831,405	2,731,818	6,467,740	2,872,399	2,532,012	4,339,590
Debt service:										
Principal	2,025,000	2,150,000	1,975,000	4,745,000	2,230,000	1,391,008	1,220,854	1,593,143	1,865,160	1,642,734
Interest	1,486,535	1,359,504	1,268,224	1,182,804	984,569	893,138	833,810	787,246	724,429	642,651
Debt issuance costs	73,617	-	-	-	-	-	-	-	-	-
Total Expenditures	18,697,883	19,481,034	18,991,471	23,427,273	20,676,274	20,219,124	24,290,710	21,258,617	21,134,212	22,107,905
REVENUES OVER (UNDER)										
EXPENDITURES	1,698,273	(94,839)	502,345	(3,934,365)	422,029	860,163	(2,667,617)	412,129	61,720	168,752
OTHER FINANCING SOURCES (USES)										
Issuance of long-term debt	3,695,000	-	-	-	-	-	-	-	-	-
Premium on issuance of debt	101,109	-	-	-	-	-	-	-	-	-
Refunding of long-term debt	(3,722,436)	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	106,920	118,744	-	125,690	-	2,000,000	-	-	-
Transfers in	2,534,292	3,370,098	3,962,985	8,439,557	2,607,955	2,229,775	3,471,105	1,533,925	1,715,879	2,071,541
Transfers out	(2,534,292)	(3,370,098)	(3,962,985)	(8,439,557)	(2,607,955)	(2,229,775)	(3,471,105)	(1,533,925)	(1,715,879)	(2,071,541)
Insurance recoveries	-	-	-	-	-	-	-	521,453	30,198	5,270
Sale of capital assets	78,450	46,006	62,733	27,002	48,326	27,337	110,170	32,158	69,059	25,729
Total Other Financing Sources (Uses)	152,123	152,926	181,477	27,002	174,016	27,337	2,110,170	553,611	99,257	30,999
NET CHANGES IN FUND BALANCES	\$ 1,850,396	58,087	683,822	(3,907,363)	596,045	887,500	(557,447)	965,740	160,977	199,751
Debt service as a percentage of noncapital expenditures	19.91 %	19.92	18.23	27.06	18.20	13.06	11.53	12.95	13.92	12.86

CITY OF BALLWIN, MISSOURI
TAX REVENUE BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

For The Years Ended December 31	Sales	Motor Fuel	County Road	TIF Property	Other	Total
2008	\$ 8,218,957	\$ 884,310	\$ 677,231	\$ 623,725	\$ 535,906	\$ 10,940,129
2009	7,672,652	864,071	624,096	486,860	516,802	10,164,481
2010	7,752,937	884,622	614,350	513,659	526,817	10,292,385
2011	7,707,050	844,869	611,217	34,735	512,880	9,710,751
2012	8,002,651	770,898	626,987	504,021	578,629	10,483,186
2013	8,555,813	770,562	591,456	614,990	502,473	11,035,294
2014	9,109,909	792,846	606,890	260,301	503,306	11,273,252
2015	9,426,841	804,601	631,045	275,077	516,938	11,654,502
2016	9,445,202	816,954	623,937	435,175	510,767	11,832,035
2017	9,296,486	819,499	631,718	445,455	506,470	11,699,628

Note: Other taxes include cigarette, automobile sales fees, and sewer lateral.

CITY OF BALLWIN, MISSOURI
GROSS RECEIPTS TAX ON UTILITIES
LAST TEN FISCAL YEARS

For The Years Ended December 31	Utility Tax (1)				
	Electric	Gas	Telephone	Water	Total
2008	\$ 902,632	\$ 854,623	\$ 2,062,295	\$ 186,674	\$ 4,006,224
2009	1,125,012	940,327	1,655,791	256,400	3,977,530
2010	1,332,895	866,352	1,450,522	274,198	3,923,967
2011	1,431,188	831,051	1,209,729	317,866	3,789,834
2012	1,463,906	726,957	1,169,646	355,104	3,715,613
2013	1,578,240	813,604	1,087,457	319,835	3,799,136
2014	1,572,296	869,279	949,675	333,734	3,724,984
2015	1,644,166	782,195	876,006	324,420	3,626,787
2016	1,595,579	701,186	775,788	338,621	3,411,174
2017	1,683,539	737,855	697,420	380,510	3,499,324

Notes:

(1) The City levies a gross receipts tax of 7% for utilities. This increased from 5% on July 15, 2008.

CITY OF BALLWIN, MISSOURI
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

For The Years Ended December 31	Real Property			Personal Property	Railroad And Utilities	Total Taxable	
	Residential Property	Commercial Property	Agricultural Property			Assessed Value	Estimated Actual Value
2008	\$ 507,673,950	\$ 56,980,690	\$ 3,520	\$ 74,560,498	\$ 7,059,842	\$ 646,278,500	\$ 3,095,828,018
2009	462,203,610	56,053,000	1,840	70,266,694	7,441,940	595,967,084	2,841,908,764
2010	464,475,960	55,915,080	1,840	63,897,014	7,736,184	592,026,078	2,835,246,062
2011	461,136,990	53,912,650	1,300	65,402,761	8,505,947	588,959,648	2,818,333,644
2012	461,304,860	53,731,920	1,300	71,140,464	7,960,085	594,138,629	2,834,161,401
2013	446,790,980	54,556,870	1,300	73,021,339	8,699,101	583,069,590	2,768,303,142
2014	450,521,010	55,189,430	1,300	76,169,894	8,917,200	590,798,834	2,800,039,798
2015	474,108,190	57,673,020	2,680	76,377,306	9,893,919	618,055,115	2,935,630,114
2016	475,724,660	58,183,970	2,680	77,217,326	9,136,493	620,265,129	2,945,887,926
2017	527,057,030	66,416,660	3,100	76,050,411	9,062,751	678,589,952	3,238,057,412

Notes:

- (1) Assessments are determined by the assessor of St. Louis County. Property is assessed as of January 1. Reassessments take place in odd numbered years resulting in updated values of property.
- (2) Real property is classified as residential (assessed at 19%), agricultural (assessed at 12%), or commercial (assessed at 32%). All railroad and utility property is assessed at 32%. All personal property is assessed at 33.3%.
- (3) The City lowered its real property tax in 1987 to 0% and the same rate has been declared each year since.

Source: St. Louis County Assessor

CITY OF BALLWIN, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Taxes levied on all property in the City:										
City of Ballwin (1)	-	-	-	-	-	-	-	-	-	-
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
St. Louis County	0.5580	0.5230	0.5230	0.5230	0.5230	0.5230	0.5230	0.5150	0.5150	0.4890
St. Louis Community College	0.2013	0.2136	0.2179	0.2200	0.2200	0.2200	0.2200	0.2176	0.2185	0.2112
St. Louis County Library District	0.1400	0.1400	0.1565	0.1630	0.1730	0.2500	0.2250	0.2460	0.2460	0.2340
Special School District	0.9184	0.9384	0.9950	1.0125	1.0123	1.2400	1.2609	1.2348	1.2409	1.1912
Metropolitan Zoological Park and Museum District	0.2344	0.2493	0.2546	0.2671	0.2684	0.2797	0.2797	0.2777	0.2795	0.2694
Sheltered Workshop	0.0690	0.0740	0.0790	0.0840	0.0840	0.0890	0.0900	0.0880	0.0880	0.0840
Totals	<u>2.1511</u>	<u>2.1683</u>	<u>2.2560</u>	<u>2.2996</u>	<u>2.3107</u>	<u>2.6317</u>	<u>2.6286</u>	<u>2.6091</u>	<u>2.6179</u>	<u>2.5088</u>
Sewer districts:										
Metropolitan St. Louis Sewer District	-	-	0.0180	0.0185	0.0186	0.0196	0.0197	0.0195	0.1196	0.1159
Fire protection districts (2):										
Metro West Fire District	0.8210	0.9770	1.0120	1.0300	1.0290	1.0640	1.0570	1.0130	1.0110	0.9680
Monarch Fire Protection District	0.7880	0.8260	0.8650	0.8420	0.8290	0.8290	0.8290	0.8060	0.8050	0.7630
West County EMS and FPD	0.7260	0.7190	0.9130	0.8980	0.8960	0.9610	0.9620	1.2740	1.2710	1.1900
School districts (3):										
Rockwood School District	3.9232	4.0083	4.2752	4.4630	4.5357	4.6833	4.7240	4.6015	4.6678	4.5015
Parkway School District	3.2300	3.4100	3.5672	3.6761	3.9361	4.0743	4.0743	4.4617	4.2163	3.9857

Notes:

- (1) The City does not levy a property tax.
- (2) All property is located in one of the three fire protection districts whose boundaries include part of the City.
- (3) All property is located in one of the two school districts whose boundaries include part of the City.
- (4) Rates listed above are for residential property.

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

CITY OF BALLWIN, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
MIMG XCIII Seven Trails LLC	\$ 9,268,050	1	1.37 %	\$ 6,365,010	2	0.98 %
Ramco-Gershenson Properties LP	7,225,210	2	1.06	-	-	-
Olde Towne Plaza LLC	7,147,840	3	1.05	9,641,180	1	1.49
Viking Partners Ballwin LLC	4,283,620	4	0.63	-	-	-
IP9 MF Ballwin LLC	3,615,440	5	0.53	-	-	-
Woodsmill Village Partnership LP	3,492,010	6	0.51	3,366,970	6	0.52
MSH Chevrolet Cadillac, Inc.	3,391,040	7	0.50	-	-	-
Kensington West Apartments LLP	3,101,820	8	0.46	-	-	-
Target Stores, Inc.	2,818,210	9	0.42	3,209,180	8	0.50
Meadowbrook Country Club	2,489,160	10	0.37	4,167,440	5	0.64
Weingarten Nostat, Inc.	-	-	-	6,208,000	3	0.96
Pace-Central Associates LLC	-	-	-	4,429,440	4	0.69
Village Park of Ballwin	-	-	-	3,294,680	7	0.51
Enterprise Leasing Company	-	-	-	3,087,720	9	0.48
Car Wolfe Toy LLC	-	-	-	2,518,400	10	0.39
Totals	<u>\$ 46,832,400</u>		<u>6.90 %</u>	<u>\$ 46,288,020</u>		<u>7.16 %</u>

Source: St. Louis County Assessor

CITY OF BALLWIN, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

For The Years Ended December 31	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy (2)
2008	\$ 633,658	\$ 421,657	66.5 %	\$ 168,937	\$ 590,594	93.2 %
2009	493,474	485,994	98.5	104	486,098	98.5
2010	521,550	513,645	98.5	95	513,740	98.5
2011	448,011	34,188	7.6	409,251	443,439	99.0
2012	453,214	69,761	15.4	376,699	446,460	98.5
2013	477,866	469,739	98.3	121	469,860	98.3
2014	482,051	436,165	90.5	36,957	473,122	98.1
2015	473,090	236,510	50.0	229,374	465,884	98.5
2016	486,205	207,706	42.7	260,810	468,516	96.4
2017	514,475	185,648	36.1	-	185,648	36.1

Source: St. Louis County Assessor

Notes:

- (1) The City does not levy a property tax. The property tax above is collected for the Old Towne TIF Fund.
- (2) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year. St. Louis County's system does not have the capability to track this information.

CITY OF BALLWIN, MISSOURI
SALES TAX RATES AND TAXABLE SALES - DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS

For The Years Ended December 31	City Direct Rate	St. Louis County	State Of Missouri	Direct And Overlapping	Sales Tax Revenues	Taxable Sales (3)
2008	1.000 %	1.850 %	4.225 %	7.075 %	\$ 8,218,957	\$ 268,001,145
2009	1.000	2.100	4.225	7.325	7,672,652	251,501,420
2010	1.000	2.700	4.225	7.925	7,752,937	250,083,221
2011	1.000	2.700	4.225	7.925	7,707,050	249,865,672
2012	1.000	2.700	4.225	7.925	8,002,651	261,245,183
2013	1.000	2.700	4.225	7.925	8,555,813	287,467,261
2014	1.000	2.888	4.225	8.113	9,109,909	297,163,965
2015	1.000	2.888	4.225	8.113	9,426,841	302,690,063
2016	1.000	2.888	4.225	8.113	9,445,202	307,237,571
2017	1.000	3.388	4.225	8.613	9,296,486	N/A

- Notes:
- (1) The City levies a sales tax of one-half percent (0.5%) for parks and one-half percent (0.5%) for capital improvements.
 - (2) Additionally, the City receives a portion of a 1% sales tax (included in the rates shown above) levied by St. Louis County. The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.
 - (3) Taxable sales reported by the Missouri Department of Revenue. State Law prohibits the disclosure of specific taxpayer information.

CITY OF BALLWIN, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Total Primary Government	Percentage Of Personal Income	Per Capita
	General Obligation Bonds (1)	Tax Increment Bonds	Certificates Of Participation (2)	Bond Premium	Capital Leases			
2008	\$ 3,695,000	\$ 16,870,000	\$ 5,435,000	\$ 92,683	\$ -	\$ 26,092,683	2.83 %	834
2009	2,820,000	16,110,000	4,920,000	67,406	84,255	24,001,661	2.60	767
2010	1,915,000	15,575,000	4,385,000	42,129	127,277	22,044,406	1.92	725
2011	975,000	14,980,000	1,175,000	16,852	52,096	17,198,948	1.49	566
2012	-	14,300,000	600,000	-	82,899	14,982,899	1.30	493
2013	-	13,550,000	-	-	41,891	13,591,891	1.18	447
2014	-	12,700,000	-	-	1,671,037	14,371,037	1.25	473
2015	-	11,770,000	-	-	1,007,894	12,777,894	1.11	420
2016	-	10,575,000	-	-	337,734	10,912,734	0.95	359
2017	-	9,270,000	-	-	-	9,270,000	0.81	305

Sources:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See Demographic and Economic Statistics Schedule for personal income and population data.

CITY OF BALLWIN, MISSOURI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Actual Taxable Value Of Property (2)	General Obligation Bonds	Percentage Of Actual Taxable Value Of Property	Per Capita
2008	31,283	\$ 646,278,500	\$ 3,705,000	0.57 %	118
2009	31,283	595,967,084	2,820,000	0.47	90
2010	30,404	592,026,078	1,915,000	0.32	63
2011	30,404	588,959,648	975,000	0.17	32
2012	30,404	594,138,629	-	-	-
2013	30,404	583,069,590	-	-	-
2014	30,404	590,798,834	-	-	-
2015	30,404	618,055,115	-	-	-
2016	30,404	620,265,129	-	-	-
2017	30,404	678,589,952	-	-	-

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

Sources:

- (1) U.S. Census Bureau Data
- (2) St. Louis County Assessor

CITY OF BALLWIN, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2017

<u>Name of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To The City</u>	<u>Amount Applicable To The City</u>
St. Louis County	\$ 96,850,000	2.71 %	\$ 2,624,635
Rockwood School District	189,158,541	11.71	22,150,465
Parkway School District	211,919,831	5.01	10,617,184
Metro West Fire Protection District	2,200,000	30.48	670,560
West County EMS & Fire Protection District	15,565,000	9.31	1,449,102
Total Overlapping	<u>515,693,372</u>		<u>37,511,946</u>
City direct debt	<u>9,270,000</u>	100.0 %	<u>9,270,000</u>
Total Direct And Overlapping Debt	<u><u>\$ 524,963,372</u></u>		<u><u>\$ 46,781,946</u></u>

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

CITY OF BALLWIN, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	64,627,850	59,596,708	59,202,608	58,895,965	59,413,863	58,306,959	59,079,883	61,805,512	62,026,513	67,858,995
Total net debt applicable to limit	<u>3,705,000</u>	<u>2,820,000</u>	<u>1,915,000</u>	<u>975,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>60,922,850</u></u>	<u><u>56,776,708</u></u>	<u><u>57,287,608</u></u>	<u><u>57,920,965</u></u>	<u><u>59,413,863</u></u>	<u><u>58,306,959</u></u>	<u><u>59,079,883</u></u>	<u><u>61,805,512</u></u>	<u><u>62,026,513</u></u>	<u><u>67,858,995</u></u>
Total net debt applicable to the limit as a percentage of debt limit	5.73 %	4.73	3.23	1.66	-	-	-	-	-	-

Legal Debt Margin Calculation For Fiscal Year 2017:	
Assessed Value	<u><u>\$ 678,589,952</u></u>
Debt limit (10% of total assessed value)	\$ 67,858,995
Debt applicable to limit	<u>-</u>
Legal Debt Margin	<u><u>\$ 67,858,995</u></u>

Note: Per Sections 95.111 and 95.120 of the Missouri Revised Statutes, the City's bonded indebtedness is limited to 10% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF BALLWIN, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Educational Attainment: Percentage With Bachelor's Degree Or Higher	School Enrollment		Unemployment Rate
						Parkway School District	Rockwood School District	
2008	31,283	\$ 923,474,160	\$ 29,520	37.6	46.7 %	18,031	22,412	3.1 %
2009	31,283	923,474,160	29,520	37.6	46.7	17,467	22,285	7.1
2010	30,404	1,150,821,804	37,851	41.2	54.0	17,386	22,382	6.8
2011	30,404	1,150,821,804	37,851	41.2	54.0	17,456	22,568	6.0
2012	30,404	1,150,821,804	37,851	41.2	54.0	17,351	22,268	4.9
2013	30,404	1,150,821,804	37,851	41.2	54.0	17,274	22,018	4.6
2014	30,404	1,150,821,804	37,851	41.2	54.0	17,148	21,609	3.8
2015	30,404	1,150,821,804	37,851	41.2	54.0	17,229	21,360	2.5
2016	30,404	1,150,821,804	37,851	41.2	54.0	17,302	21,140	2.6
2017	30,404	1,150,821,804	37,851	41.2	54.0	17,434	20,952	2.6

Sources: Population, personal income, median age, and educational attainment based on U.S. Census Bureau data.

School enrollment information provided by the school districts.

Unemployment information obtained from the Missouri Department of Economic Development.

CITY OF BALLWIN, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>
Schnuck's	205	1	N/A	120	4	N/A
Meadowbrook Country Club	200	2	N/A	105	5	N/A
ELCO Chevrolet	188	3	N/A	123	3	N/A
Texas Roadhouse	173	4	N/A	-	-	N/A
Target	165	5	N/A	201	1	N/A
Lowe's Home Improvement	138	6	N/A	140	2	N/A
Jay Wolfe Toyota	112	7	N/A	79	6	N/A
Holy Infant Catholic Church	110	8	N/A	77	7	N/A
Dean Team of Ballwin	106	9	N/A	65	8	N/A
Brookdale of West County	81	10	N/A	-	-	N/A
Buffalo Wild Wings	-	-	N/A	55	9	N/A
Applebee's	-	-	N/A	52	10	N/A

Source: The City's business license database

CITY OF BALLWIN, MISSOURI
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
City Administrator	2	2	2	2	2	2	2	2	2	2
Planning	9	8	8	8	8	8	8	8	8	7
Informations Systems	2	2	2	2	2	2	2	2	2	2
Finance	4	4	4	4	4	4	4	4	4	4
Human Resource	1	1	1	1	1	1	1	1	1	1
Municipal Court	2	2	2	2	2	2	2	2	2	2
Police:										
Officers	48	50	50	50	50	51	47	49	47	48
Civilians	12	12	11	12	12	12	12	11	11	11
Public Works:										
Administration/Engineering	5	5	5	5	6	6	6	6	4	3
Street Maintenance	26	23	24	24	24	23	24	24	24	24
Garage	2	2	2	2	2	2	2	2	3	3
Parks and Recreation:										
Administration	3	3	3	3	3	3	3	3	3	3
Recreation	7	7	7	7	7	7	7	7	7	7
Golf	7	7	7	7	7	6	7	7	5	5
Parks Maintenance	4	4	5	5	5	5	6	6	6	6
Building Maintenance	7	7	6	6	6	6	6	6	6	6
Total	<u>141</u>	<u>139</u>	<u>139</u>	<u>140</u>	<u>141</u>	<u>140</u>	<u>139</u>	<u>140</u>	<u>135</u>	<u>134</u>

Note: Excludes vacant positions

Source: Payroll Data from Finance Department

CITY OF BALLWIN, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administration:										
Business licenses issued	326	326	328	332	338	314	327	332	331	343
Liquor licenses issued	65	63	63	72	74	82	81	81	80	67
Community Development:										
Single family occupancy inspections	550	505	504	483	558	648	650	659	692	655
Multi-family occupancy inspections	805	590	763	772	640	662	617	759	632	643
Commercial occupancy inspections	29	37	36	30	33	33	26	32	24	61
Building permits	332	327	308	322	400	449	434	496	509	634
Zoning petitions	16	14	22	13	11	27	11	17	18	6
Municipal Court:										
Tickets processed	7,931	8,049	7,387	8,783	8,875	9,460	7,665	6,781	5,178	5,647
Warrants issued	1,154	939	892	1,065	1,020	1,071	1,152	616	648	652
Cases closed	8,125	7,973	7,204	8,194	8,587	9,149	8,382	7,670	5,524	4,547
Parks:										
Total program participation	30,552	36,893	62,837	68,942	64,869	66,371	73,370	74,636	80,792	87,952
Community Center admissions	333,927	353,751	367,245	376,713	340,941	394,202	319,700	349,069	315,326	334,369
Aquatic Center admissions	81,234	63,978	81,915	83,600	80,360	66,509	80,505	64,225	70,861	69,231
Golf course rounds	34,472	36,736	32,004	31,360	35,148	31,435	30,317	32,801	33,303	35,350
Police:										
Adult arrests	930	720	862	899	747	766	512	446	455	472
Juvenile arrest	57	127	69	112	64	93	56	73	67	52
Traffic citations and warnings	8,964	8,830	8,111	9,317	9,819	10,134	8,063	7,619	6,213	8,332
Total police actions	31,488	29,298	30,993	32,205	32,752	33,718	33,477	33,659	35,298	37,664
Public Works:										
Sidewalk replacement sq. ft.	11,808	10,736	5,680	12,336	15,616	13,536	13,264	9,152	5,940	12,782
Street asphalt repairs tons	1,567	1,347	1,424	2,279	2,612	2,662	1,576	2,305	1,090	1,497
Street crack sealing miles	4	9	18	23	17	18	15	13	13	-

Source: Various City departments.

CITY OF BALLWIN, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Government Center square footage	13,056	13,056	13,056	13,056	13,056	13,056	13,056	13,056	13,056	13,056
Police:										
Police and Court Center	1	1	1	1	1	1	1	1	1	1
Vehicles	24	27	27	27	27	26	26	26	25	23
Public Works:										
Miles of streets maintained	109	109	109	109	110	110	110	123	126	126
Miles of sidewalks (miles)	157	158	158	158	160	160	160	163	162	162
Number of streets	520	524	525	528	530	531	531	533	534	535
Vehicles	27	29	29	29	29	29	29	30	29	30
Parks and Recreation:										
Community Center	1	1	1	1	1	1	1	1	1	1
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Parks	5	5	5	5	5	5	5	5	5	5
Park acreage	65	65	65	65	65	65	65	65	65	66
Planning and Development:										
Vehicles	6	6	6	6	6	6	6	6	5	5

Sources: Various City departments and capital asset schedules