



**CITY OF WELDON SPRING
BOARD OF ALDERMEN REGULAR MEETING
ON TUESDAY, APRIL 13, 2021, AT 7:30 P.M.
WELDON SPRING CITY HALL
5401 INDEPENDENCE ROAD
WELDON SPRING, MISSOURI 63304**

*****TENTATIVE AGENDA*****

As a precautionary measure to help prevent the exposure and the spread of the Coronavirus (COVID-19) pandemic, A NOTICE IS HEREBY GIVEN that the Regular Board of Aldermen Meeting will be in person at 5401 Independence Road Weldon Spring, Missouri, 63304; however, the public is strongly encourage to attend virtually by video-conference and/or audio-conference call, you may attend the meeting on a desktop, laptop, mobile device, or telephone by following the highlighted instructions below.

Link to join Zoom Video-Conference Meeting:

<https://us02web.zoom.us/j/83422212875?pwd=RE5QRXI1VlVkd0ZYZTY5NDVMVWtFZz09>

Meeting ID: 834 2221 2875

Password: BO210413

Or by telephone dial: 1-312-626-6799

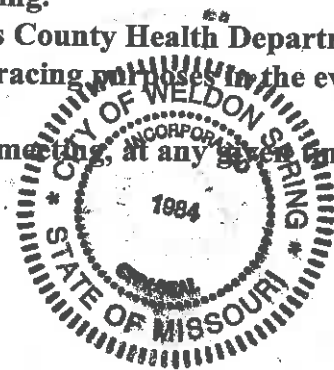
Meeting ID: 834 2221 2875

Password: 494568486

Anyone that attends the meeting must understand the follow rules with be strictly enforced:

- Any person attending the Meeting at the City Hall or Parks building must wear a mask. If you do not have a mask; one will be provided.
- Your temperature will be taken before entering the building.
- You will be asked screening questions used by St. Charles County Health Department
- You will be required to provide contact information for tracing purposes in the event of exposure to the virus.
- Maintain six feet between you and the next person in the meeting, at any given time

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This notice was posted at 5401 Independence Road on 4/8/21 at 1:00pm by Weldon C. Clark

****AGENDA****

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL and DETERMINATION OF A QUORUM**
4. **CITIZENS COMMENTS:**
5. **APPROVAL OF MINUTES**
 - A. March 25, 2021 – Special Board Meeting Minutes
 - B. March 25, 2021 – Regular Board Meeting Minutes
6. **CITY TREASURER**
 - A. Paid Bills (3-16-21 – 4-6-21) & Unpaid Bills (4-26-21 – 4-13-21)
7. **UNFINISHED BUSINESS**
8. **NEW**
 - A. Vanguard Apartments (Trace) Maintenance Guarantee Final Escrow Release) – **City Administrator**
 - B. An Ordinance Authorizing the Mayor of the City of Weldon Spring to Enter into an Agreement Guaranteeing Certain Improvements with Covington Developer. LLC, Manager of Covington Vanguard Weldon Spring, Owner, LLC, and Matters Relating Thereto– **Alderman Schwaab**
 - C. Cinco de Mayo Event - Temporary Liquor License for Los 3 Compadres (5-5-21) – **City Clerk**
 - D. FY 2020 Audit & Financial Statement – **Alderman Clutter**
 - E. An Ordinance Amending Chapter 210 of the Municipal Code of the City of Weldon Spring, Missouri, to Enact Regulations Regarding Depositing Snow or Ice in Street or Public Right-of-Way – **Alderman Martiszus**
9. **REPORTS & COMMITTEES**
 - A. Parks & Recreation Advisory Committee
 - B. City Administrator
 - C. City Attorney
 - D. Legislative Report – City Clerk
10. **RECEIPTS & COMMUNICATIONS**
11. **ADJOURNMENT**

Copies of all ordinances proposed to be introduced for consideration by the Board of Alderpersons meeting and any other items included in the Board of Aldermen's Board Packet are available for public inspection on the City of Weldon Spring's website or at the Office of the City Clerk. The City Clerk can be contacted at bhanks@weldonspring.org or 636-441-2110.

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This notice was posted at 5401 Independence Road on 4/9/21 at 1:15pm by [Signature]

CITY OF WELDON SPRING
SPECIAL MEETING OF THE BOARD OF ALDERMEN
MARCH 25, 2021

CALLED TO ORDER: The Special Meeting of the Board of Aldermen of the City of Weldon Spring was held on Thursday, March 25, 2021, at approximately 7:00 PM, at the Weldon Spring City Hall, which is located at 5401 Independence Road. The Special Meeting Work Session was called to order at 7:01 PM by Mayor Licklider.

ROLL CALL AND DETERMINATION OF QUORUM: On a roll call, the following members were present:

Ward 1:	Alderman Clutter*	Alderman Yeager
Ward 2:	Alderman Schwaab	Alderman Kolb
Ward 3:	Alderman Martiszus	Alderman Baker*

Note: Alderman Baker and Alderman Clutter joined the meeting as a video conferencing participant via Zoom.

A quorum was declared.

CLOSED SESSION: Alderman Martiszus made a motion to go into closed session according to Missouri State Statute 610.021 paragraph (1) – legal actions, cause of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body and its representatives and its attorneys - at 7:04 PM, seconded by Alderman Yeager and the **motion carried** on a roll call vote:

AYES: 6 – Baker, Clutter, Kolb, Martiszus, Schwaab, and Yeager
NOES: 0
ABSENT: 0

Alderman Schwaab made a motion to go into open session at 7:29 PM, seconded by Alderman Kolb and the **motion carried** on a roll call vote:

AYES: 6 – Baker, Clutter, Kolb, Martiszus, Schwaab, and Yeager
NOES: 0
ABSENT: 0

Mayor Licklider declared a short recess before the start of the Regular Board of Aldermen Meeting.

Respectfully submitted,

William C. Hanks, City Clerk

CITY OF WELDON SPRING
REGULAR MEETING OF THE BOARD OF ALDERMEN
MARCH 25, 2021

CALL TO ORDER: The regular meeting of the Board of Aldermen of the City of Weldon Spring was held on Thursday, March 25, 2021 at approximately 7:30 PM. The meeting was held at the Weldon Spring City Hall, which is located at 5401 Independence Road. Mayor Donald Licklider called the meeting to order at 7:36 PM.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was recited.

ROLL CALL AND DETERMINATION OF QUORUM: On a roll call, the following members were present:

Ward 1:	Alderman Clutter*	Alderman Yeager
Ward 2:	Alderman Schwaab	Alderman Kolb
Ward 3:	Alderman Martiszus	Alderman Baker*

Note: Alderman Clutter joined the meeting as a video conferencing participant via Zoom. Also, Alderman Baker joined later in the meeting as video conferencing participant via Zoom.

A quorum was declared.

PUBLIC COMMENTS: There were no public comments at this time.

MINUTES: March 9, 2021, Board Special Meeting Minutes - Alderman Schwaab moved to approve the minutes from the March 9, 2021, special meeting as written, seconded by Alderman Yeager. **Motion carried** with 5 ayes.

March 9, 2021, Board Minutes - Alderman Schwaab moved to approve the minutes from the March 9, 2021, regular meeting as written, seconded by Alderman Kolb. **Motion carried** with 5 ayes.

TREASURER'S REPORT: Alderman Schwaab made a motion to accept the Treasurer's packet of paid bills from March 2, 2021 to March 16, 2021, seconded by Alderman Matiszus. **Motion carried** with 5 ayes.

Alderman Baker joined the meeting as video conferencing participant at 7:38 PM

OLD BUSINESS:

There was no old business discussed.

NEW BUSINESS:

1117 O'Fallon Road Escrow Release: Alderman Kolb made a motion to release \$5,000.00 from escrow for construction of home at 1117 O'Fallon Road, seconded by Alderman Yeager. **Motion carried** with 6 ayes.

An Ordinance Authorizing the Mayor of the City of Weldon Spring, Missouri, to Enter into An Agreement Amending the Escrow Agreement Guaranteeing Certain Utility Improvement Dated 2/21.18 with Covington Developer, LLC, Manager of Covington Vanguard Weldon Spring, Owner, LLC, And Matter Relating Thereto: Alderman Martiszus moved to introduce Bill #1162 for its first reading by title only. Alderman Yeager seconded the motion and the **motion carried**.

Alderman Martiszus made a motion to approve Bill #1162 for its second and final reading by title only. Alderman Yeager seconded the motion. On a roll call vote, the Bill #1162 was placed as Ordinance 21-03 as followed:

AYES: 6 – Baker, Clutter, Kolb, Martiszus, Schwaab, and Yeager
NOES: 0
ABSENT: 0

REPORTS AND COMMITTEES:

PRAC Committee: Nick Baldecchi, the Chairman for the Parks & Recreation Advisory Committee, stated that the next PRAC meeting is scheduled for April 12, 2021.

City Administrator Report: The City Administrator Report was submitted to the Board prior to the meeting.

City Attorney Report: No report given.

Legislative Report: The Legislative Report was included in the meeting packet.

RECEIPTS & COMMUNICATIONS:

Alderman Yeager stated the Whitmoor Homeowner Association wants to rent a park pavilion in early June for a neighborhood barbeque. A brief discussion took place. With the pandemic, it was decided that City staff will check with St. Charles County and the CDC about current outdoor gatherings guidelines or restrictions in public places.

ADJOURNMENT:

Alderman Kolb moved to adjourn the meeting at 7:49 PM and Alderman Martiszus seconded the motion. **Motion carried** with 6 ayes.

Respectfully submitted,

William C. Hanks
City Clerk

**PAID BILLS TO BE APPROVED
MARCH 16, 2021 -- APRIL 6, 2021**

EXCEPT FOR THE ITEMS NOTED, THE ATTACHED LIST IS APPROVED BY THE BOARD OF ALDERMAN FOR PAYMENT. APPROVED THIS
13th DAY OF APRIL, 2021 _____, MAYOR

3/16/21 Thru 4/6/2021

CLAIMS REPORT

VENDOR	REFERENCE	GL ACCT NO	AMOUNT	CHECK #	CHECK DATE
AZAR PRINTING INC	POSTAGE FOR POSTCARDS	10-10-5213	\$ 487.50	9197	3/16/2021
AZAR PRINTING INC	NEWSLETTERS PRINTING	10-10-5211	\$ 863.92	9200	3/22/2021
AZAR PRINTING INC	SURVEY POSTCARDS/PRINTING	10-10-5212	\$ 677.50	9204	3/30/2021
BUILDPRO STL CONSTRUCTION inc	M19-775 WALKING TRAIL	20-20-5470	\$ 12,418.00	11290871	4/1/2021
COLONIAL LIFE	EMPLOYEE PREMIUMS	10-02-2118	\$ 273.72	16391	3/29/2021
CUIVRE RIVER ELECTRIC	MONTHLY ELECTRIC #001	20-20-5253	\$ 222.83	11290863	3/29/2021
CUIVRE RIVER ELECTRIC	MONTHLY ELECTRIC #002	20-20-5253	\$ 179.78	11290864	3/29/2021
CUIVRE RIVER ELECTRIC	MONTHLY ELECTRIC #004	20-20-5253	\$ 20.00	11290865	3/29/2021
DELTA DENTAL OF MISSOURI	EMPLOYEES DENTAL INSURANCE	10-02-2110	\$ 48.89	9199	3/19/2021
DELTA DENTAL OF MISSOURI	EMPLOYEES DENTAL INSURANCE	10-10-5130	\$ 249.23	9199	3/19/2021
DIV OF EMPLOYMENT SECURITY	QTR PAYROLL TAX	10-10-5126	\$ 170.83	11290869	4/1/2021
DIV OF EMPLOYMENT SECURITY	QTR PAYROLL TAX	20-20-5126	\$ 42.71	11290869	4/1/2021
DON LICKLIDER	MILEAGE REIMB	10-10-5202	\$ 43.12	16390	3/18/2021
ETC INSTITUTE	COMMUNITY SURVEY	10-10-5327	\$ 3,000.33	16392	4/1/2021
ETC INSTITUTE	COMMUNITY SURVEY	10-10-5327	\$ 2,000.22	16395	4/5/2021
KANSAS CITY LIFE	GROUP BENEFITS - LIFE INS MAR21	10-10-5131	\$ 174.46	11290872	4/5/2021
KANSAS CITY LIFE	FAMILY PLAN LIFE INS	10-02-2110	\$ 1.32	11290872	4/5/2021
KANSAS CITY LIFE	GROUP BENEFITS - LIFE INS APR21	10-10-5131	\$ 174.46	11290858	3/3/2021
KANSAS CITY LIFE	FAMILY PLAN LIFE INS	10-02-2110	\$ 1.32	11290858	3/3/2021
LASHLY & BAER, P.C.	MUNI PA CIRCUIT COURT CASE	10-10-5304	\$ 90.00	9196	3/16/2021
METROPARK COMMUNICATIONS	TELEPHONE/INTERNET	20-20-5251	\$ 408.10	11290870	4/1/2021
MISSOURI LAWYERS MEDIA	PUBLIC NOTICES	10-10-5214	\$ 40.80	9202	3/29/2021
QUADIENT LEASING USA, INC	POSTAGE MACHINE LEASE 2 MONTHS	10-10-5220	\$ 293.94	9207	4/5/2021
REPUBLIC SERVICES	TRASH SERVICE	20-20-5254	\$ 103.15	9201	3/29/2021
SAFEGUARD BUSINESS SYSTEMS	CHECKS/STAMP/DEPOSIT SLIPS	10-16-5243	\$ 206.07	9198	3/19/2021
SCC GOVT - FINANCE DEPT	ORTHO IMAGERY ANNUAL CONTRACT	10-10-5282	\$ 1,032.84	16396	4/5/2021
ST CHARLES COUNTY	2021 ROAD PROGRAM PAYMENT	23-23-5445	\$ 28,075.13	16393	4/1/2021
UNITED HEALTHCARE	EMPLOYEE HEALTH INS MP FAM	10-02-2110	\$ 619.94	9203	4/2/2021
UNITED HEALTHCARE	EMPLOYEE HEALTH INS MP FAM	10-10-5132	\$ 2,722.01	9203	4/2/2021
VERIZON WIRELESS	MONTHLY CELL	10-02-2113	\$ 49.29	11290866	3/29/2021
VERIZON WIRELESS	MONTHLY CELL	20-20-5257	\$ 147.87	11290866	3/29/2021
VERIZON WIRELESS	CELL PHONE PARKS DEPT	20-20-5257	\$ 7.17	11290862	3/29/2021
WEX BANK	FLEET GAS CARD	20-20-5237	\$ 89.44	9206	4/5/2021
WHEELHOUSE SOLUTIONS	MANAGED IT	10-10-5325	\$ 735.34	9205	4/5/2021
WHEELHOUSE SOLUTIONS	MANAGED IT	10-10-5325	\$ 735.34	9185	3/1/2021

Accounts Payable Total

\$ 56,406.57

**UNPAID BILLS TO BE APPROVED
MARCH 26, 2021 -- APRIL 13, 2021**

EXCEPT FOR THE ITEMS NOTED, THE ATTACHED LIST IS APPROVED BY THE BOARD OF ALDERMAN FOR PAYMENT. APPROVED THIS
13th DAY OF APRIL, 2021 _____, MAYOR

3/25/21 Thru 4/13/2021

CLAIMS REPORT

VENDOR	REFERENCE	GL ACCT NO	AMOUNT	CHECK #	CHECK DATE
ROBERT WOHLER	CITY ATTORNEY/LEGAL FEES	10-10-5301	\$ 1,275.00	16394	4/13/2021

\$ 1,275.00



City of Weldon Spring
City of Tradition and Progress

5401 Independence Road

Weldon Spring, MO 63304

Phone: 636-441-2110

Fax: 636-441-8496

Email: cityofweldonspring@weldonspring.org

April 6, 2021

Michael Padella
City Administrator
City of Weldon Spring
5401 Independence Road
Weldon Spring, MO 633045

Re: Vogt Subdivision Escrow Agreement

Dear Mr. Padella:

Our inspections have determined the Vogt Subdivision Escrow Agreement can be released. There is a requirement for a maintenance guarantee of 10 percent of the cost of public improvement accepted by the City of Weldon Spring for maintenance which is the situation for the Siedentop Road right turn lane addition. The Siedentop Road right turn lane addition estimated cost is \$52,655.75 and the 10% of that cost is \$5,265.58 which is the necessary amount of the maintenance guarantee.

Please contact me if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael N. Meiners", is written over a horizontal line.

Michael N. Meiners, P.E.
City Engineer of Weldon Spring

cc: Mayor Don Licklider
City Engineer
Zoning Commissioner

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF WELDON SPRING, MISSOURI, TO ENTER INTO AN AGREEMENT GUARANTEEING CERTAIN IMPROVEMENTS WITH COVINGTON DEVELOPER, LLC, MANAGER OF COVINGTON VANGAURD WELDON SPRING, OWNER, LLC, AND MATTERS RELATING THERETO

WHEREAS, Covington Developer, LLC, is the manager of Vanguard Apartments and now know as the Trace Upscale Apartments and formally known as the Vogt property ; and

WHEREAS, the City Engineer, had conducted an inspection to determine that the Vanguard Apartments Subdivision Escrow Agreement can be released; and

WHEREAS, the City of Weldon Spring has requested that the Developer provide for the guarantee of the maintenance of the improvements in said subdivision pursuant to section 410.460 (E) of the City of Weldon Spring City Code; and

WHEREAS, The former City Engineer had approved the plans and the estimated cost for the ten percent (10%) maintenance deposit, which shall be in the form of escrow agreement in the amout of five thousand two hundred sixty-two dollars and fifty-eight cents (\$5,265.58) as set out in "Exhibit A".

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF WELDON SPRING, MISSOURI AS FOLLOWS:

SECTION 1: That the Board of Alderman hereby authorizes the Mayor to execute a maintenance guarantee agreement, with Covington for a right turn lane and signage on Siedentop Road, which is set out in "Exhibit A"

SECTION 2: The City of Weldon Spring City Code requires that Covington maintain the improvements for a period up to 18 months.

SECTION 3: Prior to the Board of Aldermen's acceptance of the specific improvements, the City Code require a ten (10%) percent deposit (of the overall cost estimate approved by the City Engineer), in the sum of five thousand two hundred sixty-two dollars and fifty-eight cents (\$5,265.58).

SECTION 4: That this ordinance shall be in full force and effect upon its enactment and approval.

**READ TWO TIMES AND PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF
WELDON SPRING, MISSOURI, THIS _____ DAY OF _____, 2021.**

Donald D. Licklider, Mayor

Attest:

William C. Hanks, City Clerk

To approve Bill #

Motioned: _____

Seconded: _____

	<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
Clutter	_____	_____	_____
Yeager	_____	_____	_____
Schwaab	_____	_____	_____
Kolb	_____	_____	_____
Martiszus	_____	_____	_____
Baker	_____	_____	_____
Licklider	_____	_____	_____

Absent: _____

Minutes of Finance Committee Meeting on March 23, 2021

The meeting was called to order by Chairman Clutter at around 2:00 PM.

Committee members in attendance include City Administrator, Michael Padella, City Treasurer, Sue Steiger, Bruce Robb, Pat Schuknecht, Alderman Tom Yeager, Mayor Don Licklider, and Alderman Andy Clutter.

Cindy Bates of Bates CPA, who performed the fiscal year audit for 2020, also was present.

Minutes from the August 25, 2020, Finance Committee Meeting was reviewed. A motion was made by Tom Yeager and seconded by Pat Schuknecht to approve the minutes as submitted. The motion was approved with one abstention.

The committee discussed the Financial Audit for fiscal year 2020. The audit identified and recommended two items. The first item is to address the weekly reconciliation the City Treasurer does with the bank statement. This issue may be related to the G-works (i.e. formerly Summit) program. The G-works program is used by many other municipalities. The "Cash Report", generated from the G-works program, is generated from the Bank Reconciliation Module. If the report is out of balance, the City Treasurer runs additional reports called the "Bk to GL reconciliation" and the "Audit & Corrections" which show a list of all transactions on the GL side to those on the Bk (i.e. Bank) side. Any unmatched items are discrepancies, which need to be identified by the City Treasurer. Many of the discrepancies are easily and quickly corrected in-house by the City Treasurer. Other discrepancies require the City Treasurer to consult with G-works personnel, which may result due to errors in the G-works computer program. The City is now investigating with G-works personnel on what causes the errors and will make recommendations on how to avoid generating the errors in the future. The Finance Committee believes the number of daily reconciliations needs to be dramatically reduced and hopefully eliminated. It was recommended by both the auditor and the City Treasurer that if the reconciliation is done daily and/or weekly, it will be easier to note if there is an error in the G-works program or if there is a procedural change in the record accounting that needs to be made by

Weldon Spring. NOTE: According to Sue, Steiger, the City Treasurer, she has routinely had to do the reconciliation process since she became the City Treasurer some six years ago. The auditor, the City Treasurer, and members of the Finance Committee believe there is a need for reducing the frequency and the number of discrepancies requiring reconciliation.

Tom Yeager made a motion recommending the daily reconciliation by the City Treasurer and a weekly review with the City Administrator to help identify what is leading to the need for daily reconciliations. The motion was seconded by Pat Schuknecht. The motion was approved. Data generated from the daily reconciliation will be reviewed by the Finance Committee in the next 30 to 60 days to determine any future action.

The second item concerns the proper allocation of employee salaries in the correct percentages to the General Fund and to the Park/Municipal Fund. At the beginning of each fiscal year the City Administrator will submit information to the City Treasurer confirming the percentage distribution against the two funds for the salary of each employee. The City Treasurer will set-up the suggested salary distribution for each employee and confirms this back to the City Administrator. Further, the City Administrator will notify the City Treasurer of any changes to the number of City employees and any revisions to the salary distributions, which need to be implemented. This is particularly relevant if an employee leaves and/or if a new employee is hired.

The committee also reviewed several questions for clarification from members relating to the audit. A total of \$75,838.39 was received for COVID-19 relief in 2020 with the initial \$9,144.98 applied to fiscal year 2020 and the balance of \$66,693.41 applied to fiscal year 2021. Both of these are one-time only revenue sources. A portion of the \$66,693.41 received was a credit totaling \$35,500 from St. Charles County for 2020 police coverage, which will be applied to 2021 coverage.

A motion was made by Tom Yeager to approve the audit for fiscal year 2020 as submitted. The motion was seconded by Bruce Robb. The motion was approved. The Finance Committee recommends the audit be submitted to the Board of Alderman for approval.

The committee needs input on projected future road maintenance costs and park/municipal building improvements in order to proceed on updating the 5-year financial plan. The Mayor indicated this information needs to be provided to the finance committee.

Tom Yeager made a motion to adjourn the meeting with a second by Pat Schuknecht. The motion was approved and the meeting adjourned at 2:50 PM.

Andy Clutter
Chairman- Finance Committee

CITY OF WELDON SPRING, MISSOURI

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

CITY OF WELDON SPRING, MISSOURI

SEPTEMBER 30, 2020

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BATES CPA

Limited Liability Company

2031 Collier Corporate Parkway, Suite 101
St. Charles, MO 63303

Phone: (636) 947-8400
Fax: (636) 947-1191

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Weldon Spring, Missouri

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Weldon Spring, Missouri, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Weldon Spring, Missouri, as of September 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Prior Period Correction

Net position and fund balances in previously issued financial statements have been restated for the correction of material misstatements in the prior period.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension plan information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 3, 2021, on my consideration of the City of Weldon Spring, Missouri's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Weldon Spring, Missouri's internal control over financial reporting and compliance.

BATES CPA LLC

St. Charles, MO
March 3, 2021

**CITY OF WELDON SPRING, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

As management of the City of Weldon Spring, Missouri, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here along with the City's financial statements, including the notes that follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$22,995,920. The City has unrestricted net position of \$3,880,644.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$3,779,581.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,288,208.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government and court, law enforcement, parks and recreation, road and sewer administration and maintenance. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are considered governmental funds. The City does not have any fiduciary or proprietary funds at September 30, 2020.

CITY OF WELDON SPRING, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements utilize a current financial resources measurement focus as applied to the modified accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Municipal Hall and Park Fund, Road, Bridge and Public Safety Fund and Sewer Fund.

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

The governmental fund financial statements can be found on pages 11 and 12 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City has no fiduciary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 14 through 24 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 24 through 28 of this report.

CITY OF WELDON SPRING, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A condensed version of the statement of net position follows:

ASSETS_	<u>September 30, 2020</u>	<u>September 30, 2019, Restated</u>
Cash and other current assets	\$ 3,886,679	\$ 4,356,376
Capital assets, net	<u>19,115,276</u>	<u>19,473,134</u>
Total assets	<u>23,001,955</u>	<u>23,829,510</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>114,946</u>	<u>-</u>
 LIABILITIES		
Current liabilities	107,098	546,578
Non-current liabilities	<u>13,883</u>	<u>9,169</u>
Total liabilities	<u>120,981</u>	<u>555,747</u>
 NET POSITION		
Net investment in capital assets	19,115,276	19,473,134
Restricted	-	408,680
Unrestricted	<u>3,880,644</u>	<u>3,391,949</u>
Total net position, restated	<u>\$ 22,995,920</u>	<u>\$ 23,273,763</u>

As noted earlier, net position may serve over time as a useful indicator of a city's financial position. As illustrated above, in the case of the City of Weldon Spring, assets exceeded liabilities by \$22,995,920 at the close of September 30, 2020.

City of Weldon Spring's net position of \$19,115,276 (83 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Weldon Spring uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position of \$3,880,644 (17 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

September 30, 2019 net position has been restated to reflect corrections described on page 18 of the notes to the financial statements.

CITY OF WELDON SPRING, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Governmental Activities

As illustrated below, 2020 governmental activities decreased the City's net position by \$277,843. The City has no business-type activities.

	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019 <u>Restated</u>
REVENUES		
Program revenues:		
Charges for services	\$ 180,981	\$ 211,660
Capital grants and contributions	498,205	2,239,520
Operating grants and contributions	213,597	425,158
General revenues:		
Taxes	405,198	361,664
Franchise Fees	497,467	430,098
Investment income	15,773	68,667
Miscellaneous	561	1,780
Loss on capital asset dispositions	<u>-</u>	<u>(45,104)</u>
Total revenues	<u>1,811,782</u>	<u>3,693,443</u>
EXPENSES		
General government	532,550	501,864
Law enforcement	235,420	221,412
Parks and recreation	230,843	146,069
Road	1,081,222	989,799
Sewer admin and maintenance	<u>9,590</u>	<u>1,179</u>
Total expenses	<u>2,089,625</u>	<u>1,860,323</u>
CHANGE IN NET POSITION	(277,843)	1,833,120
NET POSITION, BEGINNING OF YEAR	<u>23,273,763</u>	<u>21,440,643</u>
NET POSITION, ENDING OF YEAR, RESTATED	<u>\$ 22,995,920</u>	<u>\$ 23,273,763</u>

CITY OF WELDON SPRING, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental fund is to provide information on inflows, outflows, and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2020, the combined fund balance was \$3,779,581.

The following is a comparative analysis of fund balance:

	<u>General</u>	<u>Sewer Fund</u>	<u>Road, Bridge and Public Safety Fund</u>	<u>Municipal Hall and Park Fund</u>	<u>Total</u>
September 30, 2020	<u>\$ 1,335,489</u>	<u>\$ 98,190</u>	<u>\$ 328,029</u>	<u>\$ 2,017,873</u>	<u>\$ 3,779,581</u>
September 30, 2019	<u>\$ 1,263,542</u>	<u>\$ 100,882</u>	<u>\$ 408,680</u>	<u>\$ 1,980,972</u>	<u>\$ 3,754,076</u>

The General Fund is the chief operating fund of the City of Weldon Spring. As a measure of the General Fund's liquidity, it may be useful to compare general fund balance to general fund total expenditures. General fund balance at September 30, 2020 represents 220% of general fund total 2020 expenditures. The fund balance in the City's General Fund increased by \$71,947 or 5.7% from prior year fund balance.

CAPITAL ASSETS

The City has invested \$19,115,276 at September 30, 2020 in a broad range of capital assets, including land and land improvements, building, machinery and equipment, infrastructure, and construction in progress. This amount includes a net decrease for the current fiscal year (including additions and deductions) of \$285,339. The City's capital assets, net of accumulated depreciation, consisted of:

	<u>September 30, 2020</u>	<u>September 30, 2019, Restated</u>
Land and land improvements	\$ 1,089,351	\$ 1,076,766
Building	507,790	529,276
Machinery and equipment	230,635	107,689
Infrastructure	17,243,270	17,686,884
Construction in progress	<u>44,230</u>	<u>-</u>
Total capital assets, net of accumulated depreciation	<u>\$ 19,115,276</u>	<u>\$ 19,400,615</u>

Additional information on the City's capital assets can be found on page 19 in Note 3 of the notes to the financial statements.

CITY OF WELDON SPRING, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

BUDGETARY HIGHLIGHTS

The following significant variances occurred between 2020 final budget and 2020 actual revenue and expenditures. The budget is prepared on the modified cash basis of accounting.

<u>General Fund</u>	<u>Actual</u>	<u>Budget</u>	
LAGERS expenditures	\$ 87,906	\$ -	\$84,586 lump sum was paid to address prior service cost liability when participation began August 2020.
Consulting expense	\$ -	\$ 12,000	City-wide survey project abandoned due to pandemic.
<u>Municipal Hall and Park Fund</u>			
Sales tax revenue	\$ 340,473	\$ 250,000	City expected a decrease due to COVID. Also, recovered \$34,000 as the result of a City audit of addresses.
LAGERS expenditures	\$ 27,289	\$ -	\$26,712 lump sum was paid to address prior service cost liability when participation began August 2020.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the year-ending September 30, 2021, the City projects total revenue of \$1,548,565 and total expenditures of \$2,216,781. The City projects 2021 revenue for the General Fund of \$598,390 and 2021 expenditures of \$609,765. Appropriations in excess of projected revenue will be funded with cash reserves at September 30, 2020.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Michael Padella
City of Weldon Spring
5401 Independence Road
Weldon Spring, MO 63304

CITY OF WELDON SPRING, MISSOURI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	3,556,815
Receivables	329,864
Total current assets	<u>3,886,679</u>
Capital assets, net of accumulated depreciation	
Land and land improvements	1,089,351
Construction in progress	44,230
Building	507,790
Machinery and equipment	230,635
Infrastructure	17,243,270
Total capital assets, net of accumulated depreciation	<u>19,115,276</u>
Total assets	<u>23,001,955</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	<u>114,946</u>
LIABILITIES	
Current liabilities	
Accounts payable	27,007
Accrued salaries and payroll taxes	17,742
Court bonds	1,349
Performance deposits	61,000
Noncurrent liabilities:	
Liability for compensated absences	13,883
Total liabilities	<u>120,981</u>
NET POSITION	
Net investment in capital assets	19,115,276
Unrestricted	<u>3,880,644</u>
Total net position	<u><u>22,995,920</u></u>

CITY OF WELDON SPRING, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Net Revenue (Expenses)
Primary government					
Governmental activities					
General government and court	532,550	105,508	-	-	(427,044)
Law enforcement	235,420	65,111	-	-	(170,309)
Parks and recreation	230,843	3,466	-	-	(227,377)
Road	1,081,222	-	213,597	498,205	(369,420)
Sewer administration and maintenance	9,590	6,898	-	-	(2,692)
Total governmental activities	2,089,625	180,981	213,597	498,205	(1,196,842)
General Revenues					
Sales tax					405,198
Franchise fees					497,467
Investment income					15,773
Other					561
Total general revenues					918,999
CHANGE IN NET POSITION					(277,843)
NET POSITION, BEGINNING OF YEAR, RESTATED					23,273,763
NET POSITION, END OF YEAR					22,995,920

See Notes to Financial Statements

CITY OF WELDON SPRING, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	Municipal Hall and Park Fund	Road, Bridge and Public Safety Fund	Nonmajor Sewer Fund	Total Governmental Funds
ASSETS					
Pooled cash and cash equivalents	1,292,377	1,939,636	153,361	98,190	3,483,564
Other cash and cash equivalents	68,105	-	5,146	-	73,251
Receivables	49,649	83,686	196,529	-	329,864
Total assets	1,410,131	2,023,322	355,036	98,190	3,886,679
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	27,007	-	27,007
Accrued salaries and payroll taxes	12,293	5,449	-	-	17,742
Court bonds	1,349	-	-	-	1,349
Performance deposits	61,000	-	-	-	61,000
Total liabilities	74,642	5,449	27,007	-	107,098
Fund balance:					
Committed to:					
Subsequent budget	47,281	288,006	328,029	-	663,316
Municipal hall and park improvements	-	1,729,867	-	-	1,729,867
Sewer lateral repairs	-	-	-	98,190	98,190
Unassigned	1,288,208	-	-	-	1,288,208
Total fund balance	1,335,489	2,017,873	328,029	98,190	3,779,581
Total liabilities and fund balance	1,410,131	2,023,322	355,036	98,190	

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

Capital assets of \$26,331,052 net of accumulated depreciation of \$7,215,776, are not financial resources and, therefore, are not reported in the governmental funds.	19,115,276
Deferred outflows related to pensions is not a use of financial resources and, therefore, are not reported in the governmental funds	114,946
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long term liabilities at year end consist of:	
Liability for compensated absences	(13,883)
Net position of governmental activities	22,995,920

See Notes to Financial Statements

CITY OF WELDON SPRING, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General	Municipal Hall and Park Fund	Road, Bridge and Public Safety Fund	Nonmajor Sewer Fund	Total Governmental Funds
REVENUES					
Taxes	-	405,197	426,329	6,898	838,424
Franchise fees	497,467	-	-	-	497,467
Permits, licenses and applications	96,362	-	-	-	96,362
Court fines	63,976	-	-	-	63,976
Grants	-	-	3,182	-	3,182
Rentals	-	2,877	-	-	2,877
Other	9,707	589	19,946	-	30,242
Interest	9,517	6,256	-	-	15,773
Total revenues	677,029	414,919	449,457	6,898	1,548,303
EXPENDITURES					
Current:					
General government and court	589,784	-	-	-	589,784
Law enforcement	-	-	235,420	-	235,420
Parks and recreation	-	216,011	-	-	216,011
Occupancy	-	17,282	-	-	17,282
Road and bridge	-	-	253,842	-	253,842
Sewer	-	-	-	9,590	9,590
Capital outlay	15,298	181,927	59,367	-	256,592
Total expenditures	605,082	415,220	548,629	9,590	1,578,521
NET CHANGES IN FUND BALANCE	71,947	(301)	(99,172)	(2,692)	(30,218)
FUND BALANCE, BEGINNING OF YEAR , RESTATED	1,263,542	2,018,174	427,201	100,882	3,809,799
FUND BALANCE, END OF YEAR	1,335,489	2,017,873	328,029	98,190	3,779,581

CITY OF WELDON SPRING, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balance – total governmental funds \$(30,218)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the net effect of these differences

Capital asset purchases	179,068	
Capital asset donations	263,480	
Depreciation	(800,406)	
		(357,858)

The net effect of various transactions in valuing certain assets, deferred outflows and liabilities do not require the current financial resources and therefore are not reported as expenditures in the governmental funds:

Increase in deferred outflows related to pensions	114,946
Increase in liability for compensated absences	(4,713)

Change in net position of governmental activities \$(277,843)

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Weldon Spring, Missouri, (the City) is a fourth-class city and was incorporated on November 18, 1984 and established a Mayor-Board of Aldermen form of government. The City's major operations include general administrative services, planning and zoning activities, road development and maintenance, park development and management, and sewer maintenance.

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on the criteria identified in GASB 61 there are no significant component units required to be included as part of the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish *governmental activities*, which normally are supported by taxes and City general revenues, from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The City has no business-type activities.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

Road and Bridge Special Revenue Fund – is used to account for certain revenues legally restricted to expenditures for the construction or servicing of roads and bridges.

Municipal Hall and Park Special Revenue Fund – is used to account for certain revenues committed to improvements and maintenance of the municipal city hall and park.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized 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 purpose. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgment, are recorded when payment is due.

D. CAPITAL ASSETS, DEPRECIATION AND AMORTIZATION

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. During 2020, the City accepted the dedication of certain subdivision streets and sewers valued at \$172,532 and certain public sidewalks valued at \$90,948.

During the implementation of GASB 34, the City elected not to report general infrastructure assets retroactively. Therefore, no general infrastructure assets purchased or placed in service prior to October 1, 2003 are included in the statement of net position.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Land and building improvements	20
Infrastructure	30
Park equipment	10
Heavy maintenance equipment	10
Vehicles	5
Office equipment	5
Computer equipment	5

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. COMPENSATED ABSENCES

Full time employees are granted vacation and sick leave based on length of service. Vacation accrues on January 1 of each year. An employee may carryover no more than eighty hours of vacation to the following calendar year. Upon termination, the employee is paid for unused vacation.

Unused sick leave is paid out during each January at 50% of the employees total remaining unused balance of sick leave as of December 31st. Employee's leaving employment voluntarily are paid a percentage of the remaining unused balance of sick leave based on years of service.

The unpaid liability for compensated absences totaled \$13,833 at September 30, 2020.

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The only deferred outflow of resources the City has included in the September 30, 2020 financial statements is related to its pension which represents contributions made after June 30, 2020 (measurement date used by LAGERS).

G. EQUITY CLASSIFICATIONS

Government-wide Statements

The government-wide financial statements utilize a net position presentation. Net position is displayed as three components:

- *Net investment in capital assets* represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Also included in the calculation are related bond premiums and discounts and the deferred outflows or inflows of resources on refunding of bonds.
- *Restricted net position* consists of net position with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) through constitutional law provisions or enabling legislation. None of the net position at September 30, 2020 is restricted by enabling legislation.
- *Unrestricted net position* represents the net position available for future operations.

It is the City's policy to use restricted resources before unrestricted resources.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental Fund Statements

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.

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 Aldermen – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Aldermen 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 City's Board of Aldermen has 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, the City will spend amounts in the order of restricted, committed, then assigned.

H. PENSION

The City of Weldon Spring joined the Missouri Local Government Employees Retirement System (LAGERS) on August 1, 2020. Because the effective date is subsequent to the actuarial valuation date of February 29, 2020, LAGERS is unable to provide the complete GASB 68 reporting documents. The City of Weldon Spring will fully comply with the GASB 68 reporting requirements with our September 30, 2021 reporting period.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. USE OF ESTIMATES

The preparation of financial statements requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. PRIOR PERIOD CORRECTION

Corrections have been made to the previously issued September 30, 2019 financial statements to address the following issues:

Depreciation on long-term capital assets was understated at September 30, 2019 due to an error in the date a completed street project was placed in service.

Tax receivable at September 30, 2019 was calculated using tax revenue received thirty days subsequent to year end instead of sixty days subsequent to year end. Sixty days more appropriately reflects when tax revenue is available to the City.

The impact of the corrections on the government-wide net position and fund balances as previously reported at September 30, 2019 follows:

	<u>Governmental Activities</u>	<u>Municipal Hall and Park Fund</u>	<u>Road, Bridge and Public Safety Fund</u>
Net position/fund balance, previously reported, September 30, 2019	\$ 23,297,460	\$ 1,980,972	\$ 408,680
Understated depreciation	(79,420)	-	-
Understated tax revenue	<u>55,723</u>	<u>37,202</u>	<u>18,521</u>
Net position/fund balance, restated September 30, 2019	<u>\$ 23,273,763</u>	<u>\$ 2,018,174</u>	<u>\$ 427,201</u>

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. The City maintains a deposit pool that is available for use by all funds. Each fund's portion of the pool is displayed on the balance sheet.

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. At September 30, 2020, all cash and cash equivalents were fully insured or collateralized with securities held by the City or by its agent in the City's name.

The surplus funds of the City may be legally invested in any of the securities identified as eligible in Section 30.270 of Missouri State Statutes. The City has no investments at September 30, 2020.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	<u>Balance September 30 2019</u>	<u>2020 Increases</u>	<u>2020 Decreases</u>	<u>Ending Balance September 30 2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,019,664	\$ -	\$ -	\$ 1,019,664
Construction in progress	-	44,230	-	44,230
Total capital assets, not being depreciated	<u>1,019,664</u>	<u>44,230</u>	<u>-</u>	<u>1,063,894</u>
Capital assets being depreciated:				
Land improvements	148,088	19,587	-	167,675
Buildings	808,664	-	-	808,664
Machinery and equipment	233,409	137,076	(17,461)	353,024
Infrastructure	<u>23,696,140</u>	<u>314,174</u>	<u>(72,519)</u>	<u>23,937,795</u>
Total capital assets being depreciated	<u>24,886,301</u>	<u>470,837</u>	<u>(89,980)</u>	<u>25,267,158</u>
Less accumulated depreciation for:				
Land improvements	(90,986)	(7,002)	-	(97,988)
Buildings	(279,388)	(21,486)	-	(300,874)
Machinery and equipment	(125,720)	(14,130)	17,461	(122,389)
Infrastructure	<u>(5,936,737)</u>	<u>(757,788)</u>	<u>-</u>	<u>(6,694,525)</u>
Total accumulated depreciation	<u>(6,432,831)</u>	<u>(800,406)</u>	<u>17,461</u>	<u>(7,215,776)</u>
Total capital assets being depreciated, net	<u>18,453,470</u>	<u>(329,569)</u>	<u>(72,519)</u>	<u>18,051,382</u>
Governmental activities capital assets, net	<u>\$ 19,473,134</u>	<u>\$ (285,339)</u>	<u>\$ (72,519)</u>	<u>\$ 19,115,276</u>

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

Governmental activities:

General government	\$ 11,773
Parks	30,845
Infrastructure	<u>757,788</u>
Total depreciation expense governmental activities	<u>\$ 800,406</u>

The following balance at September 30, 2019 was restated for a prior period correction:

	<u>Accumulated Depreciation</u>
Previously stated	\$ (6,353,411)
Understated depreciation on infrastructure in service 9/30/19	<u>(79,420)</u>
Restated	<u>\$ (6,432,831)</u>

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 4: LONG-TERM LIABILITIES

The changes in long-term debt during the year ended September 30, 2020 related to governmental activities are summarized as follows:

	Balance September 30, 2019	Additions	Decreases	Balance September 30, 2020
Compensated absences	\$ 9,169	\$ 13,670	\$ 8,956	\$ 13,883

NOTE 5: EMPLOYEE RETIREMENT PLAN

Plan description

The City of Weldon Spring defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Effective, August 2020, the City of Weldon Spring 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 operate and 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.

Benefits provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing board 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.

LAGERS provisions elected by the City and used in August 31, 2019 valuation to determine contribution rates:

Benefit Multiplier:	1.5% for life
Final Average Salary:	5 Years
Rule of 80 adopted	No
Member Contributions:	4%

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

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 5: EMPLOYEE RETIREMENT PLAN, Continued

Employees covered by benefit terms

At September 30, 2020, the following employees were covered by the benefit terms:

	<u>General</u>
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>5</u>
Total	<u><u>5</u></u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. The employer contribution rate at August 1, 2020 is 6.5% of active member payroll.

Net Pension Liability

The City's annual measurement date for the net pension liability will be June 30. Since the City's initial participation began August 1, 2020, the net pension liability will be measured at June 30, 2021 and included in the September 30, 2021 financial statements.

Actuarial assumptions used to determine contribution rates

Contribution rates were determined using an August 31, 2019 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

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

The actuarial assumptions used in the August 31, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 5: EMPLOYEE RETIREMENT PLAN, Continued

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</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash / Leverage	(25.00%)	(.51%)

Pension Expenditures and Deferred Outflows of Resources

Pension expenditures included in the fund financial statements totaled \$114,946. Since these expenditures were paid subsequent to LAGERS last reporting period of June 30, 2020, the government-wide statement of net position reports the \$114,946 as a deferred outflow of resources.

NOTE 6: INTERFUND TRANSACTIONS

During 2020, the Road, Bridge and Public Safety Fund repaid the General Fund the \$925,000 advance made during 2019 and which was outstanding at September 30, 2019.

NOTE 7: CONTINGENCIES

The City is a plaintiff in a legal proceeding related to a certain construction contract. The outcome of the proceeding cannot be determined at this time.

NOTE 8: COURT FINES

Total court fine revenues of \$63,976 represent 6.04% of general operating revenues.

NOTE 9: RELATED PARTY

During 2020, the City paid a company owned by a certain alderman \$50,694 for culver repairs. No amounts were owed at September 30, 2020.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 10: COMMITMENTS

Deposits Held by St. Charles County

At September 30, 2020, deposits were held at St. Charles County totaling \$5,146. The City has committed to make four quarterly payments of \$28,075 each beginning January 2020 to fund planned road improvements to be completed by St. Charles County on behalf of the City which exceed the City's allocation of road and bridge tax administered by St Charles County.

NOTE 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for all risks of loss. Settled claims have not exceeded coverage in any of the last three years.

NOTE 12: FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The Statements which might impact the City are as follows:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of Construction*. The objective of this Statement are: 1) to enhance the relevance and comparability of information about capital assets and the costs of borrowing for a reporting period and 2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.
- GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods after December 15, 2021.

NOTE 13: SUBSEQUENT EVENTS

COVID 19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 coronavirus a global pandemic. As a result, economic uncertainties have arisen which could adversely affect revenues. Other financial impacts could also occur though such potential impacts are unknown at this time.

Management Review

Subsequent events have been evaluated through March 3, 2021, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WELDON SPRING
 REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGET BASIS)
 YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual - Budget Basis	Variance with Final Budget - Positive (Negative)
REVENUES				
Franchise Fees	426,310	422,560	500,171	77,611
Permits, licenses and applications	52,156	55,420	92,121	36,701
Courts	66,938	58,350	63,976	5,626
Other	1,763	1,763	9,707	7,944
Interest	31,000	9,000	9,517	517
Total revenues	578,167	547,093	675,492	128,399
EXPENDITURES				
Payroll	268,489	261,286	267,664	(6,378)
Payroll taxes and benefits	76,222	76,222	152,787	(76,565)
City attorney	36,050	20,000	16,086	3,914
City engineer	21,325	23,800	30,956	(7,156)
City planner	6,250	3,200	2,880	320
Other professional fees	44,625	51,219	29,074	22,145
Insurance	18,506	17,771	16,732	1,039
Other administrative costs	97,950	72,170	71,475	695
Total administrative	569,417	525,668	587,654	(61,986)
Capital outlay	8,750	8,750	15,298	(6,548)
Total expenditures	578,167	534,418	602,952	(68,534)
REVENUES OVER (UNDER) EXPENDITURES	-	12,675	72,540	59,865
OTHER FINANCING SOURCES				
Operating transfers in (out)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	12,675	72,540	59,865
RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS				
Accounts receivable 9/30/20			49,649	
Accounts receivable 9/30/19			(48,112)	
Accounts payable 9/30/20			-	
Accounts payable 09/30/19			1,754	
Accrued wages 9/30/20			(12,393)	
Accrued wages 09/30/19			8,509	
			(593)	
NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS			71,947	

CITY OF WELDON SPRING
REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPAL HALL AND PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGET BASIS)
YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual - Budget Basis	Variance with Final Budget - Positive (Negative)
REVENUE				
Taxes	300,400	265,200	384,441	119,241
Contributions	5,250	250	250	-
Rentals and other	3,913	1,700	3,216	1,516
Interest	38,000	9,000	6,256	(2,744)
Total revenues	347,563	276,150	394,163	118,013
EXPENDITURES				
Occupancy	19,254	21,284	17,282	4,002
Park and recreation	231,732	179,820	212,745	(32,925)
Capital outlay	475,189	219,679	181,927	37,752
Total expenditures	726,175	420,783	411,954	8,829
NET CHANGE IN FUND BALANCE	(378,612)	(144,633)	(17,791)	126,842
RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS				
Accounts receivable 9/30/20			83,686	
Accounts receivable 9/30/19			(62,930)	
Accrued wages 9/30/20			(5,449)	
Accrued wages 9/30/19			2,183	
			<u>17,490</u>	
NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS			<u>(301)</u>	

CITY OF WELDON SPRING
REQUIRED SUPPLEMENTARY INFORMATION
ROAD, BRIDGE AND PUBLIC SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGET BASIS)
YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual - Budget Basis	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	434,409	400,114	426,860	26,746
Grants	1,707,951	1,569,946	1,644,107	74,161
Other	995	905	19,946	19,041
Total revenues	2,143,355	1,970,965	2,090,913	119,948
EXPENDITURES				
Road and bridge	277,060	294,887	253,842	41,045
Law enforcement	235,405	235,420	235,420	
Capital outlay	275,966	435,873	520,146	(84,273)
Total expenditures	788,431	966,180	1,009,408	(43,228)
REVENUES OVER (UNDER)				
EXPENDITURES	1,354,924	1,004,785	1,081,505	76,720
OTHER FINANCING SOURCES				
Operating transfers in (out)	-	-	-	-
NET CHANGES IN FUND BALANCE	1,354,924	1,004,785	1,081,505	76,720
RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS				
Accounts receivable 9/30/20			196,529	
Accounts receivable 9/30/19			(1,837,985)	
Accounts payable 9/30/20			(27,007)	
Accounts payable 9/30/19			487,786	
			<u>(1,180,677)</u>	
NET CHANGE IN FUND BALANCE - MODIFIED ACCRUAL BASIS			<u>(99,172)</u>	

CITY OF WELDON SPRING, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

NOTE 1: BUDGET POLICY AND PRACTICE

Annual appropriated budgets are adopted for all governmental funds. Budgets are adopted in accordance with the modified basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Accordingly, budgeted revenues do not reflect revenues earned but not received and budgeted expenditures do not include expenditures incurred but not paid. The City follows these procedures in establishing its annual budgets as reflected in the financial statements:

- a) The proposed budget is submitted to the Board of Aldermen for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenue of the preceding year plus any unreserved balance at the end of such year.
- b) Public hearings are conducted in the City to obtain taxpayer input and comment.
- c) The budget must be adopted by the affirmative vote of a majority of the Board of Aldermen for each fiscal year.
- d) During the year, the Board of Aldermen may authorize supplemental appropriations to the budget.
- e) All appropriations not spent lapse at fiscal year-end.

A reconciliation of the modified cash basis budget to the GAAP basic financial statements is provided for each major fund.

NOTE 2: EXPENDITURES EXCEEDING BUDGET APPROPRIATIONS

Expenditures exceeded budgetary appropriations for the year ended September 30, 2020, as follows:

<u>Fund</u>	<u>Expenditures In Excess of Appropriations</u>
General Fund	\$ 68,534
Road, Bridge and Public Safety Fund	\$ 43,228

These expenditures were funded by cash reserves or other financing sources.

CITY OF WELDON SPRING, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	Fiscal Year 2020
Actuarially determined pension contribution	1,540
Contribution in relation to the actuarially determined contribution	<u>1,540</u>
Contribution Deficiency (Excess)	<u>0</u>
Covered Employee Payroll	<u>23,696</u>
Covered Employee Payroll Contributions as a Percentage of Covered Employee Payroll	<u>6.50%</u>

Notes to schedule:

The City began participating in LAGERS effective August 1, 2020. This schedule will ultimately contain 10 years of data.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	15 years
Asset valuation method	5 year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.
	Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017.
	Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF WELDON SPRING
4/13/21- BOA Meeting (Changes in Red)
CITY CLERK'S LEGISLATIVE REPORT

Here are some of the legislative issues that the City of Weldon Spring may be interested in monitoring this session:

Video Franchising

- **HB 386 (Sponsor: Fitzwater)** – The Bill establishes a Task Force on the Future of Right-Of-Way Management and Taxation. Also, lowers video franchise fees from 5% to 2.5 % over 5 years. This Bill was referred to the House Committee on Utilities on February 4, 2021.
 - **Major Potential Impact to WS** – City's video franchise fees from Spectrum and AT&T would be reduced over time down by \$28,964 and \$11,962 respectively. This would be an estimated reduction to our General Fund revenue by 7% annually ultimately.
- **SB 163 (Sponsor: Cierpiot)** – The Bill has the very similar language to HB 386 in creating a task force and reducing video franchise fees from 5% to 2.5% over the next 5 years. This Bill was passed out of the Senate Commerce, Consumer Protection, Energy, and the Environment Committee with an 10-0 vote (1 absent) on February 24, 2021. **This Bill was placed on the Senate informal perfection calendar on April 12, 2021.**
 - **Major Potential Impact to WS** - City's video franchise fees from Spectrum and At&t would be reduced over time down by \$28,964 and \$11,962 respectively. This would be an estimated reduction to our General Fund revenue by 7% annually ultimately.

Wayfair Legislation

Note: There are several different Bills introduced in the State Legislature regarding Wayfair Legislation (Internet Sales). Gov. Mike Parson identified the tax as a priority this session, hoping to bolster the state's economy through ever-increasing online commerce. Here are some of the Bills that are gaining the most momentum on the topic:

- **HB 644 (Sponsor: Faulkner)** – The Bill implements Wayfair Sale and Use Tax Agreement. On February 22, 2021, the Bill was passed out of the House Ways and Means Committee with an 7-2 vote and referred to the House Rules Committee on Administrative Oversight.
 - **Support this Initiative**
- **SB 153 (Sponsor: Koenig)** – The Bill allows the state, cities, and counties to capture use tax revenue from out-of-state retailers that do not have a physical presence in the state of

Missouri (Wayfair Legislation). **The Bill is scheduled for a hearing before the House Ways & Means Committee.**

- The Missouri Municipal League strongly supports SB 153.
- **HB 554 (Sponsor: Eggleston)** – This bill implements Wayfair sales and use tax law. However, the Bills includes several harmful provisions for municipalities, such as requiring voters to re-approve use taxes previously approved, prohibiting municipalities from imposing any tax/fee/license on satellite or streaming services, and not including language pushing the implementation of the definition of cable gross revenue to 2023. On March 11, 2021, the House passed the bill by a 96-59 vote. **The Bill is scheduled for a hearing before the Senate Ways & Means Committee.**
 - **The Missouri Municipal League strongly opposes HB 554.**

Taxation

- **HB 210 (Sponsor: Gray)** – This Bill exempts food, as defined in the bill, from local sales tax.
 - **Low Potential Impact to WS** – This may impact food sales at retailers such as Walgreens, QT and Circle K.
- **SB 24 (Sponsor: Eigel)** – The current law requires that personal property be assessed at 33.3% of its true value in money, but this act would start reducing personal property tax to 25% for the 2022 calendar year, 19% for the 2023 calendar year, 13% for the 2024 calendar year, 7% for the 2025 calendar year, and 0.001% for all subsequent years. **This Bill was placed back on the Senate informal perfection calendar on April 12, 2021.**
 - **Medium Potential Impact to WS** – County Road & Bridge property tax would be negatively impacted, and the portion allocated to Weldon Spring would be reduced by \$11K - \$15K annually by 2026. This would be roughly a 5% - 7% annual reduction to our Road & Bridge Maintenance Fund ultimately.
- **SB 99 (Sponsor: Koenig)** – The Bill changes the requirement for community improvement districts (CIDs) and transportation development districts (TDDs) for sales tax on purchases made within such districts from the approval of majority of voters living within the district, to the approval of majority of the voters in the municipality, in which the district is located. This Bill was referred to the Ways & Means Senate Committee on January 21, 2021.
 - **Potential Future Impact on all CIDs & TDDs** – Would increase the lead time adding election and legal fees to the process.
- **SB 252 (Onder)** – The Bill requires that 0.5% of the 3% state sales tax shall be deposited into the State Road Fund. The remaining 2.5% shall continue to be deposited into the

General Revenue Fund. The act phases in the amount deposited into the State Road Fund over a period of five years, with an increase of 0.1% each year. This Bill was referred to the Senate Transportation, Infrastructure, and Public Safety Committee on January 28, 2021

➤ **Unknown Impact...**

Election

- **HB 920 (Sponsor: Baker)** – The Bill changes municipal election day to November. Also, the Bill modifies the procedures to follow in the event there is a vacancy. **This Bill was placed on the House informal perfection calendar on April 7, 2021.**

➤ **Negative Impact** – This Bill could encourage local election turnout; however, this could create a more expensive election for political subdivisions because more ballot styles might be needed. By moving the municipal elections to November, the ballot will be longer, which would possibly create ballot fatigue for the voters and bury local issues on the ballot.

- **SB 27 (Sponsor: Crawford)** – The Bill will shorten the municipal election filing period from 4 weeks to 2 weeks. This Bill passed the Senate. **On March 8, 2021, the Bill was read for the second time in the House.**

➤ **Support this Initiative**

- **SB 161 (Sponsor: Crawford)** – The Bill modifies ballot language required for the submission of a local use tax to voters by including language stating that the approval of the local use tax will eliminate the disparity in tax rates collected by local and out-of-state sellers by imposing the same rate on all sellers. This Bill was referred to the Local Government & Elections Senate Committee on January 28, 2021.

➤ **Support this Initiative**

- **SJR 5 (Sponsor: Eigel)** - This constitutional amendment, if approved by the voters, requires all proposals for new local taxes or fees or for an increase in an existing tax or fee to be submitted to the voters on a general election day. This Bill was referred to the Senate Local Government and Elections Committee on February 8, 2021.

➤ **Negative Impact** – This will create a bigger hurdle for proposing tax/fee ballot initiatives with longer ballots and difficulty to educate the voter on a local issue as more campaign literature distributed.

- **SJR 9 (Sponsor: Cierpiot)** - This constitutional amendment, if approved by the voters, provides that any proposal for a new tax or fee, an increase in an existing tax or fee, or a reauthorization of an existing tax or fee that is submitted to the voters for approval shall not become effective unless it receives a qualified majority in favor and at least 22% of qualified voters cast a ballot in the election. This Bill was referred to the Senate Local Government and Elections Committee on February 8, 2021.

- **Negative Impact** – This would greatly increase the difficulty in obtaining positive tax/fee initiative outcomes.

Sunshine Law & Records

- **HB 27 (Sponsor: Walsh)** - Requires posting meeting notices and Minutes on the City's website and social media pages. Plus, all approved legislation must be posted on the City's website and social media pages within 24 hours after the meeting. This Bill was referred to the House Special Committee on Government Accountability Committee on January 14, 2021. **This Bill was passed out of the House Rules of Administrative Oversight by a vote of 11-0 on March 25, 2021.**
 - **Negative Impact** – Unfunded Mandate - Increases the demands on staff and entity resources to comply with Sunshine Laws as it relates to social media. Would likely require more sophisticated software to track and record social media posts and auto archive.
- **HB 177 (Sponsor: Ellebracht)** - The City would be allowed to close records on discussions and descriptions about security procedures, which includes evacuation and lock down procedures. **This Bill was placed on the House informal perfection calendar on March 31, 2021.**
 - **Support this Initiative** – Provides a level of security to the public entity as it relates to security and safety operations/response and procedures.
- **HB 362 (Sponsor: DeGroot)** – Allows the City to close records related to email addresses and telephone numbers submitted to a public governmental body by individuals or entities with the sole purpose of receiving electronic or other communications. On February 18, 2021, the House passed the bill by a 149-1 vote. **The Senate Governmental Accountability & Fiscal Oversight Committee heard this Bill on March 24, 2021.**
 - **Support this Initiative** – Allows the public to register and request to receive automatic notices/correspondence and not be subjected to a Records/Sunshine Request to obtain their personal contact information.

Miscellaneous

- **SB 126 (Sponsor: Brown)** – This Bill extends the hours for sale of intoxicating liquor. **This Bill was placed on the Senate formal perfection calendar on April 12, 2021.**
 - **Impact to WS** – This will allow some local businesses more flexibility and opportunity to increase their sales.
- **SB 283 (Sponsor: Hoskins)** – This Bill allows bars and restaurants to permanently sell alcoholic drinks to go. **On March 26, 2021, the Bill was read for the second time in the House.**

- **Impact to WS** – The State temporarily allowed this provision during the pandemic. This will continue the flexibility and opportunity to increase their sales on a permanent basis.
- **HB 271 (Sponsor: Wiemann)** – The Bill establishes the "Missouri Local Government Expenditure Database", to be maintained by the Office of Administration. The City may voluntarily participate in the database or may be required to participate if a petition process used by its residents is used to require participation as specified in the bill. A link to the database on the City's website is required. On February 18, 2021, the House passed the bill by a 149-2 vote. **The hearing was scheduled for March 31, 2021, before the Senate Local Government & Elections Committee**
 - **Neutral/Impact Unknown**
- **HB 491 (Sponsor: Grier)** - This bill prohibits municipalities from restricting the operation of a "no-impact home-based business" or otherwise requiring a person to apply for or obtain a permit, license, variance, or other prior approval to operate a no-impact home-based business. The bill establishes a list of factors that qualify a home-based business as a no-impact home-based business. **This Bill was placed on the House informal perfection calendar on March 31, 2021.**
 - **Negative Impact** – This Bill would prohibit local governments from issuing home-based business licenses. Currently, the City of Weldon Spring has 35 home-based businesses that have licenses and some of those businesses remit sales tax to the state. Without the ability to issue business licenses or renewals, it will be difficult to have a check and balance to ensure that these businesses are remitting the right sales tax because I require a no-tax due letter before issuing any license from the City of Weldon Spring. Without a check for compliance, our sale tax revenue could be affected. Furthermore, approximately in \$1,225.00 in license fees would be lost annually. Also, Bill 491 will create more difficulty in maintaining the residential character of local neighborhoods.
- **HB 555 (Sponsor: Eggleston)** – This bill is an omnibus bill. While it implements Wayfair legislation, it lowers income tax, requires municipal voter approval of CIDs and TDDs, gradually eliminates video service provider fees, creates penalties for political subdivisions failing to file annual financial reports, including a public vote for disincorporation, and changes definition of blight for economic development. **This Bill was placed on the House informal perfection calendar on March 31, 2021.**
 - **Negative Impact** – This could decrease the overall revenue stream for the City and make economic development more challenging for the City

For further information on any proposed legislation, please check out the following links:

- ✓ Municipal League of Metro St. Louis Legislative Report:

<https://www.stlmuni.org/wp-content/uploads/2021/02/LEGISLATIVE-UPDATE-2-19-21.pdf>

- ✓ Missouri Municipal League Bills of Interest for Municipal Officials:

<https://www.govwatch.net/report/12676>

- ✓ Missouri General Assembly – House of Representative Home Page

<https://house.mo.gov/LegislationSP.aspx>

- ✓ Missouri General Assembly – Senate Home Page

<https://www.senate.mo.gov/legislation>