

**CITY OF GRAIN VALLEY, MISSOURI**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

**CITY OF GRAIN VALLEY, MISSOURI**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

**PRINCIPAL OFFICIALS ..... iii**

**MANAGEMENT’S DISCUSSION AND ANALYSIS..... v**

**FINANCIAL SECTION**

**INDEPENDENT AUDITOR’S REPORT..... 1**

**BASIC FINANCIAL STATEMENTS:**

**Government-Wide Financial Statements:**

**Statement of Net Position..... 4**

**Statement of Activities ..... 5**

**Government Fund Financial Statements:**

**Balance Sheet..... 6**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement  
of Net Position ..... 8**

**Statement of Revenues, Expenditures, and Changes in Fund Balance ..... 10**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities ..... 12**

**Proprietary Fund Financial Statements:**

**Statement of Net Position..... 13**

**Statement of Revenues, Expenses, and Changes in Fund Net Position..... 14**

**Statement of Cash Flows ..... 15**

**Notes to Financial Statements..... 17**

**REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A:**

**Missouri Local Government Employees Retirement System..... 52**

**Schedule of Contributions..... 53**

**Schedules of Revenues, Expenditures, and Changes in Fund Balance –  
Actual and Budget – Major Funds:**

**General Fund ..... 54**

**Park ..... 55**

**Transportation ..... 56**

**Marketplace NID..... 57**

**CITY OF GRAIN VALLEY, MISSOURI**

**TABLE OF CONTENTS**

**SUPPLEMENTAL INFORMATION:**

**Combining Statements of Non-Major Governmental Funds:**

<b>Combining Balance Sheet.....</b>	<b>60</b>
<b>Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....</b>	<b>62</b>
<b>Budgetary Comparison Schedules -- Major Governmental Funds.....</b>	<b>64</b>
<b>Budgetary Comparison Schedules -- Non-Major Governmental Funds .....</b>	<b>65</b>

# **City of Grain Valley, Missouri**

## **Principal Officials**

---

### **Mayor and Board of Aldermen**

**Honorable Mike Todd, Mayor**

**Honorable Dale Arnold**

**Ward I**

**Honorable Valerie Palecek**

**Ward I**

**Honorable Yolanda West**

**Ward II**

**Honorable Chuck Johnston**

**Ward II**

**Honorable Bob Headley**

**Ward III**

**Honorable Tranita Stanley**

**Ward III**

### **Administration**

**Ryan Hunt**

**City Administrator**

**David Starbuck**

**Chief of Police**

**Cathy Bowden**

**Finance Director**

**Ken Murphy**

**Community Development Director**

**Shannon Davies**

**Parks and Recreation Director**

**Chen y Parrish**

**City Clerk**

**(THIS PAGE LEFT INTENTIONALLY BLANK.)**

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The City of Grain Valley's Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2015. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City's basic financial statements, and notes to the financial statements, to enhance their understanding of the activities and financial health of The City of Grain Valley.

### FINANCIAL HIGHLIGHTS

- Total City debt was reduced by \$1,630,490 or 6.3% in 2015
- Net assets of the City increased \$3,094,051 or 11.6% during fiscal 2015. Note: this does not impact the cash balances of City funds. The increase in governmental activities was the result of completed capital and capital assets purchased.
- Unrestricted net assets increased \$1,784,769 in 2015. \$624,529 of this amount is attributed to Governmental Activities and \$1,180,240 in business-type activities.
- During fiscal 2015, the City's governmental funds expenditures of \$10,750,405 were \$2,538,037 more than the \$8,212,368 generated in taxes and other revenues for governmental programs. Additional funding was provided by NID Note proceeds and capital leases.

This discussion and analysis is intended to serve as an introduction to the City's *Basic Financial Statements*. The Basic Financial Statements consists of three components: government-wide financial statements, fund financial statements (including component unit statements), and notes to the financial statements. In addition, this report contains other *Required Supplementary Information*, a *Supplemental Information* section that presents *combining statements* for non-major governmental funds (along with actual and budget comparison schedules), and a *Statistical Section* which includes supplemental disclosure information.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - *Governmental Fund* statements tell how *general government* services like public safety, public works, health and welfare, and parks, and storm water were financed in the short-term as well as what remains for future spending.
  - *Proprietary Fund* statements offer short-term and long-term financial information about the activities the City government operates similar to a private business.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required components, a section is included with combining statements that provide further detail about our non-major governmental funds, each of which are added together and presented in single columns in each of the basic financial statements.

### **Government-Wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the government's assets, deferred outflows/inflows and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when and how they have changed. Net position, the difference between the City's assets, and deferred inflows/outflows, is one way to measure the City's financial position.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall condition of the City, consideration should be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The government-wide financial statements of the City are divided into three categories:

- *Governmental activities:* Most of the City's basic services are included here, such as public safety, roads and bridges, parks and recreation, and general administration. Sales taxes, property taxes, charges for services, and State and Federal grants finance most of these activities.

- **Business-type activities:** The City charges fees to customers to help cover the costs of certain services it provides. The City's only Enterprise Fund is the Water/Sewer Fund.
- **Component units:** The City currently has no situations or relationships which would be classified as component units.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant *funds*, not the City as a whole. 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 ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental and proprietary funds.

- **Governmental funds:** Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps 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 the subsequent page of the governmental funds statement that explains the relationship (or differences) between the two types of statements.
- **Proprietary funds:** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds report the functions presented as business-type activities in the government-wide statements.
  - The City's *Enterprise Funds* are classified as a business-type activity on the government-wide statements, but more detailed information is provided in the Proprietary Fund Statements, such as its cash flows.
- **Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financials.

## **Government-Wide Financial Analysis**

**Net Position.** As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2015, the City's net assets were \$29,701,061. Table A provides a summary of the City's governmental and business-type net assets for fiscal 2015.

**Table A**  
**Combined Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
<b>Assets</b>						
Cash and other assets	\$ 6,438,099	\$ 8,733,972	\$ 5,004,121	\$ 5,536,000	\$ 11,442,220	\$ 14,269,972
Total capital assets	29,339,772	28,725,476	14,127,052	14,083,971	43,466,824	42,809,447
Total assets	<u>\$ 35,777,871</u>	<u>\$ 37,459,448</u>	<u>\$ 19,131,173</u>	<u>\$ 19,619,971</u>	<u>\$ 54,909,044</u>	<u>\$ 57,079,419</u>
<b>Deferred Outflows</b>						
Pension	\$ -	\$ 152,726	\$ -	\$ 48,423	\$ -	\$ 201,149
Total assets and deferred outflows of resources	<u>\$ 35,777,871</u>	<u>\$ 37,612,174</u>	<u>\$ 19,131,173</u>	<u>\$ 19,668,394</u>	<u>\$ 54,909,044</u>	<u>\$ 57,280,568</u>
<b>Liabilities</b>						
Current and other liabilities	\$ 5,061,209	\$ 5,402,625	\$ 1,154,493	\$ 1,224,230	6,215,702	\$ 6,626,855
Long-term debt outstanding	18,539,973	16,880,041	2,510,144	2,112,671	21,050,117	18,992,712
Total liabilities	<u>\$ 23,601,182</u>	<u>\$ 22,282,666</u>	<u>\$ 3,664,637</u>	<u>\$ 3,336,901</u>	<u>\$ 27,265,819</u>	<u>\$ 25,619,567</u>
<b>Deferred Inflows</b>						
Property Taxes	\$ 1,036,215	\$ 1,883,650	\$ -	\$ -	1,036,215	\$ 1,883,650
Pension	-	76,290	-	-	-	76,290
Total deferred inflows	<u>\$ 1,036,215</u>	<u>\$ 1,959,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,036,215</u>	<u>\$ 1,959,940</u>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 13,294,757	\$ 14,085,757	\$ 12,514,223	\$ 12,717,355	\$ 25,808,980	\$ 26,803,112
Restricted:						
Capital projects & Other	1,502,225	2,204,109	360,394	-	1,862,619	2,204,109
Debt Service	491,001	602,682	534,271	376,250	1,025,272	978,932
Unrestricted	(4,147,509)	(3,522,980)	2,057,648	3,237,888	(2,089,861)	(285,092)
Total net Position	<u>\$ 11,140,474</u>	<u>\$ 13,369,568</u>	<u>\$ 15,466,536</u>	<u>\$ 16,331,493</u>	<u>\$ 26,607,010</u>	<u>\$ 29,701,061</u>
Total net position, liabilities, and deferred inflows	<u><u>\$ 35,777,871</u></u>	<u><u>\$ 37,612,174</u></u>	<u><u>\$ 19,131,173</u></u>	<u><u>\$ 19,668,394</u></u>	<u><u>\$ 54,909,044</u></u>	<u><u>\$ 57,280,568</u></u>

Total net position for the City at December 31, 2015, was \$29,701,061 with \$16,331,888 attributed to business-type activities and \$13,369,568 attributable to governmental activities.

At the end of fiscal 2015, the City had \$42,809,447 invested in a variety of capital assets, including land, buildings, construction in progress, law enforcement equipment, heavy equipment for the maintenance of roads and bridges, as well as, the addition of infrastructure. This was a decrease of \$657,377 over 2014 largely attributed to the reclassification of some assets to non-capital assets.

The largest portion of the City's net position represents the net investment in capital assets, (e.g. land, buildings, machinery, equipment); less any related outstanding debt used to acquire the assets. These capital assets are used for the purpose of providing services to the City of Grain Valley citizens; therefore, they are not available for future spending.

Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

\$1,817,871 of restricted assets represents unspent bond proceeds for roads, future capital projects, court and prepaid expenses while the \$978,932 restricted for debt service are funds collected and being held to pay off bonds and restricted for that use.

**Governmental Activities.** Table B (see next page) presents fiscal 2014 and 2015 revenues and expenditures for the primary government as they are reported in the Statement of Activities in the basic financial statements. The revenues and expenditures include the Governmental Funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) and Enterprise Funds (Water and Sewer Fund).

Sales taxes increased 8% which indicates economic conditions continued to improve in retail activity. The increase is a combination of improved vehicle sales, new taxes from telecommunication companies and new businesses that opened. Residential and commercial growth also showed a modest increase reflective of general economic conditions which correspond directly with the small growth in sales tax revenue. Sales taxes were 26.9% of revenue in the governmental funds.

Property taxes for the General Fund remained constant in 2015. The continued moderate growth in new construction kept assessed value growth and the associated property tax revenue at this relatively flat level.

Economic Development activity within the TIF project area #2 has improved. The Movie Theater and convenience store have been meeting revenue projections. TIF project 1A has a fast food restaurant and an auto parts store. They have contributed to the revenue needed for debt payments.

Public Works expenses increased as work on street improvement and the new fleet building was completed.

**Business-type Activities:** Overall revenues increased \$428,183, or 9.1% compared to 2014. This was primarily due to an increase in water revenues and tap fees for new businesses and new homes. Expenses increased \$214,349 or 4.9% over 2014 from an increase in cost of water purchased, engineering fees, line maintenance and treatment costs.

**Table B**  
**City of Grain Valley, Missouri - Changes In Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for Services	\$ 749,250	\$ 655,557	\$ 4,944,137	\$ 5,392,320	\$ 5,693,387	\$ 6,047,877
Operating Grants and Contributions	842,563	853,508	-	-	842,563	853,508
Capital Grants and Contributions	-	-	-	-	-	-
<u>General Revenues</u>						
Taxes:						
Property Taxes-general purposes	906,280	907,018	-	-	906,280	907,018
Property Taxes-specific purposes	2,268,127	2,372,184	-	-	2,268,127	2,372,184
Franchise Taxes	1,141,988	1,138,555	-	-	1,141,988	1,138,555
Sales Taxes	2,034,552	2,200,388	-	-	2,034,552	2,200,388
Unrestricted Investment Earnings	41,143	39,760	5,576	15,155	46,719	54,915
Gain/Loss Sale of Asset	7,056	-	7,329	-	14,385	-
Miscellaneous	33,959	20,613	38,580	11,112	70,519	31,725
<b>Total Revenues</b>	<b>8,024,918</b>	<b>8,185,583</b>	<b>4,993,602</b>	<b>5,418,587</b>	<b>13,018,620</b>	<b>13,804,170</b>
<b>Expenses</b>						
Governmental Activities:						
General Government	1,094,948	888,387	-	-	1,094,948	888,387
Municipal Court	117,458	105,308	-	-	117,458	105,308
Public Safety	2,043,603	1,883,806	-	-	2,043,603	1,883,806
Planning & Engineering	370,860	257,525	-	-	370,860	257,525
Economic Development Projects	495,530	439,438	-	-	495,530	439,438
Public Works	1,080,589	1,293,244	-	-	1,080,589	1,293,244
Parks and Recreation	953,884	999,793	-	-	953,884	999,793
Public Health	29,165	25,093	-	-	29,165	25,093
Bond Costs	-	53,809	-	-	-	53,809
Interest on Long-term Debt	526,058	356,782	-	-	526,058	356,782
Business-type Activities	-	-	4,483,710	4,688,561	4,483,710	4,688,561
<b>Total Expenses</b>	<b>6,692,095</b>	<b>6,303,185</b>	<b>4,483,710</b>	<b>4,688,561</b>	<b>11,175,805</b>	<b>10,991,746</b>
Changes In net Position before transfers	1,332,823	1,882,398	509,892	730,026	1,842,715	2,612,424
Transfers & Loss on Disp of Assets	-	-	-	-	-	-
Changes in net assets	1,332,823	1,882,398	509,892	730,026	1,842,715	2,612,424

*2015 Change in net position at the beginning of the year is the result of a prior year adjustment to net pension asset.*

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds Overview.** The City of Grain Valley uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the City's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the City's financing requirements. For example, 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. The following information is supplemental to the information presented in the previous section (Table B).

At the end of fiscal 2015, the City of Grain Valley reported a combined fund balance of \$5,867,609 in the Governmental Funds. Of the total combined fund balance, 12.9% is unassigned fund balance. This is the portion of fund balance which serves as a measure of current available financial resources. This share of the fund balance is further divided into General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service Funds. Total fund balance increased \$818,159 in fiscal 2015 primarily due to a fiscal policy to closely monitor expenses and an increase in revenues.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed.

The General Fund, Park Fund, Transportation Fund, MKT PL NID and Debt Service Fund are the City's five major governmental funds.

General Fund. The General Fund of the City of Grain Valley accounts for all transactions not required to be accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes, sales tax and charges for services. The General Fund completed the year with a fund balance of \$2,042,280, increasing \$80,493 from 2014. The fund balance is 41.7% unassigned while the remaining 58.3% is non-spendable, restricted or committed.

Park Fund. The Park Fund accounts for Parks and Recreation property tax, sales tax, and user fees collected for the purpose of providing parks services for the City. This includes land purchasing, parks projects, equipping, maintaining, and operating the parks and recreation facilities. The Park Fund ending fund balance was \$854,428; an increase of \$157,075 from the prior year's ending balance. \$854,428 of the balance is restricted and non-spendable.

Transportation Fund. The Transportation Fund accounts for the operations and maintenance of roads and bridges within the City. Financing is provided primarily by a ½ cent transportation sales tax and other intergovernmental revenues from the State. The Transportation Fund ended with a restricted fund balance of \$543,310. \$5,986 of the balance is non-spendable.

Debt Service Fund. The Debt Service Fund accounts for revenue generated by property tax levy for payment of general obligation bonds. The fund has a restricted fund balance of \$697,519.

Grain Valley Marketplace Neighborhood Improvement District (NID). The NID Fund was established to record the bond proceeds and revenues from special assessments within the NID. It tracks the eligible expenses for NID improvements.

The following funds are non-major governmental funds:

Public Health Fund. The Public Health Fund is a special revenue fund supported by property tax levy to provide health related programs. The fund has a restricted fund balance of \$81,125.

Tourism Fund. This fund is a special revenue fund that records the hotel/motel taxes collected. The revenues are used to promote the city and economic development. The fund balance at the end of 2015 was \$58,897.

**2011 GO Bond Fund.** The 2011 GO Bond Fund accounts for the monies from the 2011 Bond proceeds. The bonds were issued for the I-70 Interchange and street improvements. At the end of 2015 the fund had a restricted balance of \$708,681.

**2012 IDA TIF Fund.** The IDA TIF Bond Fund was set up according to the bond ordinance to track the activity within the TIF District project area #2. It accounts for the bond proceeds and revenue from the project activity.

### **General Fund Budgetary Highlights**

The Board of Aldermen revised the budget of the General Fund once in 2015. The amendments increased capital expenditures \$207,000. Additional appropriations were funded from the fund balance.

Actual revenues exceeded final budgeted revenues by \$44,845. The major areas accounting for this surplus were:

- Property and Sales Taxes exceeded budget by \$25,466.
- Intergovernmental revenue exceeded budget by \$10,064.
- Fees and fines exceeded budget by \$15,480.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City of Grain Valley's investment in capital assets for governmental and business-type activities is \$42,809,447, net of accumulated depreciation. This includes land, buildings, improvements, equipment, roads, bridges, and construction in progress. Major capital asset projects funded this year are as follows:

- General Fund – Police and animal control vehicles plus equipment, fleet building, Sni Bar Land (\$480,954)
- Parks Fund- John Deere tractor, walk behind mower, 3 cross trainers.(\$35,883)
- Public Works Capital Expenses–Building Improvements, Vehicles, Equipment, Sni Bar Land (\$546,340)

Additional information on the City's capital assets can be found in Note 4 on pages 30 to 31 of this report.

**Debt Administration.** The City of Grain Valley had various forms of debt during fiscal 2015. The 2012 NID Notes that matured in 2015 were refinanced. The 2015 NID Notes mature December 2016.

Table C below shows the City's outstanding debt by type for 2014 and 2015.

	Governmental		Business-type		Total	
	2014	2015	2014	2015	2014	2015
General Obligation Bonds	15,599,676	14,264,676	-	-	15,599,676	14,264,676
Certificates of Participation	1,410,000	1,245,000	-	-	1,410,000	1,245,000
TIF Bonds	2,715,000	2,635,000	-	-	2,715,000	2,635,000
NID Notes	3,015,000	3,125,000	-	-	3,015,000	3,125,000
Sewerage Revenue Bonds	-	-	2,915,000	2,415,000	2,915,000	2,415,000
2015 Land Purchase Loan	-	162,500	-	162,500	-	325,000
Capital Leases	44,579	59,089	-	-	44,579	59,089
<b>Total</b>	<b>\$ 22,784,255</b>	<b>\$ 21,491,265</b>	<b>\$ 2,915,000</b>	<b>\$ 2,577,500</b>	<b>\$ 25,699,255</b>	<b>\$ 24,068,765</b>

The City's debt for governmental activities decreased in fiscal 2015 from \$22,784,255 to \$21,491,265 or 5.7%. The decrease was the net of annual principal payments for the bonds additional leases and loan for land purchased for future use. All principal and interest payments were made according to schedule.

Outstanding debt for business-type activities decreased by \$337,500. Payments on all outstanding debt made according to existing amortization schedules. A loan agreement was entered into to purchase land for future use.

Total debt decreased a net of \$1,630,490 or 6.3%.

Additional information on the City's long-term debt can be found in Note 6 on pages 34 to 40 of this report.

## **ECONOMIC FACTORS, 2015 BUDGET AND TAX RATES**

- The City's fiscal 2015 General Fund budgeted revenues decreased .2% from the fiscal 2014 budget. The decrease is due to a decrease in franchise fees and court fines. Budgeted expenditures decreased .2%. This is the result of a decrease capital purchases, reorganization of personnel and building repairs. Revenue received in the governmental funds decreased 2% due to decreased court fines, franchise fees received and victim rights fund raiser.
- The City has a 1 cent general sales tax as well as ½ cent sales tax for Park, ½ cent for Transportation, and ½ cent for capital improvement. Sales tax revenue increased 8% as a result of new and expanded businesses and a continued increase in local shopping and vehicle sales.

- The City's 2015 property tax levies have been adopted by the Board of Alderman and approved by the State Auditor's Office. The levies total \$1.7294 per \$100 of assessed value. The levy is a .0071 decrease compared to the 2014 levy.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for our citizens, taxpayers, customers, investors, creditors, and other interested parties, and also to show our accountability for the monies entrusted to our care. If you have questions about this report or need additional financial information, contact Director of Finance, The City of Grain Valley, 711 Main Street, Grain Valley, Missouri 64029.

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor  
and Members of the  
Board of Alderman  
City of Grain Valley, Missouri

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grain Valley, Missouri (the City), as of the year ended December 31, 2015, 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***

City of Grain Valley, Missouri's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.**

## **Opinion**

**In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grain Valley, Missouri, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.**

## **Other Matters**

### ***Required Supplemental Information***

**Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Missouri Local Government Employees Retirement System, and Budgetary Comparison Information on pages v through xiv and 51 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.**

### ***Other Information***

**Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grain Valley, Missouri's basic financial statements. The combining and individual non-major fund financial statements and other budgetary schedules, listed in the table of contents as supplemental information, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.**

The combining and individual non-major fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements 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

*Trent, Beaman: Co., P.C.*

Harrisonville, Missouri  
April 29, 2016

**CITY OF GRAIN VALLEY, MO  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 6,852,325	\$ 2,529,853	\$ 9,382,178
Cash and investments-restricted	568,377	833,882	1,402,259
Taxes receivable, net	555,364	-	555,364
Accrued interest	871	10,442	11,313
Accounts receivable, net	53,281	614,380	667,661
Capacity charges, net of amortization	-	1,122,429	1,122,429
Inventories	-	69,496	69,496
Prepaid expenses	231,808	190,415	422,321
Net pension asset	471,848	165,103	636,951
Capital assets:			
Land and construction in progress	4,645,598	732,988	5,378,586
Buildings and improvements	5,504,912	188,258	5,693,170
Land improvements	1,868,877	49,178	2,018,055
Furniture and equipment	1,415,808	485,032	1,880,840
Vehicles	811,438	480,523	1,291,961
Distribution system infrastructure	24,093,858	20,291,112	24,093,858
Less: accumulated depreciation	<u>(9,715,013)</u>	<u>(8,123,120)</u>	<u>(17,838,133)</u>
Total capital assets	<u>28,725,478</u>	<u>14,083,971</u>	<u>42,809,447</u>
Total assets	<u>37,459,448</u>	<u>19,619,971</u>	<u>57,079,419</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	<u>152,728</u>	<u>48,423</u>	<u>201,149</u>
Total assets and deferred outflows of resources	<u>37,612,174</u>	<u>19,668,394</u>	<u>57,280,568</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	322,741	289,368	622,099
Unearned revenues	-	12,569	12,569
Customer deposits	22,025	341,575	363,600
Liabilities payable from restricted assets	22,053	-	22,053
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	4,919,335	550,102	5,469,437
Claims payable	5,000	-	5,000
Compensated absences	36,183	8,551	44,734
Accrued interest	75,288	12,075	87,363
Due in more than one year:			
Bonds, capital leases, and contracts	19,571,830	2,027,398	18,599,328
Bond premium	163,378	51,070	214,448
Compensated absences	<u>144,733</u>	<u>34,203</u>	<u>178,936</u>
Total liabilities	<u>22,282,886</u>	<u>3,338,901</u>	<u>25,619,567</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	1,883,850	-	1,883,850
Pension	<u>78,290</u>	<u>-</u>	<u>78,290</u>
Total deferred inflows of resources	<u>1,959,940</u>	<u>-</u>	<u>1,959,940</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,086,757	12,717,365	26,803,112
Restricted for:			
Capital projects	646,019	-	646,019
Parks	616,115	-	616,115
Road and street	533,594	-	533,594
Police and court	22,143	-	22,143
Debt service	602,882	376,250	978,932
Public health	81,135	-	81,135
Economic development	75,229	-	75,229
Prepaid items	229,874	-	229,874
Unrestricted	<u>(3,522,880)</u>	<u>3,237,898</u>	<u>(285,092)</u>
Total net position	<u>13,369,568</u>	<u>16,331,493</u>	<u>29,701,061</u>

See accompanying notes.

**CITY OF GRAIN VALLEY, MO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Functions/Programs Primary government	Changes for			Program Revenue		Capital Grants and		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Services	Operating Grants and Contributions	Operating Grants and Contributions	Contributions	Governmental Activities	Business-type Activities	Governmental Activities	Total
General government	\$ 688,387	\$ 24,756	\$ 2,456	\$ -	\$ -	\$ (681,175)	\$ -	\$ (681,175)	\$ (681,175)
Municipal court	105,308	165,843	-	-	-	60,635	-	60,635	60,635
Public safety	1,853,808	10,185	183,376	-	-	(1,660,245)	-	(1,660,245)	(1,660,245)
Planning and engineering	257,525	180,271	-	-	-	(77,254)	-	(77,254)	(77,254)
Economic development	439,438	-	55,198	-	-	(384,242)	-	(384,242)	(384,242)
Street	1,293,244	-	602,480	-	-	(690,764)	-	(690,764)	(690,764)
Parks and recreation	999,766	274,402	-	-	-	(725,361)	-	(725,361)	(725,361)
Public health	25,093	-	-	-	-	(25,093)	-	(25,093)	(25,093)
Bond costs	53,809	-	-	-	-	(53,809)	-	(53,809)	(53,809)
Interest on long-term debt	358,782	-	-	-	-	(358,782)	-	(358,782)	(358,782)
Total governmental activities	6,303,195	655,657	853,503	-	-	(4,784,120)	-	(4,784,120)	(4,784,120)
Business-type activities, Water and sewer	4,688,561	5,392,320	-	-	-	-	703,759	703,759	703,759
Total business-type activities	4,688,561	5,392,320	-	-	-	-	703,759	703,759	703,759
Total primary government	\$ 10,991,746	\$ 6,047,877	\$ 853,503	\$ -	\$ -	\$ (4,784,120)	\$ 703,759	\$ (4,080,361)	\$ (4,080,361)
General revenues:									
Taxes:									
Property taxes, levied for general purposes						907,018		907,018	907,018
Property taxes, levied for specific purposes						2,372,184		2,372,184	2,372,184
Franchise taxes and other taxes						1,136,555		1,136,555	1,136,555
Sales taxes						2,200,388		2,200,388	2,200,388
Investment earnings						39,760	15,155	54,915	54,915
Miscellaneous						20,613	11,112	31,725	31,725
Total general revenues, special items, and transfers						6,676,518	26,267	6,702,785	6,702,785
Change in net position						1,882,388	790,026	2,672,414	2,672,414
Net position - beginning (restated)						11,487,170	15,607,487	27,094,657	27,094,657
Net position - ending						\$ 13,369,558	\$ 16,331,483	\$ 29,701,041	\$ 29,701,041

See accompanying notes.

**CITY OF GRAIN VALLEY, MO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	<b>General</b>	<b>Park</b>	<b>Transportation</b>
<b>ASSETS</b>			
Pooled cash and investments	\$ 2,244,302	\$ 700,411	\$ 416,613
Cash and investments-restricted	27,552	236,418	236
Taxes receivable, net	255,841	55,433	135,337
Due from other funds	134,115	-	-
Accrued interest	283	-	-
Other receivables	19,135	-	-
Prepays	73,091	11,751	5,986
<b>Total assets</b>	<b>\$ 2,754,319</b>	<b>\$ 1,004,013</b>	<b>\$ 558,172</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable and accrued expenses	\$ 68,312	\$ 11,425	\$ 14,862
Customer Deposits	-	2,025	-
Due to other funds	-	-	-
Claims payable	5,000	-	-
Other liabilities	22,053	-	-
<b>Total liabilities</b>	<b>95,365</b>	<b>13,450</b>	<b>14,862</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Advances of tax revenue	616,674	136,135	-
 <b>Fund balances:</b>			
<b>Nonspendable:</b>			
Prepaid items	73,091	11,751	5,986
Interfund advances	134,115	-	-
<b>Restricted:</b>			
Capital projects	-	-	-
Parks and recreation	-	609,158	-
Economic development	-	-	-
Debt service	-	233,519	-
Road and street	-	-	537,324
Public health	-	-	-
Police and court	22,143	-	-
<b>Committed for:</b>			
Emergency reserve	576,558	-	-
Budget stabilization reserve	384,372	-	-
<b>Assigned to:</b>			
Economic development	-	-	-
Capital projects	-	-	-
Unassigned	852,001	-	-
<b>Total fund balances</b>	<b>2,042,280</b>	<b>854,428</b>	<b>543,310</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,754,319</b>	<b>\$ 1,004,013</b>	<b>\$ 558,172</b>

See accompanying notes.

<u>Marketplace NID</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 40,047	\$ 1,773,853	\$ 1,677,099	\$ 6,852,325
-	-	304,171	588,377
-	-	108,753	555,364
-	-	-	134,115
-	588	-	871
-	-	34,146	53,281
-	-	2,032	92,860
<u>\$ 40,047</u>	<u>\$ 1,774,441</u>	<u>\$ 2,126,201</u>	<u>\$ 8,257,193</u>
\$ -	\$ 318	\$ 227,824	\$ 322,741
-	-	20,000	22,025
2,936	-	131,179	134,115
-	-	-	5,000
-	-	-	22,053
<u>2,936</u>	<u>318</u>	<u>379,003</u>	<u>505,934</u>
-	1,076,604	54,237	1,883,650
-	-	2,032	92,860
-	-	-	134,115
37,111	-	1,372,976	1,410,087
-	-	-	609,158
-	-	332,566	332,566
-	697,519	-	931,038
-	-	-	537,324
-	-	81,135	81,135
-	-	-	22,143
-	-	-	-
-	-	-	576,558
-	-	-	384,372
-	-	-	-
-	-	-	-
-	-	(95,748)	756,253
<u>37,111</u>	<u>697,519</u>	<u>1,692,961</u>	<u>5,867,609</u>
<u>\$ 40,047</u>	<u>\$ 1,774,441</u>	<u>\$ 2,126,201</u>	<u>\$ 8,257,193</u>

See accompanying notes.

**CITY OF GRAIN VALLEY, MO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

Fund balances - total governmental funds \$ 5,867,609

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 28,725,476

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position:

Net premiums and discounts	(163,378)
Net pension asset	471,848
	308,470

Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. (75,288)

Deferred pension inflows and outflows are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:

Inflows	(76,290)
Outflows	152,728
	76,438

Expenditures benefiting future periods are not reported in the governmental funds, yet are reflected as prepaid items in the statement of Net Position. 139,046

Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide statements:

Bonds and capital leases	(21,491,265)
Compensated absences	(180,916)
	(21,672,181)

Net Position of Governmental Activities in the Statement of Net Position \$ 13,369,568

See accompanying notes.

**(THIS PAGE LEFT INTENTIONALLY BLANK.)**

**CITY OF GRAIN VALLEY, MO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Park</u>	<u>Transportation</u>
<b>REVENUES</b>			
Taxes	\$ 2,883,466	\$ 591,051	\$ 350,195
Intergovernmental	292,103	-	503,753
Charges for services	-	274,402	-
Fees and fines	381,155	-	-
Investment earnings	14,522	3,228	711
Other	<u>10,588</u>	<u>369</u>	<u>17,997</u>
 Total revenues	 <u>3,581,834</u>	 <u>889,050</u>	 <u>872,656</u>
<b>EXPENDITURES</b>			
Current:			
Current expenditures:			
General government	795,802	-	-
Municipal court	105,308	-	-
Public safety	1,882,809	-	-
Planning and engineering	257,525	-	-
Street	-	-	470,506
Parks and recreation	-	771,009	-
Public health	-	-	-
Economic development	-	-	-
Capital outlay	539,766	37,424	207,105
Debt service:			
Principal	39,590	165,000	-
Interest and other charges	<u>873</u>	<u>68,542</u>	<u>-</u>
 Total expenditures	 <u>3,621,673</u>	 <u>1,041,975</u>	 <u>677,611</u>
 Excess (deficiency) of revenues over expenditures	 <u>(39,839)</u>	 <u>(172,925)</u>	 <u>195,045</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of long-term debt, capital leases	216,600	-	-
Sale of assets	14,272	-	324
Transfers in	-	330,000	-
Transfers out	<u>(110,540)</u>	<u>-</u>	<u>(25,000)</u>
 Total other financing sources and uses	 <u>120,332</u>	 <u>330,000</u>	 <u>(24,676)</u>
 Net change in fund balances	 80,493	 157,075	 170,369
 Fund balances - beginning	 <u>1,961,787</u>	 <u>697,353</u>	 <u>372,941</u>
 Fund balances - ending	 <u>\$ 2,042,280</u>	 <u>\$ 854,428</u>	 <u>\$ 543,310</u>

See accompanying notes.

<u>Marketplace NID</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,673,939	\$ 1,117,494	\$ 6,616,145
-	-	55,196	851,052
-	-	-	274,402
-	-	-	381,155
-	18,990	2,309	39,760
-	-	20,900	49,854
<u>-</u>	<u>1,692,929</u>	<u>1,195,899</u>	<u>8,212,368</u>
-	-	-	795,802
-	-	-	105,308
-	-	-	1,882,809
-	-	-	257,525
-	-	-	470,506
-	-	-	771,009
-	-	25,093	25,093
-	-	439,438	439,438
-	-	25,530	809,825
3,015,000	1,335,108	80,000	4,634,698
<u>90,423</u>	<u>288,336</u>	<u>110,218</u>	<u>558,392</u>
<u>3,105,423</u>	<u>1,623,444</u>	<u>680,279</u>	<u>10,750,405</u>
<u>(3,105,423)</u>	<u>69,485</u>	<u>515,620</u>	<u>(2,538,037)</u>
3,125,000	-	-	3,341,600
-	-	-	14,596
-	-	313,082	643,082
-	-	(507,542)	(643,082)
<u>3,125,000</u>	<u>-</u>	<u>(194,460)</u>	<u>3,356,198</u>
19,577	69,485	321,160	818,159
<u>17,534</u>	<u>628,034</u>	<u>1,371,801</u>	<u>5,049,450</u>
<u>\$ 37,111</u>	<u>\$ 697,519</u>	<u>\$ 1,692,961</u>	<u>\$ 5,867,609</u>

See accompanying notes.

**CITY OF GRAIN VALLEY, MO**  
**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, 2015**

Net change in fund balances - total governmental funds: \$ 818,159

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which capital outlays, which are over the capitalization threshold, exceeded depreciation in the current period:

Capital outlay	704,808
Depreciation expense	(1,319,104)
	(614,296)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Net Position reports repayment as a reduction to long-term liabilities. This is the amount by which proceeds exceed repayments:

Issuance of debt	(3,341,600)
Repayment of principal	4,634,590
	1,292,990

Governmental funds report premiums and discounts as other financing sources. In contrast, those items are capitalized on the Statement of Net Position and amortized over the life of the bonds on the Statement of Activities. This is the net amount of premiums, discounts, and amortization,

Amortization of premiums/discounts	61,729
	61,729

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Prepaid expense	(3,809)
Pension expense	201,588
Accrued interest not reflected on governmental funds	86,179
Compensated absences	39,858
	323,816

Change in net position of governmental activities \$ 1,882,398

**CITY OF GRAIN VALLEY, MO  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2016**

	<b>Water and Sewer</b>
<b>ASSETS:</b>	
Current assets:	
Pooled cash and investments	\$ 2,529,853
Cash and investments-restricted	833,882
Receivables, net:	
Billed	309,070
Unbilled	305,310
Interest	10,442
Inventories	69,496
Prepaid expenses	190,415
Net pension asset	165,103
Total current assets	4,413,571
Non-current assets:	
Deferred charges, net of amortization	1,122,429
Capital assets, net	14,083,971
Total non-current assets	15,206,400
Total assets	19,619,971
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	48,423
Total assets and deferred outflows of resources	19,668,394
 <b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable and accrued expenses	299,358
Unearned revenue	12,569
Accrued interest payable	12,075
Customer deposits	341,575
Compensated absences	8,551
Bonds, notes, and loans payable	550,102
Total current liabilities	1,224,230
Non-current liabilities:	
Compensated absences	34,203
Bond premium	51,070
Bonds, notes, and loans payable	2,027,398
Total non-current liabilities	2,112,671
Total liabilities	3,336,901
 <b>NET POSITION:</b>	
Net investment in capital assets	12,717,355
Restricted for debt service	376,250
Unrestricted	3,237,888
Total net position	16,331,493
Total liabilities and net position	\$ 19,668,394

See accompanying notes.

**CITY OF GRAIN VALLEY, MO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION --  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Water and Sewer</b>
<b>REVENUES,</b>	
Charges for services	\$ 5,392,320
 <b>OPERATING EXPENSES:</b>	
Personnel services	922,163
Contractual services	105,893
Materials and supplies	134,824
Maintenance and repairs	137,773
Insurance	22,475
Utilities	59,399
Water purchases	1,412,658
Sewer services	1,101,995
Depreciation and amortization	726,278
Bad debts	8,599
	4,632,057
Operating income	760,263
 <b>NON-OPERATING REVENUES (EXPENSES):</b>	
Interest income	15,155
Miscellaneous income	97,324
Interest expense	(56,504)
Loss on disposal of assets	(86,212)
	(30,237)
Increase in net position	730,026
Total net position - beginning (restated)	15,601,467
Total net position - ending	\$ 16,331,493

See accompanying notes.

**CITY OF GRAIN VALLEY, MISSOURI**

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Water and Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Received from customers	\$ 5,382,203
Payments to employees and fringe benefits	(995,555)
Payments for operations	(2,826,741)
Other receipts (payments)	11,690
Net cash provided by operating activities	<u>1,571,597</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES,</b>	
Non-operating revenues	<u>97,324</u>
Net cash provided by noncapital financing activities	<u>97,324</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from sale of capital assets	9,342
Acquisition and construction of capital assets	(524,964)
Principal paid on capital debt and leases	(500,000)
Interest paid on capital debt and leases	(59,004)
Net cash used by capital and related financing activities	<u>(1,074,626)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES,</b>	
Investment income	<u>6,156</u>
Net cash provided by investing activities	<u>6,156</u>
Net decrease in cash and cash equivalents	600,451
Cash and cash equivalents, Beginning of the year	<u>2,763,284</u>
Cash and cash equivalents, End of the year	<u>\$ 3,363,735</u>
Reconciliation of operating income to net cash provided by operating activities,	
Operating income	<u>\$ 760,263</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	726,278
Changes in assets and liabilities:	
Receivables, net	(11,057)
Inventories	(10,287)
Pension related deferrals and assets	(78,595)
Prepaid items	161,979
Accounts payable and accrued liabilities	9,285
Deferred revenue	940
Customer deposits	11,690
Compensated absences	1,101
Total adjustments	<u>811,334</u>
Net cash provided by operating activities	<u>\$ 1,571,597</u>
Noncash investing, capital, and financing activities:	
Assets acquired through assumption of a note payable	\$ 162,500
Capital asset write-offs.	248,334

See accompanying notes.

**(THIS PAGE LEFT INTENTIONALLY BLANK.)**

## **NOTES TO FINANCIAL STATEMENTS**

The Notes to the Financial Statements include a summary of the accounting policies followed and information used by the City that are judged to be most appropriate for full disclosure in the preparation of the financial statements.

# CITY OF GRAIN VALLEY, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Grain Valley, Missouri (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

**Reporting Entity:** The City of Grain Valley, Missouri, was incorporated in 1945 and is located in Jackson County, Missouri. Grain Valley is a fourth class city and operates under the board of aldermen-administrator form of government and provides services to its residents in many areas, including law enforcement, water and sewer services, community enrichment, and various social services. The City Administrator is the chief administrative officer of the City. The accompanying financial statements present the City's primary government and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Management has considered all potential component units and has determined there are no entities outside of the primary government that should be blended into or discretely presented with the City's financial statements.

The accounting and reporting policies of the City conform to generally accepted accounting principles applicable to local governments. With regard to FASB pronouncements issued after November 30, 1989, for its proprietary fund activities, the City has elected not to adopt any of those pronouncements. The City has also refrained from implementing FASB pronouncements issued after November 30, 1989.

**Government-Wide and Fund Financial Statements:** The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report information on all of the activities of the City and its component units. *Governmental activities*, which are normally supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# CITY OF GRAIN VALLEY, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

#### Government-Wide and Fund Financial Statements (Continued):

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds include other Special Revenue and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules.

Measurement Focus, Basis of Accounting, and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the following year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

## CITY OF GRAIN VALLEY, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

##### Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

Property taxes that are not available for current year operations are shown as deferred revenue. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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. Charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports the following major governmental funds:

The General Fund is the primary operating fund. Expenditures from this fund provide basic City services, such as police protection, planning, inspection, engineering, animal control, civil defense, municipal court, and overall basic services such as finance and data processing, personnel, and general administration of the City.

Revenue sources include taxes, which include property taxes, sales taxes, franchise taxes, and cigarette taxes. Other revenues include other fees and licenses, and revenue gathered from the municipal court and investment earnings.

The Park Fund accounts for taxes collected and expended for operations and improvements to the City's parks, community center, and pool.

The Transportation Fund accounts for sales tax collected and other resources to be used for road and bridge projects within the City and operation and maintenance of the City's streets, curbs, etc.

The Grain Valley Marketplace NID Fund accounts for the amounts due from the developer and future special assessment tax revenues to service any bonds issued to finance eligible improvements made in the NID district.

The Debt Service Fund accounts for property taxes collected and expended for the servicing of general long-term debt not being financed by proprietary funds.

The City reports the following non-major governmental funds:

The Public Health Fund accounts for property taxes levied for health related programs.

**CITY OF GRAIN VALLEY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):**

The Tourism Fund accounts for the taxes collected from hotels, motels, and campgrounds to be used to finance economic development.

The Old Towne TIF Fund accounts for incremental property and sales taxes to be used to finance improvements in the special district.

The Capital Improvements Fund accounts for sales tax collected to be used for acquiring capital equipment and improving City facilities and infrastructure.

The Grain Valley Marketplace TIF Fund accounts for the activity in the special district approved in 2010, including any amounts due from the developer, future incremental tax revenues, and the issuance of any TIF bonds to finance eligible improvements made in the District.

The 2012 IDA TIF Fund accounts for bond proceeds and other financial resources segregated for the construction of capital improvements in economic development.

The 2011 G.O. Bond Fund accounts for bond proceeds and other financial resources segregated for the construction of street infrastructure

The Grain Valley Marketplace TIF Reserve Fund accumulates resources and uncaptured TIF sales tax in the event there is a revenue shortfall. A three year reserve will be accumulated in this fund.

The Grain Valley Marketplace TIF Special Fund accounts for revenue collected within project #2, Grain Valley Marketplace. Funds are transferred to the Trustee.

The Grain Valley Marketplace CID Fund accounts for the amounts due from the developer and future incremental sales tax revenues to service any bonds issued to finance eligible improvements made in the CID district.

The Grain Valley Marketplace CID Sales Fund accumulates the 1% CID sales tax and USE tax revenue collected within project #2, Grain Valley Marketplace. Funds are transferred to the Trustee.

The Grain Valley Interchange TIF Fund accounts for the expenses for the remaining three projects within the TIF. These areas were renamed the Interchange TIF when the plan was amended to split project 1 into 1A and 1B.

## CITY OF GRAIN VALLEY, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

##### Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

Proprietary fund level financial statements are used to account for activities, which are similar to those found in the private-sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City reports the following proprietary fund:

Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing, collection, and related debt service.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Net Position - Government-Wide Statements: Net Position is displayed in three components:

- (1) Net investment in capital assets component of net position: 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 improvements of those assets.
- (2) Restricted component of net position: Consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) Unrestricted component of net position: Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of "net investment in capital assets" or the "restricted" component of net position.

# CITY OF GRAIN VALLEY, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

#### Net Position - Government-Wide Statements (Continued):

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Equity:** In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance* - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Alderman—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Alderman removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* - This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Alderman and the City Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

## CITY OF GRAIN VALLEY, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

**Budgets:** The reported budgetary data represents the final approved budget after amendments as adopted by the Board of Alderman. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. Missouri law requires budgets to be adopted for all governmental funds. The City prepares its budgets on the modified accrual basis of accounting for its governmental funds and the accrual basis for its proprietary funds. The Board of Alderman has amended the budget at various times during the year and has performed the following procedures in establishing the City's budget:

- (1) Prior to November 30, the City Administrator submits to the Board of Alderman a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to January 1, the budget is legally enacted through the passage of an ordinance.
- (4) The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Alderman. This constitutes the City's legal level of budgetary control.
- (5) Appropriations lapse at year-end, but may be reappropriated in the following fiscal year.

**Pooled Cash, Investments, and Restricted Assets:** State statutes authorize the City to invest in banking institutions and obligations of municipalities, repurchase agreements, U.S. government agency obligations, and obligations of the U.S. Treasury. Cash resources of the individual governmental fund types are combined to form a pool of cash and investments. At December 31, 2015, the City's cash was deposited in demand accounts, certificates of deposit, and money markets. Investments with maturities of less than one year are stated at cost, which approximates fair value. All investments are stated at cost, which approximates fair value. Interest income on pooled cash and investments is allocated based upon each fund's respective average cash balance.

Certain proceeds of federal grants are classified as restricted assets on the balance sheet because their use is limited by applicable grant agreements. Assets are also restricted for court bonds, debt service reserve requirements, and refunding customer meter deposits.

**Statement of Cash Flows:** A statement of cash flows has been presented in accordance with Governmental Accounting Standards Board Statement 9 for the Proprietary Fund. For purposes of the statement of cash flows, demand deposits, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Accounts Receivable:** Accounts receivable for water and sewer services are accounted for in the Water and Sewer Fund and include billed amounts as well as an accrual for the earned but unbilled services from the previous billing date through December 31, 2015. Accounts receivable in the General Fund represents charges for sales and franchise taxes. All accounts receivable are stated net of allowances.

**Interfund Receivables and Payables:** Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables.

**Interfund Transactions:** During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Inventory:** Inventory, which consists principally of maintenance supplies, gasoline, and oil, is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased.

**Capital Assets:** Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$5,000 or more. Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is computed using the straight-line method over the following estimated lives:

**Major Assets**

Buildings	40 years
Plant, structure, and lines	50-60 years
Infrastructure	50 years
Equipment and vehicles	3-10 years

## CITY OF GRAIN VALLEY, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

**Deferred Outflows/Inflows of Resources:** In addition to assets, the statements of net 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 and will not be recognized as an outflow of resources, or expenses/expenditures, until then. The City has only one item that qualifies for reporting in this category. It is the property taxes collected for the future budget period. The amount will be recorded as revenue when the revenue recognition process is complete.

**Compensated Absences:** Accumulated vacation and sick leave, that is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**Unearned Revenues:** Governmental funds report unearned revenue when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when government has a legal claim to the resources, revenue is recognized. Proprietary funds report unearned revenues when resources are received by the City before services are provided. In subsequent periods after services have been provided revenue is recognized.

**Long-Term Obligations:** Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**Encumbrances:** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control. Encumbrances outstanding at year-end, if any, are reported as reservations of fund balance for subsequent year expenditures. When expenditures are incurred in subsequent years relating to amounts previously encumbered, such amounts are, if material, reappropriated in the year expended.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**Total Columns on Combined Statements:** Total columns on the combined statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

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

**2. DEPOSITS AND INVESTMENTS:**

At December 31, 2015, the carrying amount of the City's cash on hand, demand deposits, and certificates of deposit in financial institutions was \$900, \$7,659,035, and \$2,570,479, respectively. The bank balances of demand deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits were held by a qualified depository.

At December 31, 2015, the City's investments consisted of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Investment Rating</u>
Money Market	<u>\$ 554,023</u>	<u>\$ 554,023</u>	NA

**Interest Rate Risk**

Interest rate risk is the risk that changes interest rates that will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**2. DEPOSITS AND INVESTMENTS (Continued):**

**Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

At December 31, 2015, the City had the following investments and maturities:

	Investment maturities (in years)		
	Value	Less than one	>5
Investment type, Money Market	\$ 554,023	\$ 554,023	\$ -

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The City's general credit risk policy is to apply to prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probability safety of their capital, as well as the probable income to be derived.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**2. DEPOSITS AND INVESTMENTS (Continued):**

At December 31, 2015, the carrying value of deposits and investments are summarized as follows:

Investments, Money markets	<u>\$ 554,023</u>
Certificates of deposit	2,570,479
Cash on hand	900
Deposits	<u>7,659,035</u>
	<u>10,230,414</u>
<b>Total</b>	<b><u>\$ 10,784,437</u></b>

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

Government-wide statement of net assets:	
Pooled cash and investments	\$ 9,382,178
Restricted cash	<u>1,402,259</u>
<b>Total</b>	<b><u>\$ 10,784,437</u></b>

**3. ACCOUNTS RECEIVABLE:**

As a result of providing water and sanitation services to its citizens, the City has extended credit to them. Accounts receivable are presented net of allowance for doubtful accounts of \$98,833 for the Water & Sewer fund.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS:**

Capital asset activity for the year ended December 31, 2015, consisted of the following:

	<u>Balance As Restated 1/1/2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2015</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,097,160	\$ 362,500	\$ -	\$ 3,459,660
Construction in progress	<u>1,309,838</u>	<u>2,216</u>	<u>126,116</u>	<u>1,185,938</u>
<b>Total capital assets not being depreciated</b>	<u><b>4,406,998</b></u>	<u><b>364,716</b></u>	<u><b>126,116</b></u>	<u><b>4,645,598</b></u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	5,404,651	100,261	-	5,504,912
Infrastructure	23,931,138	162,718	-	24,093,856
Furniture and equipment	1,385,841	97,342	67,375	1,415,808
Land improvements	1,922,943	45,934	-	1,968,877
Vehicles	<u>790,854</u>	<u>101,334</u>	<u>80,750</u>	<u>811,438</u>
<b>Total capital assets being depreciated</b>	<u><b>33,435,427</b></u>	<u><b>507,589</b></u>	<u><b>148,125</b></u>	<u><b>33,794,891</b></u>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	1,781,500	149,139	-	1,930,639
Infrastructure	4,748,592	824,914	-	5,573,506
Furniture and equipment	684,645	156,304	25,994	814,955
Land improvements	740,078	99,167	-	839,245
Vehicles	<u>547,838</u>	<u>89,580</u>	<u>80,750</u>	<u>556,668</u>
<b>Total accumulated depreciation</b>	<u><b>8,502,653</b></u>	<u><b>1,319,104</b></u>	<u><b>106,744</b></u>	<u><b>9,715,013</b></u>
<b>Total capital assets being depreciated, net</b>	<u><b>24,932,774</b></u>	<u><b>(811,515)</b></u>	<u><b>41,381</b></u>	<u><b>24,079,878</b></u>
<b>Governmental activities capital assets, net</b>	<u><b>\$29,339,772</b></u>	<u><b>\$ (446,799)</b></u>	<u><b>\$ 167,497</b></u>	<u><b>\$28,725,476</b></u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS (Continued):**

Capital asset activity for the year ended December 31, 2015, consisted of the following (Continued):

	<u>Balance</u> <u>1/1/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land and improvements	\$ 171,725	\$ 362,500	\$ -	\$ 534,225
Construction in progress	<u>97,173</u>	<u>101,590</u>	<u>-</u>	<u>198,763</u>
<b>Total capital assets not being depreciated</b>	<u>268,898</u>	<u>464,090</u>	<u>-</u>	<u>732,988</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	180,946	7,312	-	188,258
Distribution system	20,314,212	72,703	95,803	20,291,112
Furniture and equipment	522,592	61,600	119,160	465,032
Land improvements	49,178	-	-	49,178
Vehicles	<u>432,135</u>	<u>81,759</u>	<u>33,371</u>	<u>480,523</u>
<b>Total capital assets being depreciated</b>	<u>21,499,063</u>	<u>223,374</u>	<u>248,334</u>	<u>21,474,103</u>
<b>Less accumulated depreciation:</b>				
Buildings and Improvements	71,551	4,775	-	76,326
Distribution system	7,079,875	518,796	7,543	7,591,128
Furniture and equipment	244,183	38,843	111,865	171,161
Land improvements	33,831	3,322	-	37,153
Vehicles	<u>211,469</u>	<u>69,255</u>	<u>33,372</u>	<u>247,352</u>
<b>Total accumulated depreciation</b>	<u>7,640,909</u>	<u>634,991</u>	<u>152,780</u>	<u>8,123,120</u>
<b>Total capital assets being depreciated, net</b>	<u>13,858,154</u>	<u>(411,617)</u>	<u>95,554</u>	<u>13,350,983</u>
<b>Business-type activities capital assets, net</b>	<u>\$14,127,052</u>	<u>\$ 52,473</u>	<u>\$ 95,554</u>	<u>\$14,083,971</u>

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

<b>Government activities:</b>	
General government	\$ 250,335
Public safety	84,692
Streets and highways	759,102
Parks and recreation	<u>224,975</u>
<b>Total depreciation expense, governmental</b>	<u>\$ 1,319,104</u>
<b>Business-type activities,</b>	
Water and sewer	<u>\$ 634,991</u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**5. 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 supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

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

	2013 Valuation
Benefit Multiplier:	1.5%
Final Average Salary:	5 years
Member Contributions:	0%

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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	33
Active employees	58
	<u>105</u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**5. PENSION PLAN (Continued):**

**Contributions:** The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 8.8% General, and 9.8% Police of annual covered payroll.

**Net Pension Liability:** The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2013.

**Actuarial Assumptions:** The total pension liability in the February 28, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary Increase	3.5% to 6.8%
Investment rate of return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2013 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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	48.5%	5.5%
Fixed Income	25%	2.25%
Real Assets	20%	4.5%
Strategic Assets	6.5%	7.5%

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**5. PENSION PLAN (Continued):**

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

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2014	\$ 4,053,053	\$ 4,534,680	\$ (481,627)
Changes for the year:			
Service Cost	221,758		221,758
Interest	299,434		299,434
Difference between expected and actual experience	(86,293)		(86,293)
Contributions - employer		253,622	(253,622)
Contributions - employee		-	-
Net investment income		90,757	(90,757)
Benefit payments, including refunds	(64,886)	(64,886)	-
Administrative expense		(8,203)	(8,203)
Other changes		131,679	(131,679)
Net changes	370,013	402,969	(32,956)
Balances at 6/30/2015	\$ 4,423,066	\$ 4,937,649	\$ (514,583)

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25% than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Total Pension Liability (TPL)	\$ 3,095,293	\$ 2,594,830	\$ 2,194,814
Plan Fiduciary Net Position	2,885,219	2,885,219	2,885,219
Net Position Liability/(Asset) (NPL)	\$ 210,074	\$ (290,389)	\$ (690,405)

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**5. PENSION PLAN (Continued):**

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

For the year ended December 31, 2015 the employer recognized pension expense of \$95,807. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Deferred Resources
	Governmental	Business-type	Governmental	Business-type	
Differences in experience	\$ -	\$ 1,847	\$ (76,290)	\$ -	\$ (74,443)
Differences in assumptions	-	-	-	-	-
Excess (deficit) investment returns	152,726	46,576	-	-	199,302
Contributions subsequent to the measurement date*	73,421	48,947	-	-	122,368
<b>Total</b>	<b>\$ 226,147</b>	<b>\$ 97,370</b>	<b>\$ (76,290)</b>	<b>\$ -</b>	<b>\$ 247,227</b>

\*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 for the year ending 12/31/2015.

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

Year Ending	Net Deferred Outflows of Resources
2016	\$ 37,975
2017	37,975
2018	37,975
2019	37,977
2020	(11,850)
Thereafter	(15,193)
	<b>\$ 124,859</b>

**Payable / Asset to the Pension Plan**

At December 31, 2015, the City reported an asset of \$636,951 for the outstanding amount of contributions to the pension plan required for the year ended.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT:**

Changes in long-term debt of the City for the year ended December 31, 2015, consisted of the following:

<b>Governmental Activities</b>					
	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2015</u>	<u>Amounts Due Within One Year</u>
General obligation bonds	\$ 15,599,676	\$ -	\$ 1,335,000	\$ 14,264,676	\$ 1,450,000
Certificates of participation	1,410,000	-	165,000	1,245,000	185,000
NID Notes	3,015,000	3,125,000	3,015,000	3,125,000	3,125,000
TIF Bonds	2,715,000	-	80,000	2,635,000	80,000
Note Payable	-	162,500	-	162,500	40,102
Capital leases	<u>44,579</u>	<u>54,100</u>	<u>39,590</u>	<u>59,089</u>	<u>39,233</u>
	<u>22,784,255</u>	<u>3,341,600</u>	<u>4,634,590</u>	<u>21,491,265</u>	<u>4,919,335</u>
Other liabilities, Compensated absences *	<u>220,774</u>	<u>32,196</u>	<u>72,054</u>	<u>180,916</u>	<u>36,183</u>
	<u>\$ 23,005,029</u>	<u>\$ 3,373,796</u>	<u>\$ 4,706,644</u>	<u>\$ 21,672,181</u>	<u>\$ 4,955,518</u>
<b>Business-Type Activities</b>					
	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2015</u>	<u>Amounts Due Within One Year</u>
Revenue bonds	\$ 2,915,000	\$ -	\$ 500,000	\$ 2,415,000	\$ 510,000
Note Payable	-	162,500	-	162,500	40,102
	<u>2,915,000</u>	<u>162,500</u>	<u>500,000</u>	<u>2,577,500</u>	<u>550,102</u>
Other liabilities, Compensated absences	<u>41,653</u>	<u>9,432</u>	<u>8,331</u>	<u>42,754</u>	<u>8,551</u>
	<u>\$ 2,956,653</u>	<u>\$ 171,932</u>	<u>\$ 508,331</u>	<u>\$ 2,620,254</u>	<u>\$ 558,653</u>

\* Primarily liquidated by the General Fund

**CITY OF GRAIN VALLEY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT (Continued):**

The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The liability for compensated absences has been calculated using the vesting method, which leaves amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Total City debt at December 31, 2015, consisted of the following:

**Governmental funds:**

\$6,940,000, Series 2008A, general obligation bonds, issued for park and public infrastructure, due in annual installments of \$1,225,000 to \$415,000, through March 1, 2028, interest at 4% to 4.35%	\$ 4,265,000
\$5,234,676, Series 2011, general obligation bonds, issued for construction of street infrastructure, due in annual installments of \$592,468 to \$305,118, through March 1, 2031, interest at 3.2% to 4.9%	5,234,676
\$5,850,000, Series 2013 general obligation refunding bonds, issued for the refunding of Series 2005 general obligation bonds, due in annual installments of \$1,085,000 to \$1,215,000, through March 1, 2019, interest at 2%	<u>4,765,000</u>
	<u>14,264,676</u>
\$2,335,000, Series 2006, certificate of participation, issued for construction and improvement to the Community Center, due in annual installments of \$100,000 to \$430,000, through September 1, 2020, interest at 4.25% to 5%	<u>1,245,000</u>
\$3,125,000, Series 2015, neighborhood improvement district note, due in one annual installment of \$3,125,000 on June 1, 2016, interest at 1%	<u>3,125,000</u>
\$325,000, 2015 Loan, issued for the purchase of land, the cost of which is split between General fund and Water/Sewer fund at 50%, due in annual installments of \$84,064, through July 1, 2019, interest at 1.5%	<u>162,500</u>
\$2,830,000, Series 2012, tax increment revenue bonds, due in annual installments of \$115,000 to \$465,000, through September 1, 2033, interest at 2% to 4.375%	<u>2,635,000</u>
Total governmental funds	<u><u>\$ 21,432,176</u></u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT (Continued):**

**Proprietary fund:**

<b>\$3,855,000, Series 2013, Waterworks and Sewerage System Revenue Refunding Bonds, due in annual installments of \$300,000 to \$545,000, through October 1, 2020, interest at 2%</b>	<b>\$ 2,415,000</b>
<b>\$325,000, 2015 Loan, issued for the purchase of land, the cost of which is split between General fund and Water/Sewer fund at 50%, due in annual installments of \$84,064, through July 1, 2019, interest at 1.5%</b>	<b><u>162,500</u></b>
<b>Total proprietary fund</b>	<b><u><u>\$ 2,577,500</u></u></b>

**Tax Incentive Revenue Bonds and Development Agreements:**

The City's Tax Incentive Revenue Bonds are recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged. The City and other taxing districts and governmental entities have pledged a portion of future property tax and sales tax revenues to repay the \$2.83 million in Series 2012 Revenue Bonds issued to finance redevelopment projects within the Grain Valley Marketplace Tax Increment Financing (TIF) project. The bonds are payable solely from the incremental increase in property taxes and sales taxes generated within the TIF plan as well as revenues pledged by other taxing districts through cooperative agreements. TIF revenues and other pledged revenues were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Should these revenues not be sufficient to meet the required debt service obligations, the City, subject to annual appropriation, is obligated to make such debt service payments from other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's funds will be required to make up any deficiency in bond payments during the next fiscal year.

Additionally, the City has entered into certain developer agreements whereby developer financed project costs that have been certified by the City as eligible are reimbursed from tax increment financing revenues attributable to the project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes during a period not to exceed 23 years. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the Commission or of the City.

At December 31, 2015, total principal and interest remaining on the Revenue Bonds was \$2.64 and \$1.3 million, respectively. The outstanding developer obligations were \$3.8 million. The bonds are scheduled to mature at varying amounts through 2033 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT (Continued):**

Aggregate annual principal and interest payments applicable to long-term debt are:

<u>Years ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>General Obligation Bonds Payable</u>
2016	\$ 1,450,000	\$ 253,010	\$ 1,703,010
2017	1,515,000	218,491	1,733,491
2018	1,380,000	184,679	1,564,679
2019	1,500,000	150,557	1,650,557
2020	887,469	304,409	1,191,878
2021-2025	4,201,578	1,782,549	5,984,127
2026-2030	3,025,513	2,118,595	5,144,108
2031	305,116	469,882	774,998
	<u>\$ 14,264,676</u>	<u>\$ 5,482,172</u>	<u>\$ 19,746,848</u>

  

<u>Years ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Certificates of Participation</u>
2016	\$ 185,000	\$ 58,648	\$ 243,648
2017	195,000	50,600	245,600
2018	205,000	42,020	247,020
2019	230,000	33,000	263,000
2020	430,000	21,500	451,500
	<u>\$ 1,245,000</u>	<u>\$ 205,768</u>	<u>\$ 1,450,768</u>

  

<u>Years ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Note Payable *</u>
2016	\$ 80,204	\$ 3,860	\$ 84,064
2017	80,392	3,672	84,064
2018	81,598	2,466	84,064
2019	82,806	1,256	84,062
	<u>\$ 325,000</u>	<u>\$ 11,254</u>	<u>\$ 336,254</u>

\* Note payable is split between Governmental and Business-Type Activities

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT (Continued):**

<u>Years ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>NID Note</u>
2016	\$ 3,125,000	\$ 31,250	\$ 3,156,250
	<u>\$ 3,125,000</u>	<u>\$ 31,250</u>	<u>\$ 3,156,250</u>
<u>Years ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>IDA TIF Bonds</u>
2016	\$ 80,000	\$ 105,794	\$ 185,794
2017	85,000	104,194	189,194
2018	90,000	102,388	192,388
2019	90,000	99,238	189,238
2020	100,000	96,088	196,088
2021-2025	580,000	422,988	1,002,988
2026-2030	770,000	288,094	1,058,094
2031-2033	840,000	85,968	925,968
	<u>\$ 2,635,000</u>	<u>\$ 1,304,752</u>	<u>\$ 3,939,752</u>
<u>Years ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Revenue Bonds</u>
2016	\$ 510,000	\$ 48,300	\$ 558,300
2017	525,000	38,100	563,100
2018	535,000	27,600	562,600
2019	545,000	16,900	561,900
2020	300,000	6,000	306,000
	<u>\$ 2,415,000</u>	<u>\$ 136,900</u>	<u>\$ 2,551,900</u>

**CITY OF GRAIN VALLEY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT (Continued):**

**Bond Reserve Accounts:**

Under the Series 2013 Combined Waterworks/Sewerage System Revenue Refunding Bonds, the City is required to deposit monies into a debt service account sufficient to meet maturity dates of principal and interest. Further, after providing funds for current operations and principal and interest, excess funds will be deposited at a rate of \$1,000 monthly into a depreciation and replacement account until a balance of \$100,000 is reached. In addition, the City will make a deposit in the reserve account of \$139,525.

At December 31, 2015, the City was in compliance with these requirements.

Rates and fees established and charged were sufficient to satisfy bond covenant responsibilities for the water and sewer fund for the year ended December 31, 2015.

The City is authorized to issue industrial revenue bonds to provide financial assistance to a private-sector entity for the acquisition and construction of facilities deemed to be in the public interest. Bonds are secured by the property financed and are payable solely from payments received on the underlying lease agreement. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State of Missouri, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, no building asset or bond liability has been reflected in the financial statements. At December 31, 2015, the City has one outstanding industrial revenue bond issue with a total principal amount of \$1,280,000.

The Missouri State Constitution permits a city, by a vote of either two-thirds or four-sevenths of the voting electorate, depending on the date of the election, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric, or other light plants, provided the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property.

At December 31, 2015, the City's general obligation debt limit was \$33,391,536 and the legal debt margin was \$19,824,379.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT (Continued):**

**Advanced Refunding:**

In April 2013, the City issued Series 2013 Water Revenue Refunding Bonds of \$3,855,000 to advance refund \$4,040,000 of outstanding Series 2001 Combined Water and Sewer Refunding and Improvement Bonds. This advance refunding was undertaken to reduce the total debt service payments by \$559,024 which resulted in an economic gain of approximately \$515,000.

In December 2013, the City issued Series 2013 General Obligation Refunding Bonds of \$5,850,000 to advance refund \$6,210,000 of outstanding Series 2005 General Obligation Bonds. This advance refunding was undertaken to reduce the total debt service payments by \$841,425 which resulted in an economic gain of approximately \$569,000.

**7. CAPITAL LEASES:**

The City has entered into lease agreements for financing capital equipment. The lease agreements qualify as capital leases for accounting purposes, therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Asset</u>		
Police In Car Cameras	\$	63,470
Police vehicles		<u>54,100</u>
Total assets acquired	\$	<u><u>117,570</u></u>

The future minimum lease payments and the present value of the remaining minimum lease payments as of December 31, 2015, are as follows:

<u>Year Ending December 31,</u>	<u>General Fund</u>
2016	\$ 40,468
2017	<u>20,310</u>
	60,778
Less: amount representing interest	<u>1,689</u>
Present value of future minimum lease payments	<u>\$ 59,089</u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**8. RESTRICTED CASH:**

Restricted cash and investments at December 31, 2015, consisted of the following:

<u>Account</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
Police	\$ 100	\$ -	\$ -	\$ 100
Municipal court	22,043	-	-	22,043
Customer deposits	-	-	341,575	341,575
Health plan and flex benefits	5,409	3,135	2,625	11,169
Tax deposits	-	46,834	-	46,834
Reserve for debt service	-	490,856	489,682	980,538
	<u>\$ 27,552</u>	<u>\$ 540,825</u>	<u>\$ 833,882</u>	<u>\$ 1,402,259</u>

**9. LEGAL MATTERS:**

There are a number of claims or lawsuits to which the City is, or may be, a party as a result of certain law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of activities. The City's management and legal counsel believe that the potential claims against the City not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the City.

**10. TAX REVENUES:**

The tax revenue, including interest and penalties collected thereon, for the year ended December 31, 2015, is as follows:

<u>Type</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>
Property	\$ 907,018	\$ 618,324	\$ 1,617,913
Railroad	22,119	6,831	38,611
Franchise	1,136,555	-	-
Cigarette	-	25,744	-
City sales	806,336	667,941	-
Park sales	-	350,172	-
Transportation sales	-	350,195	-
Other	11,438	39,533	17,415
	<u>\$ 2,883,466</u>	<u>\$ 2,058,740</u>	<u>\$ 1,673,939</u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**10. TAX REVENUES (Continued):**

The assessed valuation of the tangible property for the purpose of local taxation as of September 15, 2014, was as follows:

Real estate	\$ 137,780,895
Personal property	29,176,784
TIF	<u>2,988,116</u>
	<u>\$ 169,945,795</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2015 was as follows:

General Fund	\$ 0.5685
Parks and Recreation Fund	0.1255
Health Fund	0.0500
Debt Service Funds	<u>0.9925</u>
	<u>\$ 1.7365</u>

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

**11. INTERFUND TRANSACTIONS:**

Interfund receivable and payable balances at December 31, 2015, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 134,115	\$ -
Special Revenue Funds:		
Marketplace TIF	-	82,494
Interchange TIF	-	35,431
Marketplace NID	-	2,936
Marketplace CID	-	<u>13,254</u>
	<u>\$ 134,115</u>	<u>\$ 134,115</u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**11. INTERFUND TRANSACTIONS (Continued):**

Transfers during the year ended December 31, 2015, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 110,540
Special Revenue Funds:		
Park	330,000	-
Transportation	-	25,000
Public Health	-	40,000
Tourism	35,540	-
Capital Improvement	-	240,000
Marketplace CID Sales	-	38,802
Interchange TIF	-	-
2012 TIF IDA	187,368	-
Marketplace TIF Special	-	135,011
Marketplace TIF Reserve	<u>90,174</u>	<u>53,729</u>
	<u>\$ 643,082</u>	<u>\$ 643,082</u>

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**12. INTERGOVERNMENTAL REVENUE:**

Intergovernmental revenue during the year ended December 31, 2015, consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
State:		
Department of Public Safety,		
Police Grant	\$ 193,376	\$ -
Department of Revenue:		
Motor Vehicle Sales Tax	-	106,583
Motor Vehicle Fuel Tax	-	340,164
Motor Vehicle Fees	-	57,006
County,		
Old Towne TIF	-	55,196
Local,		
School District	<u>98,727</u>	<u>-</u>
	<u>\$ 292,103</u>	<u>\$ 558,949</u>

**13. 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; workers' compensation, and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

**14. 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.

Employees may contribute up to 25% of their annual base salary to a maximum limit of \$17,500 per year. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Investments are managed by the plan's trustee, and the choice of the investment option(s) is made by the participants.

The City does not make a contribution for either full-time or part-time employees participating in the plan

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**15. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

For the year ended December 31, 2015, in violation of Missouri state statutes and the City's budgetary process, the City had actual expenditures in excess of budget in the following funds:

**Special Revenue Funds:**

Marketplace TIF	\$	6,330
Marketplace CID Sales		<u>358</u>
	\$	<u>6,688</u>

For the year ended December 31, 2015, in violation of Missouri state statutes and the City's budgetary process, the City had budgeted a deficit without adequate fund balance in the following funds:

**Special Revenue Funds,**

Marketplace TIF	\$	74,011
-----------------	----	--------

For the year ended December 31, 2015, in violation of Missouri state statutes and the City's budgetary process, the City had a fund balance deficit in the following funds:

**Special Revenue Funds:**

Marketplace TIF	\$	80,462
Marketplace CID		<u>13,254</u>
	\$	<u>93,716</u>

The City intends to reimburse the General Fund from future TIF revenues from the project.

## **CITY OF GRAIN VALLEY, MISSOURI**

### **NOTES TO FINANCIAL STATEMENTS**

#### **16. COMMITMENTS:**

In 2009, the City entered into an agreement with the City of Blue Springs, Missouri, for sewer services. The City agreed to finance a portion of the Sni-A-Bar Wastewater Treatment Plant improvements. After the expansion is complete the City will own 47.5% of the capacity within the expanded portion, and will be obligated for 47.5% of the debt service associated with the improvements. The City's portion of the total debt service of the plant expansion is approximately \$11.2 million. The City has budgeted for the debt service payments and will continue until the bonds are paid off in 2031.

In 2009, the City entered into an agreement with the Missouri Highways and Transportation Commission for the improvement of various roads within the City. The cost of the project is approximately \$3,500,000, and is to be funded by the Missouri Highways and Transportation Commission. If the project expenses are in excess of the cost estimates the City would be obligated to fund the rest. At this time the City does not anticipate the projects will cost more than the original estimates.

In 2010, the City entered into an agreement with a developer to redevelop portions of the City. The City agreed to issue Tax Increment Financing (TIF) bonds to reimburse the developer for eligible site development costs. The City has committed to issuing up to an additional \$3,500,000 in TIF bonds to reimburse the developer for eligible construction costs. The total costs of the projects are estimated at approximately \$25,000,000 and are estimated to be completed by 2015.

#### **17. WATER AND SEWER SERVICE CONTRACTS:**

On April 15, 1992, the City entered into a contract with the City of Independence to purchase water through the year 2012. The contract was renewed in 2013 to supply water through the year 2033. The contract provided the City the right to an increased water supply at a cost of \$708,840, representing a share of plant expansion costs. This cost has been capitalized as a deferred charge and is amortized over the estimated useful life of the expansion.

On October 15, 2004, the City entered into a contract with Tri-County Water Authority (Tri-County) which requires the City to purchase a minimum of 50,000 gallons of water per day through October 18, 2024. As part of this agreement, the City is also billed by Tri-County for the pro-rata portion of the debt service it incurred to construct the water tower and lines required to provide the necessary water capacity. It is the City's understanding that the pro-rata debt service billings are based on the total amount of bonds that were issued to finance other Tri-County projects. As a result, an adjustment is expected to be made by Tri-County to future debt service charges to reflect the City's actual pro-rata portion of the total project costs. Also, it is anticipated that the tower and water lines will be conveyed to the City upon retirement of the Tri-County bond issue which financed their construction.

The City has contracted with the City of Blue Springs to provide sewerage disposal service through the year 2026 and share the costs of expanding the sewer treatment plant. The City's \$2,550,974 has been capitalized as a deferred charge and is being amortized over the estimated useful life of the expansion. This agreement may be amended or terminated at any time upon mutual agreement of the two cities.

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**18. SEGMENT INFORMATION FOR ENTERPRISE FUNDS:**

Water and sewer services are primarily financed by user charges and are accounted for in a combined enterprise fund. The City's estimate of the segmented financial data as of and for the year ended December 31, 2015, for these funds are as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues	\$ 2,404,515	\$ 2,987,805	\$ 5,392,320
Operating expenses	2,192,317	2,439,740	4,632,057
Depreciation and amortization	482,210	244,068	726,278
Operating income (loss)	212,198	548,065	760,263
Net income (loss)	197,080	532,946	730,026
Property, plant, and equipment additions	430,878	256,586	687,464
Working capital	1,901,133	1,288,208	3,189,341
Total fixed assets, net of accumulated depreciation	9,787,667	5,418,733	15,206,400
Revenue bonds	1,786,250	628,750	2,415,000

**19. NET POSITION:**

Net position is comprised of three categories: Net investment in capital assets; restricted net assets; and unrestricted net assets. The first category reflects the portion of net position which is associated with non-liquid, capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the outstanding liquid assets and any associated unamortized costs. Restricted net assets are restricted assets, (usually cash) that must be spent for specific purposes. Net assets, which are neither restricted nor related to capital assets, are reported as unrestricted net assets.

The City issued debt to finance the construction of infrastructure.

Capital assets, net	\$ 28,725,476
Total debt	(21,491,265)
Debt related to assets not owned by City:	
2012 neighborhood improvement district	3,125,000
2012 IDA tax increment financing bond	2,635,000
	<u>5,760,000</u>
Debt service reserve	233,519
Premium/discount	(163,378)
Unspent bond proceeds	<u>1,021,405</u>
Net investment in capital assets	<u>\$ 14,085,757</u>

**CITY OF GRAIN VALLEY, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**20. PLEDGED REVENUES:**

The City has pledged future water and sewer revenues, net of specified operating expenses, to repay debt issues totaling \$3,855,000. The Series 2013 Refunding Bonds were issued in the amount of \$3,855,000. Proceeds from the bonds were used to Refund the Series 2001 bonds which funded the infrastructure for the water and sewer system. The bond is payable from the water and sewer fund net revenues and are payable through 2020. The total principal and interest remaining to be paid on the bonds is \$2,415,000 and \$136,900, respectively. Principal and interest paid for the current year are \$500,000 and \$58,300, respectively.

In 2012, the City has also pledged sewer revenues to the City of Blue Springs, Missouri, to pay for the debt service of the Sni-A-Bar wastewater treatment plant improvements. The City of Grain Valley's portion of the City of Blue Springs debt service payments and administrative fees are approximately \$900,000 each year until 2031.

**21. STABILIZATION AGREEMENT:**

The City has adopted a stabilization agreement which sets aside 25% of budgeted General Fund expenditures of the prior fiscal year. The 25% stabilization is divided into two reserve categories, the Emergency Reserve and the Budget Stabilization Reserve. If the reserves are spent below the required levels, the City must develop and implement a plan to replenish those reserves. The progress of the replenishments shall be reported in the City's annual budget and quarterly financial reports.

**22. PRIOR PERIOD ADJUSTMENT:**

Change in accounting principle:

An adjustment was necessary to restate beginning net position for the LAGERS net pension liability. The adjustment is due to the City complying with GASB 68 and GASB 71. The following table represents the change in net position for governmental activities and business-type activities:

	Governmental	Business-type
Beginning Net Position	\$ 11,140,474	\$ 15,466,536
Net pension asset	<u>346,696</u>	<u>134,931</u>
Adjusted Net Position beginning	<u>\$ 11,487,170</u>	<u>\$ 15,601,467</u>

**23. EVALUATION OF SUBSEQUENT EVENTS:**

The City has evaluated subsequent events through April 29, 2016, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAY INFORMATION**

**OTHER THAN MD&A**

**CITY OF GRAIN VALLEY, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Net Pension Liability and Related Ratios  
2015**

<i>Fiscal year ending June 30,</i>	<u>2015</u>
<b>Total Pension Liability</b>	
Service Cost	\$ 221,758
Interest on the Total Pension Liability	299,434
Benefit Changes	-
Difference between expected and actual experience	(86,293)
Assumption Changes	-
Benefit Payments	(64,886)
Refunds	-
<b>Net Change in Total Pension Liability</b>	<u>370,013</u>
<b>Total Pension Liability beginning</b>	<u>4,053,053</u>
<b>Total Pension Liability ending</b>	<u>\$ 4,423,066</u>
<b>Plan Fiduciary Net Position</b>	
Contributions-employer	\$ 253,622
Contributions-employee	-
Pension Plan Net Investment income	90,757
Benefit Payments	(64,886)
Refunds	-
Pension Plan Administrative expense	(8,203)
Other	131,679
<b>Net Change in Plan Fiduciary Net Position</b>	<u>402,969</u>
<b>Plan Fiduciary Net Position beginning</b>	<u>4,534,680</u>
<b>Plan Fiduciary Net Position ending</b>	<u>\$ 4,937,649</u>
<b>Employer Net Pension Liability</b>	<u>\$ (514,583)</u>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	111.63%
<b>Covered Employee Payroll</b>	\$2,660,726
<b>Employer's Net Pension Liability as a percentage of covered employee payroll</b>	-19.34%

**Notes to schedule:**

Only the 2015 year is being shown, as other years come available they will be included until years of data is shown.

**CITY OF GRAIN VALLEY, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Actuarially determined contribution</b>	<b>\$243,473</b>	<b>\$264,241</b>	<b>\$242,619</b>	<b>\$229,694</b>	<b>\$220,961</b>	<b>\$223,579</b>	<b>\$238,460</b>	<b>\$213,436</b>	<b>\$202,564</b>	<b>\$191,082</b>
<b>Contributions in relation to the actuarially determined contribution</b>	<b>243,473</b>	<b>264,241</b>	<b>242,619</b>	<b>229,694</b>	<b>220,961</b>	<b>223,579</b>	<b>238,460</b>	<b>213,436</b>	<b>202,564</b>	<b>191,082</b>
<b>Contribution deficiency (excess)</b>	<b>\$0</b>									
<b>Covered-employee payroll</b>	<b>\$2,660,726</b>	<b>\$2,687,524</b>	<b>\$2,481,832</b>	<b>\$2,321,194</b>	<b>\$2,195,831</b>	<b>\$2,172,401</b>	<b>\$2,533,100</b>	<b>\$2,252,921</b>	<b>\$2,043,314</b>	<b>\$1,769,243</b>
<b>Contributions as a percentage of covered-employee payroll</b>	<b>9.15%</b>	<b>9.83%</b>	<b>9.78%</b>	<b>9.9%</b>	<b>10.06%</b>	<b>10.29%</b>	<b>9.41%</b>	<b>9.47%</b>	<b>9.91%</b>	<b>10.8%</b>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts, Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 2,726,000	\$ 2,858,000	\$ 2,883,466	\$ 25,466
Intergovernmental	274,639	282,039	292,103	10,064
Fees and fines	504,358	365,675	381,155	15,480
Investment earnings	17,000	17,000	14,522	(2,478)
Other	11,500	14,275	10,588	(3,687)
	<u>3,533,497</u>	<u>3,536,989</u>	<u>3,581,834</u>	<u>44,845</u>
<b>EXPENDITURES:</b>				
Current:				
General government	879,879	868,268	795,802	72,466
Municipal court	129,885	123,768	105,308	18,460
Public safety	1,947,882	2,010,104	1,882,809	127,295
Planning and engineering	280,348	278,010	257,525	20,485
Capital outlay	189,383	563,572	539,766	23,806
Debt service:				
Principal	-	-	39,590	(39,590)
Interest and other charges	-	-	873	(873)
	<u>3,427,357</u>	<u>3,843,722</u>	<u>3,621,673</u>	<u>222,049</u>
Revenues over expenditures	<u>106,140</u>	<u>(306,733)</u>	<u>(39,839)</u>	<u>266,894</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from capital lease	-	-	216,600	216,600
Proceeds from sale capital assets	16,325	14,275	14,272	(3)
Transfers in	-	207,000	-	(207,000)
Transfers out	(110,540)	(110,540)	(110,540)	-
Total other financing sources and (uses)	<u>(94,215)</u>	<u>110,735</u>	<u>120,332</u>	<u>9,597</u>
Net change in fund balances	11,925	(195,998)	80,493	276,491
Fund balances - beginning	<u>1,961,787</u>	<u>1,961,787</u>	<u>1,961,787</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,973,712</u>	<u>\$ 1,765,789</u>	<u>\$ 2,042,280</u>	<u>\$ 276,491</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
PARK FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 516,700	\$ 521,450	\$ 591,051	\$ 69,601
Charges for services	267,821	275,288	274,402	(886)
Investment earnings	2,000	2,900	3,228	328
Miscellaneous	300	600	369	(231)
	<u>785,821</u>	<u>800,238</u>	<u>869,050</u>	<u>68,812</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	800,228	793,927	771,009	22,918
Capital outlay	39,284	37,984	37,424	280
Debt service:				
Principal	150,000	165,000	165,000	-
Interest and other charges	77,800	68,625	68,542	83
	<u>1,067,312</u>	<u>1,065,236</u>	<u>1,041,975</u>	<u>23,261</u>
Revenues under expenditures	<u>(281,491)</u>	<u>(284,998)</u>	<u>(172,925)</u>	<u>92,073</u>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	7,150	-	-	-
Transfers in	330,000	330,000	330,000	-
Total other financing sources	<u>337,150</u>	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Net change in fund balances	55,859	65,002	167,075	92,073
Fund balances - beginning	<u>697,353</u>	<u>697,353</u>	<u>697,353</u>	<u>-</u>
Fund balances - ending	<u>\$ 753,012</u>	<u>\$ 762,355</u>	<u>\$ 864,428</u>	<u>\$ 92,073</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
TRANSPORTATION  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 292,000	\$ 298,500	\$ 350,195	\$ 53,695
Intergovernmental	460,000	460,000	503,763	43,763
Investment earnings	-	700	711	11
Miscellaneous	-	18,020	17,997	(23)
	<u>762,000</u>	<u>776,220</u>	<u>872,656</u>	<u>97,436</u>
<b>EXPENDITURES:</b>				
Current,				
Street	483,046	489,145	470,508	18,639
Capital outlay	235,652	221,402	207,105	14,297
	<u>718,698</u>	<u>710,547</u>	<u>677,611</u>	<u>32,936</u>
Revenues over (under) expenditures	<u>33,302</u>	<u>64,673</u>	<u>195,045</u>	<u>130,372</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale capital assets	3,725	327	324	(3)
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources and (uses)	<u>(21,275)</u>	<u>(24,673)</u>	<u>(24,676)</u>	<u>(3)</u>
Net change in fund balances	12,027	40,000	170,369	130,369
Fund balances - beginning	<u>372,841</u>	<u>372,841</u>	<u>372,841</u>	<u>-</u>
Fund balances - ending	<u>\$ 384,868</u>	<u>\$ 412,841</u>	<u>\$ 543,210</u>	<u>\$ 130,369</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
MARKETPLACE NID  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES:</b>				
Current,				
Economic development	\$ 500	\$ 500	\$ -	\$ 500
Debt service:				
Principal	3,015,000	3,033,843	3,015,000	18,843
Interest and other charges	<u>121,843</u>	<u>92,687</u>	<u>90,423</u>	<u>2,164</u>
	<u>3,137,343</u>	<u>3,126,930</u>	<u>3,105,423</u>	<u>21,507</u>
Revenues (under) expenditures	<u>(3,137,343)</u>	<u>(3,126,930)</u>	<u>(3,105,423)</u>	<u>21,507</u>
<b>OTHER FINANCING SOURCES,</b>				
Proceeds from long-term debt	<u>(3,100,000)</u>	<u>3,125,000</u>	<u>3,125,000</u>	<u>-</u>
Net change in fund balances	(6,237,343)	(1,930)	19,577	21,507
Fund balances - beginning	<u>17,534</u>	<u>17,534</u>	<u>17,534</u>	<u>-</u>
Fund balances - ending	<u>\$ (6,219,809)</u>	<u>\$ 15,604</u>	<u>\$ 37,111</u>	<u>\$ 21,507</u>

**(THIS PAGE LEFT INTENTIONALLY BLANK.)**

**SUPPLEMENTAL INFORMATION**

**CITY OF GRAIN VALLEY, MO  
BALANCE SHEET --  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	<u>Public Health</u>	<u>Tourism</u>	<u>Old Towne TIF</u>	<u>Capital Improvements</u>	<u>2012 IDA TIF</u>
<b>ASSETS:</b>					
Cash and investments	\$ 135,372	\$ 59,149	\$ 222,039	\$ 179,152	\$ 16,332
Cash and investments-restricted	-	-	-	-	257,337
Taxes receivable, net	-	-	-	55,435	-
Other receivables	-	-	14,267	-	-
Prepaid expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 135,372</b>	<b>\$ 59,149</b>	<b>\$ 238,308</b>	<b>\$ 234,587</b>	<b>\$ 273,669</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts payable	\$ -	\$ 252	\$ 221,781	\$ -	\$ -
Customer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>252</b>	<b>221,781</b>	<b>-</b>	<b>-</b>
Deferred inflows or resources, Advances of tax revenues	<u>54,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>					
Nonspendable, Prepaid items	-	-	-	-	-
Restricted:					
Public health	81,135	-	-	-	-
Economic development	-	58,897	-	-	273,669
Capital projects	-	-	14,525	234,587	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>81,135</b>	<b>58,897</b>	<b>14,525</b>	<b>234,587</b>	<b>273,669</b>
<b>Total liabilities and fund balances</b>	<b>\$ 135,372</b>	<b>\$ 59,149</b>	<b>\$ 238,308</b>	<b>\$ 234,587</b>	<b>\$ 273,669</b>

<u>2011 GO Bond</u>	<u>Marketplace TIF</u>	<u>Marketplace TIF Reserve</u>	<u>Marketplace TIF Special</u>	<u>Marketplace CID</u>	<u>Marketplace CID Sales</u>	<u>Interchange TIF</u>	<u>Total Governmental Funds</u>
\$ 707,889	\$ 8,842	\$ 177,822	\$ (3,297)	\$ -	\$ 6,200	\$ 171,799	\$ 1,877,099
-	-	-	35,280	-	11,574	-	304,171
-	19,879	-	53,318	-	-	-	108,753
-	2,032	-	-	-	-	-	34,148
<u>\$ 707,889</u>	<u>\$ 27,763</u>	<u>\$ 177,822</u>	<u>\$ 85,281</u>	<u>\$ -</u>	<u>\$ 18,774</u>	<u>\$ 171,799</u>	<u>\$ 2,128,201</u>
\$ -	\$ 8,721	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ 227,824
-	20,000	-	-	-	-	-	20,000
-	82,484	-	-	13,254	-	35,431	131,179
-	108,218	-	-	13,254	70	35,431	379,003
-	-	-	-	-	-	-	54,237
-	2,032	-	-	-	-	-	2,032
-	-	-	-	-	-	-	81,135
707,889	-	177,822	85,281	-	16,704	138,388	332,566
-	(82,494)	-	-	(13,254)	-	-	1,372,976
<u>707,889</u>	<u>(80,482)</u>	<u>177,822</u>	<u>85,281</u>	<u>(13,254)</u>	<u>16,704</u>	<u>138,388</u>	<u>1,692,681</u>
<u>\$ 707,889</u>	<u>\$ 27,763</u>	<u>\$ 177,822</u>	<u>\$ 85,281</u>	<u>\$ -</u>	<u>\$ 18,774</u>	<u>\$ 171,799</u>	<u>\$ 2,128,201</u>

**CITY OF GRAIN VALLEY, MO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Public Health</u>	<u>Tourism</u>	<u>Old Towne TIF</u>	<u>Capital Improvements</u>	<u>2012 IDA TIF</u>
<b>REVENUES:</b>					
Taxes	\$ 82,786	\$ 34,692	\$ 331,162	\$ 350,194	\$ -
Intergovernmental	-	-	55,198	-	-
Investment earnings	855	-	-	-	48
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>83,641</u>	<u>34,692</u>	<u>386,348</u>	<u>350,194</u>	<u>48</u>
<b>EXPENDITURES:</b>					
Current:					
Economic development	-	26,916	372,607	-	-
Public health	25,093	-	-	-	-
Capital outlay	-	-	-	23,314	-
Debt service:					
Principal	-	-	-	-	80,000
Interest and fiscal charges	-	-	-	-	107,395
<b>Total expenditures</b>	<u>25,093</u>	<u>26,916</u>	<u>372,607</u>	<u>23,314</u>	<u>187,395</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>58,548</u>	<u>7,776</u>	<u>13,741</u>	<u>326,880</u>	<u>(187,347)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	35,540	-	-	187,368
Transfers out	(40,000)	-	-	(240,000)	-
<b>Total other financing sources and uses</b>	<u>(40,000)</u>	<u>35,540</u>	<u>-</u>	<u>(240,000)</u>	<u>187,368</u>
<b>Net change in fund balances</b>	18,548	43,306	13,741	86,880	21
<b>Fund balances (deficit) - beginning</b>	<u>62,587</u>	<u>15,691</u>	<u>784</u>	<u>147,707</u>	<u>273,648</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 81,135</u>	<u>\$ 58,997</u>	<u>\$ 14,525</u>	<u>\$ 234,587</u>	<u>\$ 273,669</u>

<u>2011 GO Bond</u>	<u>Marketplace TIF</u>	<u>Marketplace TIF Reserve</u>	<u>Marketplace TIF Special</u>	<u>Marketplace CID</u>	<u>Marketplace CID Sales</u>	<u>Interchange TIF</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 153,918	\$ -	\$ 42,088	\$ 122,876	\$ 1,117,494
-	-	-	-	-	-	-	58,198
1,224	-	-	3	-	18	161	2,309
-	19,879	-	-	1,021	-	-	20,800
<u>1,224</u>	<u>19,879</u>	<u>-</u>	<u>153,921</u>	<u>1,021</u>	<u>42,104</u>	<u>122,837</u>	<u>1,195,899</u>
-	38,507	-	-	-	3,408	-	499,438
-	-	-	-	-	-	-	25,093
2,216	-	-	-	-	-	-	25,630
-	-	-	-	-	-	-	80,000
-	2,823	-	-	-	-	-	110,218
<u>2,216</u>	<u>39,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,408</u>	<u>-</u>	<u>680,279</u>
<u>(892)</u>	<u>(19,451)</u>	<u>-</u>	<u>153,921</u>	<u>1,021</u>	<u>38,698</u>	<u>122,837</u>	<u>515,820</u>
-	-	80,174	-	-	-	-	319,082
-	-	(63,728)	(135,011)	-	(38,802)	-	(507,542)
-	-	38,445	(135,011)	-	(38,802)	-	(194,460)
(892)	(19,451)	38,445	18,910	1,021	(106)	122,837	321,160
<u>708,881</u>	<u>(61,011)</u>	<u>141,377</u>	<u>66,371</u>	<u>(14,275)</u>	<u>16,810</u>	<u>13,631</u>	<u>1,371,801</u>
<u>\$ 707,889</u>	<u>\$ (60,462)</u>	<u>\$ 177,822</u>	<u>\$ 85,281</u>	<u>\$ (13,254)</u>	<u>\$ 16,704</u>	<u>\$ 138,368</u>	<u>\$ 1,692,961</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 1,668,000	\$ 1,657,000	\$ 1,673,939	\$ 16,939
Investment earnings	<u>16,000</u>	<u>15,000</u>	<u>18,990</u>	<u>3,990</u>
	<u>1,684,000</u>	<u>1,672,000</u>	<u>1,692,929</u>	<u>20,929</u>
<b>EXPENDITURES,</b>				
Debt service:				
Principal	1,350,000	1,350,000	1,335,000	15,000
Interest and other charges	<u>298,000</u>	<u>298,000</u>	<u>288,444</u>	<u>9,556</u>
	<u>1,648,000</u>	<u>1,648,000</u>	<u>1,623,444</u>	<u>24,556</u>
Revenues (under) expenditures	<u>36,000</u>	<u>24,000</u>	<u>69,485</u>	<u>45,485</u>
Net change in fund balances	36,000	24,000	69,485	45,485
Fund balances - beginning	<u>628,034</u>	<u>628,034</u>	<u>628,034</u>	<u>-</u>
Fund balances - ending	<u>\$ 664,034</u>	<u>\$ 652,034</u>	<u>\$ 697,519</u>	<u>\$ 45,485</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
PUBLIC HEALTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
	<b>REVENUES:</b>			
Taxes	\$ 79,200	\$ 79,200	\$ 82,786	\$ 3,586
Investment earnings	<u>1,200</u>	<u>1,200</u>	<u>855</u>	<u>(345)</u>
	<u>80,400</u>	<u>80,400</u>	<u>83,641</u>	<u>3,241</u>
<b>EXPENDITURES,</b>				
Current,				
Public health	<u>37,500</u>	<u>37,500</u>	<u>25,093</u>	<u>12,407</u>
Revenues over expenditures	<u>42,900</u>	<u>42,900</u>	<u>58,548</u>	<u>15,648</u>
<b>OTHER FINANCING USES,</b>				
Transfers cut	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balances	2,900	2,900	18,548	15,648
Fund balances - beginning	<u>62,587</u>	<u>62,587</u>	<u>62,587</u>	<u>-</u>
Fund balances - ending	<u>\$ 65,487</u>	<u>\$ 65,487</u>	<u>\$ 81,135</u>	<u>\$ 15,648</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
TOURISM TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES,</b>				
<b>Taxes</b>	\$ 22,000	\$ 32,000	\$ 34,682	\$ 2,682
	<u>22,000</u>	<u>32,000</u>	<u>34,682</u>	<u>2,682</u>
<b>EXPENDITURES,</b>				
<b>Current,</b>				
<b>Economic development</b>	53,540	50,540	26,916	23,624
	<u>53,540</u>	<u>50,540</u>	<u>26,916</u>	<u>23,624</u>
<b>Revenues under expenditures</b>	<u>(31,640)</u>	<u>(18,640)</u>	<u>7,788</u>	<u>26,306</u>
<b>OTHER FINANCING SOURCES,</b>				
<b>Transfers In</b>	35,540	35,540	35,540	-
<b>Net change in fund balances</b>	4,000	17,000	43,306	26,306
<b>Fund balances - beginning</b>	15,591	15,591	15,591	-
<b>Fund balances - ending</b>	<u>\$ 19,591</u>	<u>\$ 32,591</u>	<u>\$ 58,897</u>	<u>\$ 26,306</u>

**CITY OF GRAIN VALLEY, MO  
 BUDGETARY COMPARISON SCHEDULE --  
 OLD TOWNE TIF  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 340,000	\$ 340,000	\$ 331,152	\$ (8,848)
Intergovernmental	<u>50,000</u>	<u>50,000</u>	<u>55,188</u>	<u>5,188</u>
	<u>390,000</u>	<u>390,000</u>	<u>386,348</u>	<u>(3,652)</u>
<b>EXPENDITURES,</b>				
Current,				
Economic development	<u>390,000</u>	<u>390,000</u>	<u>372,607</u>	<u>17,393</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>13,741</u>	<u>13,741</u>
Net change in fund balances	-	-	13,741	13,741
	<u>784</u>	<u>784</u>	<u>784</u>	<u>-</u>
Fund balances - ending	<u>\$ 784</u>	<u>\$ 784</u>	<u>\$ 14,525</u>	<u>\$ 13,741</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE –  
CAPITAL IMPROVEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES,</b>				
Taxes	\$ 275,000	\$ 300,000	\$ 350,194	\$ 50,194
<b>EXPENDITURES,</b>				
Capital outlay	25,000	25,000	23,314	1,688
Revenues over expenditures	250,000	275,000	326,880	51,880
<b>OTHER FINANCING USES,</b>				
Transfers out	(240,000)	(240,000)	(240,000)	-
	10,000	35,000	86,880	51,880
Fund balances - beginning	147,707	147,707	147,707	-
Fund balances - ending	\$ 157,707	\$ 182,707	\$ 234,587	\$ 51,880

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
2012 TIF IDA FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES,</b>				
Investment earnings	\$ -	\$ 25	\$ 48	\$ 23
<b>EXPENDITURES,</b>				
Debt service:				
Principal	80,000	80,000	80,000	-
Interest and other charges	114,000	114,000	107,395	6,605
	<u>194,000</u>	<u>194,000</u>	<u>187,395</u>	<u>6,605</u>
Revenues under expenditures	<u>(194,000)</u>	<u>(193,975)</u>	<u>(187,347)</u>	<u>6,628</u>
<b>OTHER FINANCING SOURCES,</b>				
Transfers In	<u>194,000</u>	<u>189,000</u>	<u>187,368</u>	<u>(1,632)</u>
Total other financing uses	<u>194,000</u>	<u>189,000</u>	<u>187,368</u>	<u>(1,632)</u>
Net change in fund balances	-	(4,975)	21	4,996
Fund balances - beginning	<u>273,648</u>	<u>273,648</u>	<u>273,648</u>	<u>-</u>
Fund balances - ending	<u>\$ 273,648</u>	<u>\$ 268,673</u>	<u>\$ 273,669</u>	<u>\$ 4,996</u>

**CITY OF GRAIN VALLEY, MO  
 BUDGETARY COMPARISON SCHEDULE --  
 2011 GENERAL OBLIGATION BOND  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES,</b>				
Investment earnings	\$ -	\$ 3,000	\$ 1,224	\$ (1,776)
<b>EXPENDITURES,</b>				
Capital outlay	-	3,000	2,216	784
Revenues under expenditures	-	-	(992)	(992)
Net change in fund balances	-	-	(992)	(992)
Fund balances - beginning	708,681	708,681	708,681	-
Fund balances - ending	\$ 708,681	\$ 708,681	\$ 707,689	\$ (992)

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
MARKETPLACE TIF  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
	<b>REVENUES,</b>			
Miscellaneous	\$ -	\$ 20,000	\$ 19,879	\$ (121)
<b>EXPENDITURES:</b>				
Current,				
Economic development	\$ 5,000	\$ 30,000	\$ 36,607	\$ (6,507)
Debt service,				
Interest and other charges	3,000	3,000	2,823	177
	<u>8,000</u>	<u>33,000</u>	<u>39,330</u>	<u>(6,330)</u>
Revenues under expenditures	<u>(8,000)</u>	<u>(13,000)</u>	<u>(19,451)</u>	<u>(6,451)</u>
Net change in fund balances	(8,000)	(13,000)	(19,451)	(6,451)
Fund balances - beginning	<u>(61,011)</u>	<u>(61,011)</u>	<u>(61,011)</u>	<u>-</u>
Fund balances - ending	<u>\$ (69,011)</u>	<u>\$ (74,011)</u>	<u>\$ (80,462)</u>	<u>\$ (6,451)</u>

**CITY OF GRAIN VALLEY, MO  
 BUDGETARY COMPARISON SCHEDULE --  
 MARKETPLACE TIF RESERVE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	\$ 116,500	\$ 90,000	\$ 90,174	\$ 174
Transfers out	<u>(108,000)</u>	<u>(64,000)</u>	<u>(63,728)</u>	<u>271</u>
Total other financing sources and uses	<u>7,500</u>	<u>36,000</u>	<u>36,446</u>	<u>445</u>
	7,500	36,000	36,445	445
Fund balances - beginning	<u>141,377</u>	<u>141,377</u>	<u>141,377</u>	<u>-</u>
Fund balances - ending	<u>\$ 148,877</u>	<u>\$ 177,377</u>	<u>\$ 177,822</u>	<u>\$ 445</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
MARKETPLACE TIF SPECIAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 100,000	\$ 160,000	\$ 153,918	\$ (6,082)
Investment earnings	-	-	4	4
	<u>100,000</u>	<u>160,000</u>	<u>153,922</u>	<u>(6,078)</u>
<b>OTHER FINANCING USES,</b>				
Transfers out	<u>(100,000)</u>	<u>(120,000)</u>	<u>(135,012)</u>	<u>(15,012)</u>
	-	40,000	18,910	(21,090)
Fund balances - beginning	<u>66,371</u>	<u>66,371</u>	<u>66,371</u>	<u>-</u>
Fund balances - ending	<u>\$ 66,371</u>	<u>\$ 106,371</u>	<u>\$ 85,281</u>	<u>\$ (21,090)</u>

**CITY OF GRAIN VALLEY, MO  
 BUDGETARY COMPARISON SCHEDULE --  
 MARKETPLACE CID FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES,</b>				
<b>Miscellaneous</b>	\$ -	\$ -	\$ 1,021	1,021
<b>Net change in fund balances</b>	-	-	1,021	1,021
<b>Fund balances - beginning</b>	(14,275)	(14,275)	(14,275)	-
<b>Fund balances - ending</b>	\$ (14,275)	\$ (14,275)	\$ (13,254)	\$ 1,021

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE –  
MARKETPLACE CID SALES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
	<b>REVENUES:</b>			
<b>Taxes</b>	\$ 29,000	\$ 43,280	\$ 42,088	\$ (1,194)
<b>Investment earnings</b>	-	20	18	(2)
	<u>29,000</u>	<u>43,300</u>	<u>42,104</u>	<u>(1,196)</u>
<b>EXPENDITURES,</b>				
<b>Current,</b>				
<b>Economic development</b>	<u>3,000</u>	<u>3,050</u>	<u>3,408</u>	<u>(358)</u>
<b>Revenues over expenditures</b>	<u>26,000</u>	<u>40,250</u>	<u>38,686</u>	<u>(1,554)</u>
<b>OTHER FINANCING USES,</b>				
<b>Transfers out</b>	<u>(26,000)</u>	<u>(40,000)</u>	<u>(38,802)</u>	<u>1,198</u>
<b>Net change in fund balances</b>	-	250	(106)	(356)
<b>Fund balances - beginning</b>	<u>16,810</u>	<u>16,810</u>	<u>16,810</u>	-
<b>Fund balances - ending</b>	<u>\$ 16,810</u>	<u>\$ 17,060</u>	<u>\$ 16,704</u>	<u>\$ (356)</u>

**CITY OF GRAIN VALLEY, MO  
BUDGETARY COMPARISON SCHEDULE --  
INTERCHANGE TIF  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 52,000	\$ 84,000	\$ 122,676	\$ 38,676
Investment earnings	-	100	161	61
	<u>52,000</u>	<u>84,100</u>	<u>122,837</u>	<u>38,737</u>
<b>EXPENDITURES,</b>				
Current,				
Capital outlay	500	10,000	-	10,000
Excess of revenues over expenditures	51,500	74,100	122,837	48,737
<b>OTHER FINANCING USES,</b>				
Transfers out	(61,600)	-	-	-
	-	74,100	122,837	48,737
Fund balances - beginning	13,531	13,531	13,531	-
Fund balances - ending	<u>\$ 13,531</u>	<u>\$ 87,631</u>	<u>\$ 138,368</u>	<u>\$ 48,737</u>